Section 1: 10-K (10-K)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2017

OR

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

For the transition period from _________ to _________

Commission file number 1-34259

Willbros Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**30-0513080**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

4400 Post Oak Parkway

Suite 1000
Houston, TX 77027
Telephone No.: 713-403-8000

(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)

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

Title of each class	Name of each exchange on which registered
Common Stock, $.05 Par Value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller Reporting 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 ☒

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant on the last business day of the Registrant's most recently completed second fiscal quarter (based on the closing sales price on the New York Stock Exchange on June 30, 2017) was $127,979,239.

The number of shares of the Registrant's Common Stock outstanding at March 26, 2018 was 63,221,610.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for in Items 10 through 14 of Part III are incorporated by reference to the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders, or will be included in an amendment to this Annual Report on Form 10-K.

WILLBROS GROUP, INC.
FORM 10-K
YEAR ENDED DECEMBER 31, 2017

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FORWARD-LOOKING STATEMENTS

This Form 10-K includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this Form 10-K that address activities, events or developments which we expect or anticipate will or may occur in the future, including such things as our ability to continue as a going concern, our ability to complete our planned merger with Primoris Services Corporation ("Primoris"), future capital expenditures (including the amount and nature thereof), oil, gas, gas liquids and power prices, demand for our services, the amount and nature of future investments by governments, expansion and other development trends of the oil and gas and power industries, business strategy, expansion and growth of our business and operations, the outcome of legal proceedings and other such matters are forward-looking statements. These forward-looking statements are based on assumptions and analyses we made in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties. As a result, actual results could differ materially from our expectations. Factors that could cause actual results to differ from those contemplated by our forward-looking statements include, but are not limited to, the following:

- our stockholders fail to approve the proposed merger transaction with Primoris;
- we or the other parties to the merger agreement are unable to satisfy the conditions to the completion of the merger, or are unable to obtain any regulatory approvals required for the merger on the terms expected, on the anticipated schedule, or at all;
- we are unable to close the merger or the merger is delayed, either as a result of litigation related to the transaction or otherwise;
- the parties are unable to achieve the anticipated benefits of the merger transaction;
- completing the merger may distract our management from other important matters;
- inability to comply with the financial and other covenants in or to obtain waivers under our credit facilities;
- the loss of customers, suppliers and key personnel that may occur as a result of our issuing financial statements with a "going concern" qualification or explanation, and the possibility that we may seek protection under the U.S. Bankruptcy Code;
- inability to obtain adequate financing on reasonable terms;
- curtailment of capital expenditures due to low prevailing commodity prices or other factors, and the unavailability of project funding in the power and oil and gas industries;
- inability to execute fixed-price and cost-reimbursable projects within the target cost, thus eroding contract margin and, potentially, contract income on any such project;
- inability to satisfy New York Stock Exchange ("NYSE") continued listing requirements for our common stock;
- increased capacity and decreased demand for our services in the more competitive industry segments that we serve;
- the demand for energy moderating or diminishing;
- cancellation or delay of projects, in whole or in part, for any reason;
- failure to obtain the timely award of one or more projects;
- inability to obtain sufficient surety bonds or letters of credit;
- reduced creditworthiness of our customer base and higher risk of non-payment of receivables;
- project cost overruns, unforeseen schedule delays and the application of liquidated damages;
- inability to lower our cost structure to remain competitive in the market or to achieve anticipated operating margins;
- inability of the energy service sector to reduce costs when necessary to a level where our customers' project economics support a reasonable level of development work;
- reduction of services to existing and prospective clients when they bring historically out-sourced services back in-house to preserve intellectual capital and minimize layoffs;

- the consequences we may encounter if, in the future, we identify any material weaknesses in our internal control over financial reporting, which may adversely affect the accuracy and timing of our financial reporting;
- the impact of any litigation, including class actions associated with our restatement of first and second quarter 2014 financial results on our financial position and results of operations, including our defense costs and the costs and other effects of settlements or judgments;
- adverse weather conditions not anticipated in bids and estimates;
- the occurrence during the course of our operations of accidents and injuries to our personnel, as well as to third parties, that negatively affect our safety record, which is a factor used by many clients to pre-qualify and otherwise award work to contractors in our industry;
- failing to realize cost recoveries on claims or change orders from projects completed or in progress within a reasonable period after completion of the relevant project;
- political or social circumstances impeding the progress of our work and increasing the cost of performance;
- inability to predict the timing of an increase in energy sector capital spending, which results in staffing below the level required to service such an increase;
- inability to hire and retain sufficient skilled labor to execute our current work, our work in backlog and future work we have not yet been awarded;
- loss of the services of key management personnel;
- the consequences we may encounter if we violate the Foreign Corrupt Practices Act (the "FCPA") or other anti-corruption laws in view of the 2008 final settlements with the Department of Justice and the Securities and Exchange Commission ("SEC") in which we admitted prior FCPA violations, including the imposition of civil or criminal fines, penalties, enhanced monitoring arrangements, or other sanctions that might be imposed;
- the dishonesty of employees and/or other representatives or their refusal to abide by applicable laws and our established policies and rules;
- inability to obtain and maintain legal registration status in one or more foreign countries in which we are seeking to do business;
- downturns in general economic, market or business conditions in our target markets;
- changes in and interpretation of U.S. and foreign tax laws that impact our worldwide provision for income taxes and effective income tax rate;
- changes in applicable laws or regulations, or changed interpretations thereof, including climate change regulation;
- changes in the scope of our expected insurance coverage;
- inability to manage insurable risk at an affordable cost;
- enforceable claims for which we are not fully insured;
- incurrence of insurable claims in excess of our insurance coverage;
- the occurrence of the risk factors listed elsewhere in this Form 10-K or described in our periodic filings with the SEC; and
- other factors, most of which are beyond our control.

Consequently, all of the forward-looking statements made in this Form 10-K are qualified by these cautionary statements and there can be no assurance that the actual results or developments we anticipate will be realized or, even if substantially realized, that they will have the consequences for, or effects on, our business or operations that we anticipate today. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Unless the context requires or is otherwise noted, all references in this Form 10-K to "Willbros," the "Company," "we," "us" and "our" refer to Willbros Group, Inc., its consolidated subsidiaries and their predecessors.

PART I

Items 1. and 2. Business and Properties

Company Information

Willbros is a specialty energy infrastructure contractor serving the power and oil and gas industries with offerings that primarily include construction, maintenance and facilities development services. We provide our services through operating subsidiaries, and our corporate structure is designed to comply with jurisdictional and registration requirements and to minimize worldwide taxes. Subsidiaries may be formed in specific work locations where such subsidiaries are necessary or useful to comply with local laws or tax objectives.

We maintain our headquarters at 4400 Post Oak Parkway, Suite 1000, Houston, TX 77027; our telephone number is 713-403-8000. Our public website is http://www.willbros.com. We make available free of charge through our website via a link to Edgar Online, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15 (d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

In addition, we currently make available on our website annual reports to stockholders. You will need to have the Adobe Acrobat Reader software on your computer to view these documents, which are in .PDF format.

The information contained on our website, or available by hyperlink from our website, is not incorporated into this Form 10-K or other documents we file with, or furnish to, the SEC. We may use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included on our website in the "Investor Relations" sections. Accordingly, investors should monitor such portions of our website, in addition to following our press releases, SEC filings, public conference calls and webcasts.

In addition, we use social media to communicate with our investors and the public about our Company, our businesses and our results of operations. The information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media and others interested in us to review the information we post on the following social media channels:

- The Company's Twitter account (twitter.com/willbros);
- The Company's LinkedIn account (linkedin.com/company/willbros); and
- The Company's Facebook account (facebook.com/WillbrosGroup).

Current Developments

Merger Agreement

On March 27, 2018, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Primoris and Waco Acquisition Vehicle, Inc., a wholly-owned subsidiary of Primoris (the "Merger Sub"). Pursuant to the Merger Agreement, Merger Sub will be merged into us, and we will become a wholly owned subsidiary of Primoris. The Merger Agreement includes customary representations, warranties and covenants. Primoris will pay $0.60 per share for all of our outstanding common stock. The Merger Agreement is expected to close in the second quarter of 2018, subject to satisfaction of customary closing conditions, including approval of the Merger Agreement by the requisite vote of our stockholders. Upon termination of the Merger Agreement in certain circumstances, we are obligated to pay Primoris a termination fee of $4.3 million and, in certain other circumstances, a termination fee of $8.0 million.

Term Forbearance Agreement

On March 27, 2018, we entered into a Forbearance Agreement (the "Term Forbearance Agreement") with the lenders under the 2014 Term Credit Agreement (the "Term Lenders"). Under the Term Forbearance Agreement, the Term Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2014 Term Credit Agreement with respect to certain defaults and events of default (the "Term Specified Defaults"). The Term Forbearance Agreement is effective until the earliest of (i) August 15, 2018 or the closing of the Merger Agreement or (ii) the occurrence of any one of several specified termination events including, among other things, the termination of the Merger Agreement (the "Term Forbearance Period"). The effectiveness of the Term Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the Term Forbearance Agreement or if we were to default under the Term Forbearance Agreement or the 2014 Term Credit Agreement,

other than Term Specified Defaults, the Term Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2014 Term Credit Agreement.

ABL Forbearance Agreement

On March 27, 2018, we entered into a Limited Forbearance Agreement (the "ABL Forbearance Agreement") with the lenders under the 2013 ABL Credit Facility (the "ABL Lenders"). Under the ABL Forbearance Agreement, the ABL Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2013 ABL Credit Facility with respect to certain defaults and events of default (the "ABL Specified Defaults"). The ABL Forbearance Agreement is effective until the earliest of (i) July 31, 2018 or the closing of the Merger Agreement or (ii) the occurrence of any one of several specified termination events including, among other things, the termination of the Merger Agreement (the "ABL Forbearance Period"). The effectiveness of the ABL Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the ABL Forbearance Agreement or if we were to default under the ABL Forbearance Agreement or the 2013 ABL Credit Facility, other than ABL Specified Defaults, the ABL Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2013 ABL Credit Facility.

Seventh Amendment to the 2014 Term Credit Agreement

On March 27, 2018, (the "Seventh Amendment Effective Date"), we amended the 2014 Term Credit Agreement pursuant to a Seventh Amendment among Willbros Group, Inc., as borrower, the guarantors from time to time party thereto, Primoris as initial first-out lender, the lenders from time to time party thereto and Cortland Capital Market Services LLC, as administrative agent (the "Seventh Amendment"). Under the terms of the Seventh Amendment, Primoris will provide us with an additional term loan in an amount equal to $10.0 million (the "Initial First-Out Loan") to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. The Initial First-Out Loan is subject to various terms and conditions including that no defaults shall have occurred and be continuing under the 2013 ABL Credit Facility or the 2014 Term Credit Agreement other than ABL Specified Defaults and Term Specified Defaults.

In addition, under the terms of the Seventh Amendment, Primoris may provide us with additional term loans in an aggregate amount not to exceed $10.0 million (the "Additional First-Out Loans"). Interest payable with respect to the Initial First-Out Loan and any Additional First-Out Loans will be paid in-kind through additions to the principal amount of such loans.

The Seventh Amendment further provides that, until the termination of the Term Forbearance Period, the due date of any payments due and owing to the lenders (other than Primoris) under the 2014 Term Credit Agreement will be deferred until the fifth business day after the date of the termination of the Term Forbearance Period. In addition, the Seventh Amendment provides that the payment by the borrower of an amount equal to $100.0 million plus the expenses of the administrative agent in an amount not to exceed $1.1 million shall constitute payment in full and satisfaction and discharge of all obligations of the borrower and the other loan parties under the 2014 Term Credit Agreement, but solely if such payment is made in connection with the consummation of the merger.

Going Concern

We have incurred significant operating losses, cash outflows from operating activities and a net working capital deficiency, We do not expect to be in compliance with the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the 2014 Term Credit Agreement beginning with the quarterly period ending March 31, 2018, primarily due to these significant operating losses in 2017. In addition, we are not in compliance with certain other provisions under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, which expires on August 7, 2018. Absent the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement, all of our debt obligations would become due under the default provisions in the 2014 Term Credit Agreement and the 2013 ABL Credit Facility. In addition, these significant operating losses and cash outflows have put a considerable strain on our overall liquidity. Although the Seventh Amendment provides us with additional short-term liquidity for the period between the signing of the Merger Agreement and the completion of the merger, we can provide no assurance that the merger will be completed. If we are unable to complete the merger, we will likely need to explore other strategic alternatives, which could include seeking protection under the U.S. Bankruptcy laws.

Our continuing failure to comply with financial covenants and other covenants, our inability to extend or refinance the 2013 ABL Credit Facility and our continuing liquidity issues raise substantial doubt about our ability to continue as a going concern, notwithstanding the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement and the short-term liquidity provided by the Seventh Amendment.

In consideration of the above facts and circumstances, at December 31, 2017, we have classified all of our debt obligations as current, which has caused our current liabilities to far exceed our current assets since such date. These debt obligations, net of unamortized discount and debt issuance costs, approximate $133.3 million at December 31, 2017.

Sale of Mainline Pipeline Construction Business

On January 9, 2018, we entered into an agreement to sell assets comprising our mainline pipeline construction business to WB Pipeline, LLC, an affiliate of Meridien Energy, LLC ("Meridien").

As part of the agreement, we retained the three mainline pipeline construction projects associated with the business through their completion. Two of these projects have reached mechanical completion with an existing letter of credit returned in the first quarter of 2018. The remaining right-of-way restoration and other clean-up activities associated with these projects are expected to be completed by the end of the third quarter of 2018.

With respect to the remaining mainline pipeline construction project, in the first quarter of 2018, we reached a settlement with the customer to mutually conclude the remaining work. In addition, the settlement releases us from further liability at the completion of the project. As such, we have withdrawn and released any outstanding change orders or claims associated with the project.

Business Segments

We have three reportable segments: *Utility T&D, Canada* and *Oil & Gas*. These segments are comprised of strategic businesses that are defined by the industries or geographic regions they serve. Each segment is led by a separate segment President who reports directly to our Chief Operating Decision Maker ("CODM").

The CODM evaluates segment performance using operating income which is defined as contract revenue less contract costs and segment overhead, such as amortization related to intangible assets and general and administrative expenses that are directly attributable to the segment.

One of our customers in our *Utility T&D* segment, Oncor, was responsible for 25.0 percent, 25.0 percent and 17.9 percent of our consolidated revenue from continuing operations for 2017, 2016 and 2015, respectively. Another one of our customers in our *Oil & Gas* segment, Enterprise Products Partners L.P., was responsible for 9.8 percent, 9.4 percent and 12.5 percent of our consolidated revenue from continuing operations in 2017, 2016 and 2015, respectively. See Note 14 – Segment Information in Item 8 of this Form 10-K for more information on our reportable segments and our contract revenue by geographic region.

On March 5, 2018, Oncor notified us of its election to extend its alliance agreement with the Company, under the terms and conditions currently in effect, through December 31, 2019.

On November 30, 2015, we sold the balance of our *Professional Services* segment to TRC Companies ("TRC"). As a result, the results of operations, financial position, cash flows and disclosures of the *Professional Services* segment, including the previously sold subsidiaries in 2015 of Willbros Engineers, LLC and Willbros Heater Services, LLC (collectively "Downstream Professional Services"), Premier Utility Services, LLC ("Premier") and UtilX Corporation ("UtilX"), are presented as discontinued operations for all periods presented. See Note 18 – Discontinued Operations in Item 8 of this Form 10-K for more information on our discontinued operations.

Utility T&D

We provide a wide range of services in electric and natural gas transmission and distribution ("T&D"), including comprehensive engineering, procurement, maintenance and construction, repair and restoration of utility infrastructure. Our collective services include engineering design, installation, maintenance, procurement, and repair of electrical transmission, distribution, substation, wireless and gas distribution systems. Our collective experience ranges from small engineering and consulting projects to multi-million dollar turnkey distribution, substation and transmission line projects, including those required for renewable energy facilities. Clients include investor-owned utilities, cooperatives, municipalities, gas and oil developers and operators, telecommunication companies and industrials. We strive to develop long-term partnerships with clients as the best means to help manage their power systems effectively.

Electric Power T&D Services

We provide a broad spectrum of overhead and underground electric power transmission and distribution services, from the engineering, maintenance and construction of high-voltage transmission lines to the installation of local service lines and meters.

Electric Engineering T&D Services

We provide professional engineering and design services for overhead and underground electric power transmission, distribution and substation infrastructure for investor-owned utilities, cooperatives, municipalities and generation developers. Services offered include design, design build, and engineering, procurement and construction.

Electric Power Transmission and Substation

We maintain and construct overhead and underground transmission lines up to 500-kV. Overhead transmission services include the installation, maintenance and repair of transmission structures involving wood, concrete, steel pole and steel lattice tower configurations. Underground transmission services include the installation and maintenance of underground transmission cable and its associated duct, conduit and manhole systems. Electric power transmission also includes substation services, which involve the maintenance, construction, expansion, modifications, upgrades and calibration and testing of electric power substations and components.

Electric Power Distribution

We maintain, construct and upgrade underground and overhead electric power distribution lines from 34.5-kV to household voltage levels. Our services encompass all facets of electric power distribution systems, including primary and secondary voltage cables, wood and steel poles, transformers, switchgear, capacitors, underground duct, manhole systems, as well as residential, commercial and electric meter installation.

Emergency Storm Response

Our nationwide emergency storm response capabilities span both electric power transmission and distribution systems. We provide storm response services for our existing customers ("on-system") as well as customers with which we have no ongoing Master Service Agreement ("MSA") relationships ("off-system"). Typically with little notice, our crews deploy nationally in response to hurricanes, ice storms, tornadoes, floods and other natural disasters which damage critical electric T&D infrastructure. Some notable examples of major emergency storm response deployments include the rebuilding of electric power distribution systems damaged by hurricanes and superstorms in Florida, Louisiana, Texas and New England.

Telecommunications

Our crews install and maintain overhead and underground telecommunications infrastructure, including conventional telephone cables, fiber optic installation cables, fiber to the premises (commonly referred to as FTTP), cellular towers, broadband-over-powerline and cable television lines.

Natural Gas T&D Services

We provide a full spectrum of natural gas T&D services related to the maintenance, construction and installation of residential natural gas service. Our services include turnkey underground distribution construction, using steel and plastic pipe, replacement and new business main line construction and service line installations, pipeline projects through any terrain, horizontal auger boring and specialty services including bridge crossings, vacuum excavation and water main line and service construction.

Renewable Energy Services

We provide construction services for transmission lines, collection substations and distribution collector systems required for renewable energy facilities, including turnkey services for balance of plant construction.

Canada

In Western Canada, Willbros is an industry leader in construction, maintenance and fabrication, well-known for piping projects, including integrity and supporting civil work, general mechanical and facility construction, American Petroleum Institute ("API") storage tanks and general fabrication and wear products, along with electrical and instrumentation projects serving the Canadian energy industry. We have had specialized facilities and offices throughout Alberta since 2001 in Fort McMurray, Edmonton and Calgary, Alberta. These offices are locally staffed with dedicated and experienced professionals, ideally suited to serve our clients in Western Canada. We are an industrial infrastructure construction and maintenance contractor, providing a diverse and complementary suite of services to meet our clients' expectations through safe, productive, high-quality execution both in the field and in our fabrication facilities.

Pipeline Services

A cornerstone of our business is the construction and maintenance of Hydrotransport and Tailings Lines ("HTTL") in the oil sands mine sites of the Wood Buffalo region of Northern Alberta. Our expertise is not only in new construction of HTTL,

but the ongoing rotation and maintenance of these lines as well. Our scope includes other pipeline projects both above and below ground ranging in diameter from 2 inches to greater than 48 inches in a variety of materials. We have over 55 acres of land in the Wood Buffalo region that we utilize for project staging and high volume pipe joining works. Our crews are well-equipped and capable of performing civil earthworks including corridor construction, trenching, backfill, grading, road construction, crossings and bores, berms, pipe culverts, excavation and hauling.

Outside the oil sands mines, Pipeline Services provides a range of new construction and maintenance services for In-Situ Extraction sites and mainline pipeline customers. New construction scopes comprise short-run, above and below ground pipelines of various diameters. An increased focus and strategy has been directed towards pipeline integrity work including dig-ups and repair. Regulators, industry and public concern continue to emphasize and require more robust integrity programs to ensure safety and reliable leak-free performance.

Maintenance Services

Building our long-standing pipeline maintenance services, we have expanded into industrial plant shutdowns, turnarounds and general maintenance, including API tank maintenance. This service line works to expand services to existing customers in the oil and gas sector and develop new relationships in power, pulp and paper and agribusiness.

Construction Services

This service line offers multi-discipline greenfield and brownfield facility construction services, completing mid-size and sustaining capital projects and fabrication for customers across Western Canada. The majority of the work is self-performed and is comprised of pipe spool fabrication, civil, structural, piping, millwrighting, and electrical and instrumentation (“E&I”). While the majority of our work services the oil and gas industry, we also construct water and wastewater treatment projects for municipal customers.

Construction Services provides engineering-procurement-construction (“EPC”) services for above-ground steel storage tanks to API 620 and API 650 specifications. Our civil, piping and E&I capabilities allow us to deliver the full scope of new tank construction, streamlining our customers’ procurement and project management processes.

Our fabrication facility is located on 23 acres of land accessible to the high-load corridor in Edmonton. Its specialties include Chromium Carbide Overlay, a process of applying overlay to extend the service life of piping products used in heavy-wear erosion, corrosion and abrasive applications utilized in oil sands extraction and tailings functions; and pipe spool and other general carbon steel fabrication (e.g. expansion barrels, block valves, traps and other piping-related components including double jointing and handling).

Oil & Gas

We provide construction, maintenance and lifecycle extension services to the midstream markets.

Facilities Construction

Companies in the hydrocarbon value chain require certain facilities in the course of producing, processing, storing and transporting oil, gas, refined products and chemicals. We are experienced in and capable of constructing facilities such as pump stations, flow stations, gas compressor stations and metering stations. We are focused on building these facilities in the United States oil and gas market. The construction of station facilities, while not as capital-intensive as pipeline construction, is generally characterized by complex logistics and scheduling. Our recent experience includes major pumping, metering and tank farm terminals.

Small-Diameter Midstream Pipeline Construction

As part of Lineal Industries, Inc., we offer a complete range of pipeline construction services including new transmission pipelines, midstream gathering systems and various other fabrication, installation, clearing, development and restoration services.

Pipeline Integrity Construction

We provide a full suite of integrity construction services including hydrostatic testing, anomaly repair programs, Department of Transportation required replacements, pipeline replacement programs and other pipeline modifications.

Tank Services

On January 2, 2018, we sold our tank services business to ATS Group, Inc. (“ATS”). See Note 5 – Assets Held for Sale in Item 8 of this Form 10-K for more information.

Our tank services business provided services to the above-ground storage tank industry including API compliant tank maintenance and repair; floating roof seals; floating roof installations and repairs; secondary containment bottoms, cone roof and structure replacements; and new API compliant above-ground storage tanks. These services were provided on a stand-alone basis or in combination with balance of plant pumping, metering and piping systems.

Mainline Pipeline Construction

On January 9, 2018, we entered into an agreement to sell assets comprising our mainline pipeline construction business to Meridien.

Our mainline pipeline construction business provided multiple services needed to support the transportation and storage of hydrocarbons including gathering, lateral and main-line pipeline systems.

Insurance and Bonding

Certain operational risks are analyzed and categorized by our risk management department and insured against through major international insurance brokers under a comprehensive insurance program. We maintain worldwide master commercial insurance policies written through highly-rated insurers in types and amounts typically carried by companies engaged in the project management and construction industry. These policies cover our property, plant, equipment and cargo against normally-insurable risks. Other policies cover our workers and liabilities arising out of our operations. Primary and excess liability insurance limits are consistent with industry standards for the level of our operations and asset base. Risks of loss or damage to project works and materials are often insured on our behalf by our clients. On other projects, “builders all risk insurance” is purchased when deemed necessary. All insurance is purchased and maintained at the corporate level except for certain basic insurance that must be purchased locally to comply with insurance laws.

The insurance protection we maintain may not be sufficient or effective in all circumstances or against all hazards. An enforceable claim for which we are not fully insured could have a material adverse effect on our results of operations. In the future, our ability to maintain insurance, which may not be available or at rates we consider reasonable, may be affected by events over which we have no control.

Our balance sheet and overall financial condition currently precludes us from obtaining surety bonds with reasonable terms and pricing.

Backlog

For information regarding our backlog, see Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Other Financial Measures – Backlog.

Competition

We operate in a highly competitive environment. We compete against companies that have financial and other resources substantially in excess of those available to us. In certain markets, we compete with national and regional firms against which we may not be competitive in price. We have different competitors in different markets, including those listed below.

- *Utility T&D* Segment – Quanta Services, MYR Group, MasTec and larger privately-held companies such as Pike Electric, Henkels & McCoy, Michels Corporation and Miller Pipeline.
- *Canada* Segment – Ledcor, MasTec, Quanta Services, Chicago Bridge & Iron, Matrix Service, Strike, AECOM, JV Driver and Site Energy Services.
- *Oil & Gas* Segment – Quanta Services, MasTec, Primoris, Associated Pipeline Contractors, U.S. Pipeline, Welded Construction, Henkels & McCoy, Michels Corporation, Flint Energy Services, Smith Tank & Steel, Strike, Chicago Bridge & Iron and Matrix Service. In addition, there are a number of regional competitors such as Sunland, Dyess and Jomax.

Contract Provisions and Subcontracting

Most of our revenue is derived from contracts that fall into the following basic categories:

- unit-price contracts, which specify a price for each unit of work performed;
- firm fixed-price or lump sum fixed-price contracts, providing for a single price for the total amount of work;
- cost plus fixed fee contracts where income is earned solely from the fee received;

- time and materials contracts where personnel and equipment are provided under an agreed-upon schedule of daily rates with other direct costs being reimbursable;
- a combination of the above (including lump sum payment for certain items and unit rates for others); and
- MSAs under which we receive work orders for specific projects and which involve one or more of the foregoing categories.

Changes in scope-of-work are subject to change orders to be agreed upon by both parties. Change orders not agreed to in either scope or price result in claims to be resolved in a dispute resolution process. These change orders and claims can affect our contract revenue and liquidity either positively or negatively.

We usually obtain contracts through either competitive bidding or negotiations with long-standing clients. We are typically invited to bid on projects undertaken by our clients who maintain approved bidder lists. Bidders are pre-qualified on the basis of their prior performance for such clients, as well as their experience, reputation for quality, safety record, financial strength and bonding capacity.

In evaluating bid opportunities, we consider such factors as the clients and their geographic location, the difficulty of the work, current and projected workload, the likelihood of additional work, surety bond requirements, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. The bid estimate forms the basis of a project budget against which performance is tracked through a project control system.

Certain bid opportunities require surety bonds. Recently, our assessment of size, terms and collateral requirements of surety bonds has impacted our ability to bid certain projects and build subsequent backlog.

Virtually all of our contracts provide for termination of the contract for the convenience of the client. In addition, some contracts are subject to certain completion schedule requirements that require us to pay liquidated damages in the event schedules are not met as the result of circumstances within our control.

We act as the prime contractor on a majority of the construction projects we undertake. In our capacity as the prime contractor (or when acting as a subcontractor), we perform most of the work on our projects with our own resources and typically subcontract specialized activities as hazardous waste removal, horizontal directional drills, non-destructive inspection, catering and security. In the construction industry, the prime contractor is normally responsible for the performance of the entire contract, including subcontract work. Thus, when acting as the prime contractor, we are subject to the risk associated with the failure of one or more subcontractors to perform as anticipated.

Under a fixed-price contract, we agree on the price that we will receive for the entire project, based upon specific assumptions and project criteria. If our estimates of our own costs to complete the project are below the actual costs that we may incur, our margins will decrease, possibly resulting in a loss. The revenue, cost and gross profit realized on a fixed-price contract will often vary from the estimated amounts because of unforeseen conditions or changes in job conditions and variations in labor and equipment productivity over the term of the contract. If we are unsuccessful in mitigating these risks, we may realize gross profits that are different from those originally estimated and may incur losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our operating results for any quarter or year. In some cases, we are able to recover additional costs and profits from the client through the change order process. In general, turnkey contracts to be performed on a fixed-price basis involve an increased risk of significant variations. This increased risk is a result of the nature of these contracts and the inherent difficulties in estimating costs and of the interrelationship of the integrated services to be provided under these contracts whereby unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract. Our accounting policy related to contract variations and claims requires recognition of all costs as incurred. Revenue from change orders, extra work and variations in the scope of work is recognized when an agreement is reached with the client as to the scope of work and when it is probable that the cost of such work will be recovered in a change in contract price. Profit on change orders, extra work and variations in the scope of work are recognized when realization is reasonably assured. Also included in contract costs and recognized income not yet billed on uncompleted contracts are amounts we seek or will seek to collect from customers or others for errors or changes in contract specifications or design, contract change orders in dispute or unapproved as to both scope and price, or other customer-related causes of unanticipated additional contract costs (unapproved change orders). These amounts are recorded at their estimated net realizable value when realization is probable and can be reasonably estimated. Unapproved change orders and claims also involve the use of estimates, and it is reasonably possible that revisions to the estimated recoverable amounts of recorded unapproved change orders may be made in the near term. If we do not successfully resolve these matters, a net expense (recorded as a reduction in revenues), may be required, in addition to amounts that have been previously provided.

Contractual Arrangements

We provide services under MSAs and on a project-by-project basis. MSAs are typically one to three years in duration but can be longer. Under our MSAs, our customers generally agree to use us to provide certain services in a specified geographic region on stipulated terms and conditions, including pricing and escalation. However, most of our contracts, including MSAs and our alliance agreement with Oncor, may be terminated by our customers on short notice. Further, although our customers assign work to us under our MSAs, our customers often have no obligation to assign work to us and are not required to use us exclusively, in some cases subject to our right of first refusal. In addition, many of our contracts, including our MSAs, are opened to public bid and generally attract multiple bidders. Work performed under MSAs is typically billed on a unit-price or time-and-materials basis. In addition, any work encountered in the course of a unit-price project that does not have a defined unit is generally completed on a time-and-materials basis.

Although the terms of our contracts vary considerably, pricing is typically based on a unit-price or fixed-price structure. Under our unit-price contracts, we agree to perform identified units of work for an agreed price. A "unit" can be as small as the installation of a single bolt or a foot of cable or as large as a transmission tower or foundation. The resulting profitability of a particular unit is primarily dependent upon the labor and equipment hours expended to complete the task that comprises the unit. Under fixed-price contracts, we agree to perform the contract for a fixed fee based on our estimate of the aggregate costs of completing the particular project. We are sometimes unable to fully recover cost overruns on our fixed-price contracts. Industry trends could increase the proportion of our contracts being performed on a unit-price or fixed-price basis, increasing our profitability risk.

Our storm restoration work, which involves high labor and equipment utilization, is typically performed on a time-and-materials basis and is generally more profitable when performed off-system rather than for customers with which we have MSAs. Our ability to allocate resources to storm restoration work depends on our capacity at that time and permission from existing customers to release some portion of our workforce from their projects.

We attempt to manage contract risk by implementing a standard contracting philosophy to minimize liabilities assumed in the agreements with our clients. However, there may be contracts or MSAs in place that do not meet our current contracting standards. While we have made efforts to improve our contractual terms with our clients, this process takes time to implement. We have attempted to mitigate the risk by requesting amendments to our contracts and by maintaining primary and excess insurance, with certain specified limits to mitigate our exposure, in the event of a loss.

Oncor Alliance Agreement

On June 12, 2008, InfrastruX Group, LLC ("InfrastruX"), a company we acquired in July 2010, entered into a non-exclusive agreement with Oncor. Due to the extensive scope and long duration of the agreement, we refer to it as an alliance agreement. We summarize below the principal terms of the agreement. This summary is not a complete description of all the terms of the agreement.

Term, Renewals and Extensions. The agreement became effective on August 1, 2008 and will continue until expiration on December 31, 2018, unless extended, renewed or terminated in accordance with its terms. On March 5, 2018, Oncor notified us of its election to extend its agreement with the Company, under the terms and conditions currently in effect, through December 31, 2019.

Provision of Services, Spending Levels and Pricing. Under the agreement, it is anticipated that we will provide Oncor transmission construction and maintenance services ("TCM") and distribution construction and maintenance services ("DCM"), pursuant to fixed-price, unit-price and time-and-materials structures. The fees we charge Oncor under unit-price and time-and-materials structures are set forth in the agreement, most of which are adjusted annually according to indices provided in the agreement. The agreement also includes a provision whereby Oncor receives pricing at least as favorable as we charge other customers for any "similar services" (which is not a defined term in the agreement). Management believes, based on our pricing practices and the nature and scope of the services we provide to Oncor, that we are in compliance with this provision.

We frequently hold meetings with Oncor to discuss its forecasted monthly and annual TCM and DCM spending levels. The agreement provides for agreed upon incentives and adjustments for us and for Oncor according to Oncor's projected spending levels. Calculations based on projected spending levels are subject to subsequent adjustments based on actual spending levels. The agreement also requires that we provide dedicated resources to Oncor and that we meet or exceed minimum service levels as measured by specified performance indicators.

Termination. Oncor could in some cases seek to terminate for cause or limit our activity or seek to assess penalties against us under the agreement. Oncor may terminate the agreement upon 90-days' notice or any work request thereunder without prior notice in each case at its sole discretion and may terminate the agreement upon 30-days' notice in the event there is an announcement of the intent to undertake or an actual occurrence of a change in control of Oncor or Willbros Utility T&D

Holdings, LLC. Oncor may also terminate the agreement for cause if, among other things, we breach and fail to adequately cure a representation or warranty under the agreement, we materially or repeatedly default in the performance of our material obligations under the agreement or we become insolvent.

In the event Oncor terminates the agreement for convenience or due to an anticipated or actual change of control of Oncor, Oncor must pay us a termination fee. In addition, we would have to adjust a significant portion of our existing customer relationship intangible asset attributed to Oncor which was recorded in connection with the InfrastruX acquisition.

Employees

At December 31, 2017, we directly employed a multi-national work force of 3,996 persons, of which approximately 99.8 percent were citizens of the respective countries in which they work. Although the level of activity varies from year to year, we have maintained an average work force of approximately 5,620 over the past five years. The minimum employment during that period was 3,165 and the maximum was 9,399. At December 31, 2017, approximately 11.3 percent of our employees were covered by collective bargaining agreements. We believe relations with our employees are satisfactory. The following table sets forth the location of employees by segment as of December 31, 2017:

	Number of Employees	Percent
Utility T&D	2,233	55.8%
Canada	546	13.7%
Oil & Gas	1,163	29.1%
Corporate	54	1.4%
Total	3,996	100.0%

Equipment

We own, lease and maintain a fleet of generally standardized construction, transportation and support equipment. In 2017, 2016 and 2015, expenditures for capital equipment were $2.6 million, $3.8 million and $2.2 million, respectively. At December 31, 2017, the net book value of our property, plant and equipment was approximately $30.1 million.

All equipment is subject to scheduled maintenance to maximize fleet readiness. We continue to evaluate expected equipment utilization, given anticipated market conditions, and may buy or lease new equipment and dispose of underutilized equipment from time to time. In recent years, we have disposed of a significant amount of equipment through this process.

Facilities

The principal facilities that we utilize to operate our business are:

Principal Facilities

Business	Location	Description	Ownership
Utility T&D	McKinney, TX	Office space and general warehouse	**Lease**
	Ft. Worth, TX	Office space	**Lease**
	White Marsh, MD	Office space and general warehouse	**Lease**
	Richmond, VA	Office space and general warehouse	**Lease**
Canada	Ft. McMurray, Alberta	Office space, repair shop and lay down area	**Lease**
	Ft. McMurray, Alberta	Office space	**Lease**
	Edmonton, Alberta	Office space and fabrication facility	**Lease**
	Acheson, Alberta	Office space and equipment yard	**Lease**
	Edmonton, Alberta	Office space	**Lease**
	Calgary, Alberta	Office space	**Lease**
Oil & Gas	Houston, TX	Office space	**Lease**
	Splendora, TX*	Office space and equipment yard	**Own**
	Channelview, TX*	Office space and general warehouse	**Lease**
	Tulsa, OK	Manufacturing, office space and general warehouse	**Lease**
	Geismer, LA	Office space and general warehouse	**Lease**
	Pittsburgh, PA	Office space and general warehouse	**Lease**
Corporate	Houston, TX	Office space	**Lease**

* Sold, transferred or agreed to be sold as part of asset sale subsequent to December 31, 2017.

We lease other facilities used in our operations, primarily sales/shop offices, equipment sites and expatriate housing units in the United States and Canada. Rent expense for all leased facilities related to continuing operations was approximately $6.2 million in 2017, $6.6 million in 2016 and $8.1 million in 2015.

Global Warming and Climate Change

Recent scientific studies have suggested that emissions of certain gases, commonly referred to as “greenhouse gases,” may be contributing to warming of the earth’s atmosphere. As a result, there have been a variety of regulatory developments, proposals or requirements and legislative initiatives that have been introduced in the United States (as well as other parts of the world) that are focused on restricting the emission of carbon dioxide, methane and other greenhouse gases.

In June 2017, President Trump announced that the United States intends to withdraw from the Paris Agreement to reduce global greenhouse gas emissions and to seek negotiations to reenter the Paris Agreement on different terms or a separate agreement. Moreover, the EPA may or may not continue developing regulations to reduce greenhouse gas emissions from the oil and natural gas industry. Even if federal efforts in this area slow, states may continue pursuing climate regulations. Any laws or regulations that may be adopted to restrict or reduce emissions of greenhouse gases could require us or our customers to incur additional operating costs, such as costs to purchase and operate emissions controls, to obtain emission allowances or to pay emission taxes, and reduce demand for our services. Likewise, we cannot predict with any certainty whether any changes to temperature, storm intensity or precipitation patterns as a result of climate change (or otherwise) will have a material impact on our operations.

Compliance with applicable environmental requirements has not, to date, had a material effect on the cost of our operations, earnings or competitive position. However, as noted above, compliance with amended, new or more stringent requirements of existing environmental regulations or requirements may cause us to incur additional costs or subject us to liabilities that may have a material adverse effect on our results of operations and financial condition.

Item 1A. Risk Factors

The nature of our business and operations subjects us to a number of uncertainties and risks.

RISKS RELATED TO OUR BUSINESS

Our merger with Primoris may not be completed. Due to our substantial liquidity concerns, if we are unable to complete the merger, we would likely need to seek protection under the U.S. Bankruptcy Code, which may harm our business and place stockholders at significant risk of losing all, or substantially all, of their investment.

On March 27, 2018, we entered into the Merger Agreement with Primoris and Merger Sub, pursuant to which we would become a wholly-owned subsidiary of Primoris. Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the merger, each share of our common stock, other than shares owned by us or one of our subsidiaries, and shares owned by stockholders who have exercised their rights as dissenting owners under Delaware law, will be automatically converted into the right to receive $0.60 per share in cash, without interest (the "Merger Consideration").

On March 27, 2018, we also entered into the ABL Forbearance Agreement, the Term Forbearance Agreement (collectively, the "Forbearance Agreements"), and the Seventh Amendment, which are more fully discussed under Items 1 and 2, Business and Properties under the caption "Current Developments" in this Annual Report on Form 10-K. Pursuant to the Forbearance Agreements, we have acknowledged that certain specified defaults and events of default have occurred and are continuing or will occur under the 2014 Term Credit Agreement and 2013 ABL Credit Facility. The Forbearance Agreements further provide that the administrative agents and lenders under such credit agreements will forbear from exercising their rights and remedies under the respective credit agreements and other related loan documents that arise solely as a result of the specified defaults for a limited period expiring on the earlier of (i) July 31, 2018 or the closing of the Merger Agreement, in the case of the ABL Forbearance Agreement, and August 15, 2018 or the closing of the Merger Agreement, in the case of the Term Forbearance Agreement, or (ii) the occurrence of any one of several specified termination events, including, among other things, the termination of the Merger Agreement. Pursuant to the Seventh Amendment, Primoris has agreed to make a loan to us in a principal amount of $10.0 million under the 2014 Term Credit Agreement no earlier than three business days after the effective date of the Seventh Amendment and may agree to make additional loans to us in an aggregate amount not to exceed $10.0 million.

The Merger Agreement provides that we, Primoris and Merger Sub will use each of their respective reasonable best efforts, subject to certain exceptions, to, among other things, consummate the transactions contemplated by the Merger Agreement as soon as reasonably practicable and make all required filings and obtain all required consents, registrations, permits, regulatory approvals and expirations or terminations of waiting periods.

Consummation of the merger is subject to various conditions, including, among others, customary conditions relating to the approval of the Merger Agreement by the requisite vote of our stockholders and any applicable filings with or authorizations, consents or waivers from third parties. The obligation of each party to consummate the merger is also conditioned on the other parties' representations and warranties being true and correct (subject to certain materiality exceptions) and the other parties having performed in all material respects its obligations and complied in all material respects with the agreements and covenants under the Merger Agreement.

The Merger Agreement contains termination rights for each of us and Primoris, including, among others, if the merger has not been consummated by August 15, 2018. Either party may also terminate the Merger Agreement if the requisite vote of our stockholders has not been obtained at a duly convened meeting of our stockholders or an order permanently restraining, enjoining, or otherwise prohibiting consummation of the merger becomes final and non-appealable. Primoris may also terminate the Merger Agreement if any default or event of default occurs under our 2013 ABL Credit Facility or 2014 Term Credit Agreement (other than specified defaults which are the subject of the Forbearance Agreements), or if any forbearance set forth in either of the Forbearance Agreements ceases to be effective.

Our continuing failure to comply with financial covenants and other covenants, our inability to extend or refinance our 2013 ABL Credit Facility and our continuing liquidity issues raise substantial doubt about our ability to continue as a going concern, notwithstanding the temporary forbearance provided under the Forbearance Agreements and the short-term liquidity provided by Primoris under the Seventh Amendment. If we are unable to complete the merger, our indebtedness under the 2014 Term Credit Agreement and 2013 ABL Credit Facility will become due, and we will likely need to seek protection under the U.S. Bankruptcy laws.

The Merger Agreement limits our ability to pursue alternatives to the merger.

The Merger Agreement contains provisions that could adversely affect competing proposals to acquire us. These provisions include the prohibition on us generally from soliciting any acquisition proposal or offer for a competing transaction. These provisions may discourage a third party that might have an interest in acquiring all or a significant part of our company from considering or proposing an acquisition, even if that party were prepared to pay consideration with a higher value than the current proposed Merger Consideration.

We will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the outcome of the merger may have an adverse effect on us. These uncertainties may impair our ability to attract, retain and motivate key personnel until the merger is completed, and could cause our customers, suppliers and vendors to seek to change existing business relationships, cease doing business with us or delay doing business with us until the merger has been successfully completed. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles or compensation structure. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, our business prior to the merger could be negatively impacted. In addition, the Merger Agreement restricts us from taking various specified actions until the merger is completed or terminated without the consent of Primoris. These restrictions may prevent us from pursuing attractive business opportunities that may arise prior to the completion of the merger.

The NYSE has commenced proceedings to delist our common stock. Since our common stock is not listed on any other national securities exchange, it will likely be more difficult for stockholders and investors to sell our common stock or to obtain accurate quotations of the share price of our common stock.

As a result of our failure to maintain certain standards for continued listing on the NYSE, on March 27, 2018, the NYSE announced that it has suspended trading of our common stock effective immediately, based on its determination that the trading price of our common stock was "abnormally low," and its decision to commence delisting proceedings. We expect the NYSE will file a Form 25 to delist our common stock and that our delisting will become effective in the near future. Due to the suspension of trading and likely delisting, our common stock has begun trading over-the-counter.

Stocks trading on the over-the-counter market are typically less liquid than stocks that trade on a national securities exchange. Trading on the over-the-counter market may also negatively impact the trading price of our common stock. In addition, the liquidity of our common stock may be impaired, not only in the number of shares that are bought and sold, but also through delays in the timing of transactions, and coverage by security analysts and the news media, if any, of us. Stockholders may find it difficult to resell their shares of our common stock, due to the delisting. The delisting of our common stock from the NYSE may also result in other negative implications, including the potential loss of confidence by customers, suppliers, vendors and employees, and loss of institutional investor interest in our common stock.

We may not be able to compete for, or work on, certain projects if we are not able to obtain any necessary bonds, letters of credit, bank guarantees or other financial assurances.

Our contracts may require that we provide to our customers security for the performance of their projects in the form of bonds, letters of credit or other financial assurances. Changes in our sureties' assessment of our operating and financial risk could cause our surety providers to decline to issue or renew, or substantially reduce the amount of, bid or performance bonds for our work. These actions could be taken on short notice. If our surety providers or lenders were to limit or eliminate our access to bonding or letters of credit, our alternatives would include seeking capacity from other sureties and lenders and finding more business that does not require bonds or allows for other form of collateral for project performance, such as cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all, which could affect our ability to bid for or work on future projects requiring financial assurances. Furthermore, under standard terms in the surety market, sureties issue or continue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of collateral as a condition to issuing or renewing any bonds.

We are currently experiencing an interruption in the availability of our bonding capacity due to our current balance sheet and overall financial condition, and, as a result, we are unable to compete for or work on certain projects that would require bonding.

Our business is highly dependent upon the level of capital expenditures by electric power and oil and gas companies on infrastructure.

Our revenue and cash flow are primarily dependent upon major construction projects. The availability of these types of projects is dependent upon the economic condition of the electric power and oil and gas industries and, specifically, the level of capital expenditures of electric power and oil and gas companies on infrastructure. Our failure to obtain major projects, the delay in awards of major projects, the cancellation of major projects or delays in completion of contracts are factors that could result in the under-utilization of our resources, which would have an adverse impact on our revenue and cash flow. Numerous factors beyond our control influence the level of capital expenditures of these companies, including:

- current and projected electric power and oil and gas prices;
- the demand for electricity and gasoline;
- the abilities of electric power and oil and gas companies to generate, access and deploy capital;
- regulatory restraints on the rates that electric power companies may charge their customers;
- exploration, production and transportation costs;
- the discovery rate and location of new oil and gas reserves;
- the sale and expiration dates of oil and gas leases and concessions;
- local and international political and economic conditions; and
- technological advances.

Our industry is highly competitive, which could impede our growth.

We operate in a highly competitive environment. A substantial number of the major projects that we pursue are awarded based on bid proposals. We compete for these projects against companies that have substantially greater financial and other resources than we do. In some markets, there is competition from national and regional firms against which we may not be able to compete on price. Our growth may be impacted to the extent that we are unable to successfully bid against these companies. Our competitors may have lower overhead cost structures, greater resources or other advantages and, therefore, may be able to provide their services at lower rates than ours or elect to place bids on projects that drive down margins to lower levels than we would accept.

We have had material weaknesses in our internal control over financial reporting in prior fiscal years. Failure to maintain effective internal control over financial reporting could adversely affect our ability to report our financial condition and results of operations accurately and on a timely basis. As a result, our business, operating results and liquidity could be harmed.

We previously identified material weaknesses in our internal control over financial reporting that led to the restatement of our consolidated financial statements, most recently for the first three quarters of 2011 and the first two quarters of 2014. We also identified material weaknesses in internal control over financial reporting as of December 31, 2014, 2011, and 2010 and for the years 2004 through 2007. We believe that all of these material weaknesses have been successfully remediated.

Our failure to maintain effective internal control over financial reporting could adversely affect our ability to report our financial results on a timely and accurate basis, which could result in a loss of investor confidence in our financial reports or have a material adverse effect on our ability to operate our business or access sources of liquidity. Furthermore, because of the inherent limitations of any system of internal control over financial reporting, including the possibility of human error, the circumvention or overriding of controls and fraud, even effective internal controls may not prevent or detect all misstatements.

A pending securities class action against us has resulted in significant costs and expenses, has diverted resources and could have a material adverse effect on our business, financial condition, results of operations or cash flows if a preliminary settlement does not receive final approval.

We have reached an agreement in principle to settle the consolidated securities class action that had been filed in 2014 against us and two of our former Chief Executive Officers and our former Chief Financial Officer. The settlement, if approved by the Court, will be funded by our insurance carriers and will include the dismissal of all claims against defendants.

As further described in Note 15 of our Notes to Consolidated Financial Statements in this Annual Report on Form 10-K, this securities class action was filed against us in the United States District Court for the Southern District of Texas on behalf of

a class of purchasers of our stock alleging damages on their behalf after we announced that we would be restating our Condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2014 and June 30, 2014. This matter has resulted in significant costs and expenses, has diverted resources and if the settlement is not approved by the Court could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our use of fixed-price contracts could adversely affect our operating results.

A significant portion of our revenue is currently generated by fixed-price contracts. Under a fixed-price contract, we agree on the price that we will receive for the entire project, based upon a defined scope, which includes specific assumptions and project criteria. If our estimates of our own costs to complete the project are below the actual costs that we may incur, our margins will decrease, and we may incur a loss. The revenue, cost and gross profit realized on a fixed-price contract will often vary from the estimated amounts because of unforeseen conditions such as highly unusual weather patterns or changes in job conditions and variations in labor and equipment productivity over the term of the contract. If we are unsuccessful in mitigating these risks, we may realize gross profits that are different from those originally estimated and incur reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our operating results for any quarter or year. In general, turnkey contracts to be performed on a fixed-price basis involve an increased risk of significant variations. This risk is a result of the long-term nature of these contracts and the inherent difficulties in estimating costs and of the interrelationship of the integrated services to be provided under these contracts, whereby unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract.

In addition, our *Utility T&D* and *Canada* segments also generate substantial revenue under unit-price contracts under which we have agreed to perform identified units of work for an agreed price, which have similar associated risks as those identified above for fixed-price contracts. A "unit" can be as small as the installation of a single bolt or a foot of cable or as large as a transmission tower or foundation. The resulting profitability of a particular unit is primarily dependent upon the labor and equipment hours expended to complete the task that comprises the unit. Failure to accurately estimate the costs of completing a particular project could result in reduced profits or losses.

Percentage-of-completion method of accounting for contract revenue may result in adjustments that would materially affect our operating results.

We recognize contract revenue using the percentage-of-completion method on long-term fixed-price contracts. Under this method, estimated contract revenue is accrued based generally on the percentage that costs to date bear to total estimated costs, taking into consideration physical completion. Estimated contract losses are recognized in full when determined. Accordingly, contract revenue and total cost estimates are reviewed and revised periodically as the work progresses and as change orders are approved, and adjustments based upon the percentage-of-completion are reflected in contract revenue in the period when these estimates are revised. These estimates are based on management's reasonable assumptions and our historical experience and are only estimates. Variation of actual results from these assumptions or our historical experience could be material. To the extent that these adjustments result in an increase, a reduction or an elimination of previously reported contract revenue, we would recognize a credit or a charge against current earnings, which could be material.

Our backlog is subject to unexpected adjustments and cancellations and is, therefore, an uncertain indicator of our future earnings.

We cannot guarantee that the revenue projected in our backlog will be realized or profitable. Projects may remain in our backlog for an extended period of time. In addition, project cancellations, terminations or scope adjustments may occur from time to time with respect to contracts reflected in our backlog and could reduce the dollar amount of our backlog and the revenue and profits that we actually earn. Many of our contracts have termination for convenience provisions in them, in some cases without any provision for penalties or lost profits. Therefore, project terminations, suspensions or scope adjustments may occur from time to time with respect to contracts in our backlog. Finally, poor project or contract performance could also impact our backlog and profits.

Managing backlog in our *Utility T&D* segment also has other challenges. Backlog for anticipated projects in this segment is determined based on recurring historical trends, seasonal demand and projected customer needs, but the agreements in this segment rarely have minimum volume or spending obligations, and many of the contracts may be terminated by the customers on short notice. For projects in this segment that are canceled after we have commenced work, we may be reimbursed for certain costs, but typically we have no contractual right to the total revenues included in our backlog.

Legislative or regulatory actions relating to electricity transmission and renewable energy may impact the demand for our services.

Current and potential legislative or regulatory actions may impact demand for our services. Certain legislation or regulations require utilities to meet reliability standards and encourage installation of new electric transmission and renewable energy generation facilities. However, it is unclear whether these initiatives will create sufficient incentives for projects or result in increased demand for our services.

While many states have mandates in place that require specified percentages of electricity to be generated from renewable sources, states could reduce those mandates or make them optional, which could reduce, delay or eliminate renewable energy development in the affected states. Additionally, renewable energy may require additional power generation sources as a backup. The locations of renewable energy projects are often remote and may not be viable unless new or expanded transmission infrastructure to transport the electricity to demand centers is economically feasible. Furthermore, funding for renewable energy initiatives may not be available. These factors could result in fewer renewable energy projects and a delay in the construction of these projects and the related infrastructure, which could negatively impact our business.

Seasonal variations and inclement weather may cause fluctuations in our operating results, profitability, cash flow and working capital needs related to our operating segments.

A significant portion of our business in each of our operating segments is performed outdoors. Consequently, our results of operations are exposed to seasonal variations and inclement weather. In particular, our *Utility T&D* segment revenue and profitability often decrease during the winter months and during severe weather conditions because work performed during these periods is more costly to complete. During periods of peak electric power demand in the summer, utilities generally are unable to remove their electric power T&D equipment from service, decreasing the demand for our maintenance services during such periods. The seasonality of this segment's business also causes our working capital needs to fluctuate. Because this segment's operating cash flow is usually lower during and immediately following the winter months, we typically experience a need to finance a portion of this segment's working capital during the spring and summer. Conversely, our *Canada* segment typically posts its strongest results during the winter and summer months and weaker results during what is known as the "Spring breakup," when road bans and load limits are put in place and workers are often furloughed and equipment idled. Severe weather can also create demand for restoration of storm damage to overhead utility lines, which can offer opportunities for high margin emergency restoration work for our *Utility T&D* segment.

Our failure to recover adequately on claims against project owners for payment could have a material adverse effect on us.

We occasionally bring claims against project owners for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as owner-caused delays or changes from the initial project scope, which result in additional costs, both direct and indirect. These claims can be the subject of lengthy arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest significant working capital in projects to cover cost overruns pending the resolution of the relevant claims. A failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial condition.

Our business is dependent on a limited number of key clients.

We operate primarily in the power and oil and gas industries, providing services to a limited number of clients. Much of our success depends on developing and maintaining relationships with our major clients and obtaining a share of contracts from these clients. The loss of any of our major clients could have a material adverse effect on our operations. One client was responsible for approximately 25.0 percent of total contract revenue from continuing operations in 2017. This client was also responsible for 37.5 percent of our 12-month backlog and 29.0 percent of our total backlog at December 31, 2017.

Terrorist attacks and war or risk of war may adversely affect our results of operations, our ability to raise capital or secure insurance or our future growth.

The continued threat of terrorism and the impact of military and other action will likely lead to continued volatility in prices for crude oil and natural gas and could affect the markets for our operations. In addition, future acts of terrorism could be directed against companies operating both outside and inside the United States. Further, the U.S. government has issued public warnings that indicate that pipelines and other energy assets might be specific targets of terrorist organizations. These developments may subject our operations to increased risks and, depending on their ultimate magnitude, could have a material adverse effect on our business.

Our operations are subject to a number of operational risks.

Our business operations include a wide range of services in electric power and natural gas transmission and distribution, along with pipeline construction, fabrication and pipeline rehabilitation services. We may encounter difficulties that impact our ability to complete a project in accordance with the original delivery schedule. These difficulties may be the result of delays in designs, engineering information or materials provided by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, delays from our customer's failure to timely obtain permits or rights-of-way or meet other regulatory requirements, weather-related delays, delays caused by difficult worksite environments and other factors, some of which are beyond our control. We also may encounter project delays due to local opposition, which may include injunctive actions as well as public protests, to the siting of electric transmission lines, pipelines or other facilities, especially those which are located in environmentally or culturally sensitive areas and more heavily populated areas. We may not be able to recover the costs we incur that are caused by delays. In certain circumstances, we guarantee project completion by a scheduled acceptance date or achievement of certain acceptance and performance testing levels. Failure to meet any of our schedules or performance requirements could also result in additional costs or penalties, including liquidated damages, and such amounts could exceed expected project profit. In extreme cases, the above-mentioned factors could cause project cancellations, and we may not be able to replace such projects with similar projects or at all. Such delays or cancellations may impact our reputation or relationships with customers, adversely affecting our ability to secure new contracts.

Our operations also involve a number of operational hazards. Natural disasters, adverse weather conditions, collisions and operator error could cause personal injury or loss of life, severe damage to and destruction of property, equipment and the environment and suspension of operations. In locations where we perform work with equipment that is owned by others, our continued use of the equipment can be subject to unexpected or arbitrary interruption or termination. The occurrence of any of these events could result in work stoppage, loss of revenue, casualty loss, increased costs and significant liability to third parties.

The insurance protection we maintain may not be sufficient or effective under all circumstances or against all hazards to which we may be subject. An enforceable claim for which we are not fully insured could have a material adverse effect on our financial condition and results of operations. Moreover, we may not be able to maintain adequate insurance in the future at rates that we consider reasonable.

Unsatisfactory safety performance may subject us to penalties, can affect customer relationships, result in higher operating costs, negatively impact employee morale and result in higher employee turnover.

Workplace safety is important to us, our employees and our customers. As a result, we maintain comprehensive safety programs and training to all applicable employees throughout our organization. While we focus on protecting people and property, our work is performed at construction sites and in industrial facilities, and our workers are subject to the normal hazards associated with providing these services. Even with proper safety precautions, these hazards can lead to personal injury, loss of life, damage to or destruction of property, plant and equipment and environmental damage. We are intensely focused on maintaining a strong safety environment and reducing the risk of accidents to the lowest possible level.

Although we have taken what we believe are appropriate precautions to adequately train and equip our employees, we have experienced serious accidents, including fatalities, in the past and may experience additional accidents in the future. Serious accidents may subject us to penalties, civil litigation or criminal prosecution. Claims for damages to persons, including claims for bodily injury or loss of life, could result in costs and liabilities, which could materially and adversely affect our financial condition, results of operations or cash flows.

We may become liable for the obligations of our joint ventures and our subcontractors.

Some of our projects are performed through joint ventures with other parties. In addition to the usual liability of contractors for the completion of contracts and the warranty of our work, where work is performed through a joint venture, we also have potential liability for the work performed by the joint venture itself. In these projects, even if we satisfactorily complete our project responsibilities within budget, we may incur additional unforeseen costs due to the failure of the joint ventures to perform or complete work in accordance with contract specifications.

We act as prime contractor on a majority of the construction projects we undertake. In our capacity as prime contractor and when acting as a subcontractor, we perform most of the work on our projects with our own resources and typically subcontract certain specialized activities such as hazardous waste removal, nondestructive inspection and catering and security. However, with respect to other contracts, including those in our *Utility T&D* segment, we may choose to subcontract a substantial portion of the project. In the construction industry, the prime contractor is normally responsible for the performance

of the entire contract, including subcontract work. Thus, when acting as a prime contractor, we are subject to the risks associated with the failure of one or more subcontractors to perform as anticipated.

We are self-insured against many potential liabilities.

Although we maintain insurance policies with respect to automobile liability, general liability, workers' compensation and employee group health claims, many of those policies are subject to substantial deductibles, and we are self-insured up to the amount of the deductible. Since most claims against us do not exceed the deductibles under our insurance policies, we are effectively self-insured for the overwhelming majority of claims. We actuarially determine any liabilities for unpaid claims and associated expenses, including incurred but not reported losses, and reflect those liabilities in our balance sheet as other current and noncurrent liabilities. The determination of such claims and expenses and the appropriateness of the liability is reviewed and updated quarterly. However, insurance liabilities are difficult to assess and estimate due to many relevant factors, the effects of which are often unknown, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. If our insurance claims increase or costs exceed our estimates of insurance liabilities, we could experience a decline in profitability and liquidity.

Our operations expose us to potential environmental liabilities.

Our U.S. and Canadian operations are subject to numerous environmental protection laws and regulations which are complex and stringent. We regularly perform work in and around sensitive environmental areas, such as rivers, lakes and wetlands. Part of the business in our *Utility T&D* segment is performed in the southwestern U.S. where there is a greater risk of fines, work stoppages or other sanctions for disturbing Native American artifacts and archeological sites. Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. In addition to potential liabilities that may be incurred in satisfying these requirements, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others or for our acts which were in compliance with all applicable laws at the time these acts were performed.

We own and operate several properties in the United States and Canada that have been used for a number of years for the storage and maintenance of equipment and upon which hydrocarbons or other wastes may have been disposed or released. Any release of substances by us or by third parties who previously operated on these properties may be subject to the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), the Resource Compensation and Recovery Act ("RCRA") and/or analogous state, provincial or local laws. CERCLA imposes joint and several liabilities, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of hazardous substances into the environment, while RCRA governs the generation, storage, transfer and disposal of hazardous wastes. Under these or similar laws, we could be required to remove or remediate previously disposed wastes and clean up contaminated property. The expenses related to this work could have a significant impact on our future results.

We are unable to predict how legislation or new regulations that may be adopted to address greenhouse gas emissions would impact our business segments.

Recent scientific studies have suggested that emissions of certain gases, commonly referred to as "greenhouse gases," may be contributing to warming of the earth's atmosphere. As a result, there have been a variety of regulatory developments, proposals or requirements and legislative initiatives that have been introduced and/or issued in the United States (as well as other parts of the world) that are focused on restricting the emission of carbon dioxide, methane and other greenhouse gases. In June 2017, President Trump announced that the United States intends to withdraw from the Paris Agreement to reduce global greenhouse gas emissions and to seek negotiations to reenter the Paris Agreement on different terms or a separate agreement. Moreover, the EPA may or may not continue developing regulations to reduce greenhouse gas emissions from the oil and natural gas industry. Even if federal efforts in this area slow, states may continue pursuing climate regulations. Any laws or regulations that may be adopted to restrict or reduce emissions of greenhouse gases could require us or our customers to incur additional operating costs, such as costs to purchase and operate emissions controls, to obtain emission allowances or to pay emission taxes, and reduce demand for our services.

We are dependent upon the services of our executive management.

Our success depends heavily on the continued services of our executive management. Our management team is the nexus of our operational experience and customer relationships. Our ability to manage business risk and satisfy the expectations of our clients, stockholders and other stakeholders is dependent upon the collective experience and relationships of our management team. We do not maintain key man life insurance for these individuals.

In the past few years, we have experienced significant turnover at the senior management level. We believe that we currently have in place competitive compensation programs. However, the loss or interruption of services provided by one or more of our senior officers could adversely affect our results of operations.

Our business is labor intensive, and we may be unable to attract and retain qualified employees.

Our ability to maintain our productivity and improve profitability will be limited by our ability to employ, train and retain skilled personnel necessary to meet our requirements. We cannot be certain that we will be able to maintain an adequate skilled labor force necessary to operate efficiently and to support our strategy.

We contribute to multi-employer plans that could result in liabilities to us if those plans are terminated or we withdraw from those plans.

We contribute to several multi-employer pension plans for employees covered by collective bargaining agreements. These plans are not administered by us and contributions are determined in accordance with provisions of negotiated labor contracts. The Employee Retirement Income Security Act of 1974, as amended by the Multi-employer Pension Plan Amendments Act of 1980, imposes certain liabilities upon employers who are contributors to a multi-employer plan in the event of the employer’s withdrawal from, or upon termination of, such plan. In addition, if the funding of any of these multi-employer plans becomes in “critical status” under the Pension Protection Act of 2006, we could be required to make significant additional contributions to those plans.

A number of plans to which our business units contribute or may contribute in the future are in “endangered” or “critical” status. Certain of these plans may require additional contributions, generally in the form of a surcharge on future benefit contributions required for future work performed by union employees covered by these plans. The amount of additional funds, if any, that we may be obligated to contribute to these plans in the future cannot be estimated, as such amounts will likely be based on future levels of work that require the specific use of those union employees covered by these plans.

Our business is subject to cybersecurity risks.

Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow. Cybersecurity attacks could include, but are not limited to, malicious software, attempts to gain unauthorized access to our data and the unauthorized release, corruption or loss of our data and personal information, loss of our intellectual property, other electronic security breaches that could lead to disruptions in our critical systems, and increased costs to prevent, respond to or mitigate cybersecurity events. It is possible that our business, financial and other systems could be compromised, which might not be noticed for some period of time. Although we utilize various procedures and controls to mitigate our exposure to such risk, cybersecurity attacks are evolving and unpredictable. The occurrence of such an attack could lead to financial losses and have a material adverse effect on our business, financial condition and results of operations. We are not aware that any material cybersecurity breaches have occurred to date.

Our settlements with the DOJ and the SEC may negatively impact us in the event of a future FCPA violation. Our failure to comply with the FCPA or other anti-bribery laws would have a material adverse effect on our business.

In May 2008, after reaching agreement with the Company, the Department of Justice (“DOJ”) filed an Information and Deferred Prosecution Agreement (“DPA”) concluding its investigation into violations of the FCPA by Willbros Group, Inc. and its subsidiary, Willbros International, Inc. Also in May 2008, we reached a final settlement with the SEC to resolve its previously disclosed investigations of possible violations of the FCPA and possible violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. These investigations stemmed primarily from our former operations in Bolivia, Ecuador and Nigeria. We made the final payments under these settlements in October 2011. The criminal information associated with the DPA was dismissed, with prejudice, on April 2, 2012. Currently, we have no employees working outside of the United States and Canada.

Under the SEC settlement, we are permanently enjoined from committing any future violations of the federal securities laws.

Our failure to abide by the FCPA and other laws could result in prosecution and other regulatory sanctions and severely impact our operations. A criminal conviction for violations of the FCPA could result in fines, civil and criminal penalties and equitable remedies, including profit disgorgement and injunctive relief, and would have a material adverse effect on our business.

RISKS RELATED TO OUR COMMON STOCK

Our common stock has experienced significant price and volume fluctuations. These fluctuations are likely to continue in the future, and you may not be able to resell your shares of common stock at or above the purchase price paid by you.

The market price of our common stock may change significantly in response to various factors and events beyond our control, including the following:

- the risk factors described in this Item 1A;
- a shortfall in operating revenue or net income from that expected by securities analysts and investors;
- changes in securities analysts' estimates of our financial performance or the financial performance of our competitors or companies in our industries generally;
- general conditions in our customers' industries; and
- general conditions in the securities markets.

Our certificate of incorporation and bylaws may inhibit a takeover, which may adversely affect the performance of our stock.

Our certificate of incorporation and bylaws may discourage unsolicited takeover proposals or make it more difficult for a third party to acquire us, which may adversely affect the price that investors might be willing to pay for our common stock. For example, our certificate of incorporation and bylaws:

- provide for a classified board of directors;
- deny stockholders the ability to take action by written consent;
- establish advance notice requirements for nominations for election to our Board of Directors and business to be brought by stockholders before any meeting of the stockholders;
- provide that special meetings of stockholders may be called only by our Board of Directors, Chairman, Chief Executive Officer or President; and
- authorize our Board of Directors to designate the terms of and to approve the issuance of new series of preferred stock.

On June 1, 2017, our stockholders approved an amendment to our certificate of incorporation pursuant to which, beginning with the 2019 annual meeting of stockholders, the board of directors will cease to be classified and all directors will be elected annually for terms of one year.

Future sales of our common stock may depress our stock price.

Sales of a substantial number of shares of our common stock in the public market or otherwise, either by us, a member of management or a major stockholder, or the perception that these sales could occur, may depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

Our future sale of common stock, preferred stock, warrants or convertible securities may lead to further dilution of our issued and outstanding stock.

Our authorized shares of common stock consist of 105 million shares. The issuance of additional common stock or securities convertible into our common stock would result in further dilution of the ownership interest in us held by existing stockholders. We are authorized to issue, without stockholder approval, one million shares of preferred stock, which may give other stockholders dividend, conversion, voting and liquidation rights, among other rights, which may be superior to the rights of holders of our common stock. While our Board of Directors has no present intention of authorizing the issuance of any such preferred stock, it reserves the right to do so in the future.

Our business could be negatively affected by the actions of activist stockholders.

Responding to actions by activist stockholders can be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees. Furthermore, any perceived uncertainties as to our future direction could result in the loss of potential business opportunities, and may make it more difficult to attract and retain qualified personnel and business partners.

Item 1B. Unresolved Staff Comments

None.

Item 3. Legal Proceedings

For information regarding legal proceedings, see the discussion under the caption “Contingencies” in Note 15 – Contingencies, Commitments and Other Circumstances of our Notes to Consolidated Financial Statements in Item 8 of this Form 10-K, which information from Note 15 is incorporated by reference herein.

Item 4. Mine Safety Disclosures

Not applicable.

Item 4A. Executive Officers of the Registrant

The following table sets forth information regarding our executive officers. Officers are elected annually by, and serve at the discretion of, our Board of Directors.

Name	Age	Position(s)
Michael J. Fournier	55	President, Chief Executive Officer, Chief Operating Officer and Director
Jeffrey B. Kappel	43	Senior Vice President and Chief Financial Officer
Johnny M. Priest	68	Executive Vice President, Utility Transmission & Distribution *(President, Utility T&D)*
Jeremy R. Kinch	44	Senior Vice President, Willbros Canada (*President, Canada*)
Linnie A. Freeman	63	Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

Michael J. Fournier has been Chief Executive Officer and a Director of the Company since December 2015, President of the Company since October 2014 and Chief Operating Officer of the Company since July 2014. He joined Willbros in August 2011 as Chief Operating Officer of Canada operations and served as President of Canada operations from September 2012 to July 2014. Prior to joining Willbros, he filled successive roles starting as an Operations Manager and finishing as President of Aecon Lockerbie Construction Group, Inc., a construction and infrastructure development company, and its predecessor entities from 2005 to 2011. Mr. Fournier has more than 30 years of experience in the engineering and construction service industries. Mr. Fournier started his career in the Offshore Gulf Coast pipeline construction and platform fabrication sector, relocating to Canada in the early 90’s. Much of his career since then has been spent in the Canadian Oil, Gas and Petrochemical sector where he has held a succession of project management and executive management roles with heavy industrial construction firms culminating in business unit president roles. He has served on the Board of Directors for the Progressive Contractors Association of Canada and Construction Labour Relations – Alberta and on the Management Board of the Natural Sciences and Engineering Research Council of Canada Chair in Construction Management for the University of Alberta. Mr. Fournier graduated from the University of Alberta with a Bachelor of Science in Mechanical Engineering and is registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

Jeffrey B. Kappel has been Senior Vice President and Chief Financial Officer of the Company since August 2017. He served as the Company’s Corporate Controller, Accounting Operations from July 2016 until his appointment as Chief Financial Officer. He also served as Segment Controller – Oil & Gas from September 2014 to June 2016 and as Assistant Controller – Corporate Financial Accounting from May 2013 to May 2014. Mr. Kappel was Director – Finance for JGC America, Inc., an engineering and construction company, from May 2014 to August 2014. Prior to joining the Company in May 2013, Mr. Kappel served in several capacities for Technip USA (formerly The Shaw Group), an engineering and construction company specializing in hydrocarbon production facilities, beginning in 2006. Mr. Kappel’s positions with Technip included Group Controller – Shaw Energy & Chemicals Segment, and Controller – Subsea North American Region. From January 1997 to

September 2006, he served in several positions with PricewaterhouseCoopers LLP. Mr. Kappel earned his Bachelor of Science degree in Accounting from Louisiana State University in 1996. He is a Certified Public Accountant.

Johnny M. Priest joined Willbros in 2012 as Chief Operating Officer of our *Utility T&D* segment before being elected Senior Vice President, Utility T&D and President of our *Utility T&D* segment later that year. He was elected Executive Vice President, Utility Transmission & Distribution of the Company in October 2014. Prior to joining Willbros, he served as Chief Executive Officer of Argos Utilities, a provider of transmission and distribution services to utility customers, from April 2009 to March 2012. Mr. Priest began his career as a line construction technician with Duke Power in 1967 and has since managed and presided over a number of companies including Argos Utilities, MasTec Energy Group and Shaw Energy Delivery Services (formerly owned by Duke Energy). He is a veteran of the U.S. Army.

Jeremy R. Kinch has served as Senior Vice President, Canada and President of our *Canada* segment since April 2017. Mr. Kinch first joined Willbros in May 2008 as a Project Manager. He subsequently held various management positions in operations and support functions including Director of Technical Services from September 2012 until his promotion to Vice President of Technical Services in December 2013. Mr. Kinch held this role until his promotion to Chief Operating Officer of our *Canada* segment in April 2014. Mr. Kinch started working in construction in 1993 and has served the oil & gas, mining and power industries and public infrastructure projects. Mr. Kinch graduated from Queen’s University with a Bachelor of Science in Geological Engineering and is a licensed professional engineer in Alberta and British Columbia.

Linnie A. Freeman has been Senior Vice President, General Counsel and Chief Compliance Officer of the Company since April 2016 and Corporate Secretary since January 2017. She previously served as Vice President, Legal from June 2015 to March 2016 and Associate General Counsel from May 2008 to May 2015. Before joining Willbros in 2008, she was in private practice and represented the Company in a variety of matters beginning in 2001. Ms. Freeman has practiced law for more than 30 years, and her legal experience includes work with mergers and acquisitions, construction contracts, construction claims, litigation management and compliance matters. Ms. Freeman is an active member of the state bar association of Texas and an inactive member of the state bar association of California. She is a graduate of Louisiana Tech University and holds her Juris Doctorate degree from The University of Texas.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock commenced trading on the NYSE on August 15, 1996, under the symbol "WG." The following table sets forth the high and low sale prices per share of our common stock as reported by the New York Stock Exchange for the periods indicated:

	High	Low
For the year ended December 31, 2017:		
First Quarter	$ 3.84	$ 2.35
Second Quarter	3.10	2.02
Third Quarter	3.35	1.96
Fourth Quarter	3.34	1.11
For the year ended December 31, 2016:		
First Quarter	$ 3.07	$ 1.11
Second Quarter	3.41	1.98
Third Quarter	2.85	1.46
Fourth Quarter	3.43	1.42

Substantially all of our stockholders maintain their shares in "street name" accounts and are not, individually, stockholders of record. As of March 26, 2018, our common stock was held by approximately 153 holders of record.

As a result of our failure to maintain certain standards for continued listing on the NYSE, on March 27, 2018, the NYSE announced that it has suspended trading of our common stock effective immediately, based on its determination that the trading price of our common stock was "abnormally low," and its decision to commence delisting proceedings. We expect the NYSE will file a Form 25 to delist our common stock and that our delisting will become effective in the near future. Our common stock is now trading over-the-counter under the symbol "WGRP".

Dividend Policy

Since 1991, we have not paid any cash dividends on our capital stock, except dividends in 1996 on our outstanding shares of preferred stock, which were converted into shares of common stock on July 15, 1996. The 2014 Term Credit Agreement prohibits us from paying cash dividends on our common stock.

Issuer Purchases of Equity Securities

The following table provides information about purchases of our common stock by us during the fourth quarter of 2017:

	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
October 1, 2017 – October 31, 2017	111	$ 3.21	—	—
November 1, 2017 – November 30, 2017	—	—	—	—
December 1, 2017 – December 31, 2017	16,006	1.35	—	—
Total	16,117	$ 1.36	—	—

(1) Represents shares of common stock acquired from certain of our officers and key employees under the share withholding provisions of our 2010 Stock and Incentive Compensation Plan and our 2017 Stock and Incentive Compensation Plan for the payment of taxes associated with the vesting of shares of restricted stock granted under such plan.

(2) The price paid per common share represents the closing sales price of a share of our common stock as reported by the New York Stock Exchange on the day that the stock was acquired by us.

Item 6. Selected Financial Data

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA
(Dollar amounts in thousands, except per share data)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Statement of Operations Data:					
Contract revenue	$ 849,983	$ 731,685	$ 908,994	$ 1,594,370	$ 1,495,125
Contract costs	874,738	685,389	868,240	1,497,618	1,360,014
Contract income (loss)	(24,755)	46,296	40,754	96,752	135,111
Amortization of intangibles	9,667	9,754	9,874	9,885	9,907
General and administrative	54,693	60,993	77,335	108,622	122,368
Gain on sale of subsidiary	—	—	(12,826)	—	—
Other charges	2,226	6,210	18,469	6,692	—
Operating income (loss)	(91,341)	(30,661)	(52,098)	(28,447)	2,836
Interest expense	(16,017)	(13,976)	(27,254)	(30,797)	(32,394)
Interest income	31	451	51	438	1,174
Debt covenant suspension and extinguishment charges	—	(63)	(39,178)	(15,176)	(11,573)
Other, net	(296)	(63)	(101)	(397)	(733)
Loss from continuing operations before income taxes	(107,623)	(44,312)	(118,580)	(74,379)	(40,690)
Provision (benefit) for income taxes	(964)	(530)	(54,031)	229	(3,992)
Loss from continuing operations	(106,659)	(43,782)	(64,549)	(74,608)	(36,698)
Income (loss) from discontinued operations net of provision for income taxes	(1,436)	(3,977)	96,032	(5,219)	20,831
Net income (loss)	$ (108,095)	$ (47,759)	$ 31,483	$ (79,827)	$ (15,867)
Basic income (loss) per share attributable to Company shareholders:					
Continuing operations	$ (1.72)	$ (0.71)	$ (1.12)	$ (1.51)	$ (0.76)
Discontinued operations	(0.02)	(0.06)	1.66	(0.11)	0.44
Net income (loss)	$ (1.74)	$ (0.77)	$ 0.54	$ (1.62)	$ (0.32)
Diluted income (loss) per share attributable to Company shareholders:					
Continuing operations	$ (1.72)	$ (0.71)	$ (1.12)	$ (1.51)	$ (0.76)
Discontinued operations	(0.02)	(0.06)	1.66	(0.11)	0.44
Net income (loss)	$ (1.74)	$ (0.77)	$ 0.54	$ (1.62)	$ (0.32)

Cash Flow Data:										
Cash provided by (used in):										
Operating activities	$	(51,467)	$	(19,611)	$	(4,195)	$	(60,106)	$	2,469
Investing activities		2,581		10,843		209,833		39,230		25,955
Financing activities		40,115		(8,615)		(166,642)		1,596		(37,630)
Effect of exchange rate changes		823		(29)		(3,437)		(1,057)		(1,564)
Balance Sheet Data (at period end):										
Cash and cash equivalents	$	33,472	$	41,420	$	58,832	$	22,565	$	42,096
Total assets		363,877		363,036		441,577		684,021		860,272
Total liabilities		332,169		227,899		264,177		570,196		671,498
Total debt		133,283		89,189		95,623		270,335		261,432
Stockholders’ equity		31,708		135,137		177,400		113,825		188,774
Other Financial Data (excluding discontinued operations):										
12 Month Backlog (at period end)(1)	$	477,114	$	419,866	$	432,217	$	548,552	$	800,961
Capital expenditures		2,561		3,802		2,183		11,452		12,975
Adjusted EBITDA from continuing operations(2)		(70,882)		(2,755)		(19,461)		15,618		39,802
Number of employees (at period end):		3,996		3,165		3,579		7,959		9,399

(1) Backlog broadly consists of anticipated contract revenue from the uncompleted portions of existing contracts and contracts whose award is reasonably assured, subject only to the cancellation and modification provisions contained in various contracts. MSA backlog is estimated for the remaining terms of the contract. MSA backlog is determined based on historical trends inherent in the MSAs, factoring in seasonal demand and projecting customer needs based on ongoing communications with the customer.

(2) Adjusted EBITDA from continuing operations is defined as income (loss) from continuing operations before interest expense (income), income tax expense (benefit) and depreciation and amortization, adjusted for items which management does not consider representative of our ongoing operations and certain non-cash items of the Company. Management uses Adjusted EBITDA from continuing operations as a supplemental performance measure for comparing normalized operating results with corresponding historical periods and with the operational performance of other companies in our industry and for presentations made to analysts, investment banks and other members of the financial community who use this information in order to make investment decisions about us.

Adjusted EBITDA from continuing operations is not a financial measurement recognized under U.S. generally accepted accounting principles, or U.S. GAAP. When analyzing our operating performance, investors should use Adjusted EBITDA from continuing operations in addition to, and not as an alternative for, net income, operating income, or any other performance measure derived in accordance with U.S. GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity. Because all companies do not use identical calculations, our presentation of Adjusted EBITDA from continuing operations may be different from similarly titled measures of other companies.

For additional information regarding Adjusted EBITDA from continuing operations, see Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Other Financial Measures – Adjusted EBITDA from Continuing Operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the notes thereto. Additional sections in this Form 10-K which should be helpful to the reading of our discussion and analysis include the following: (i) a description of our services provided by segment found in Items 1 and 2 "Business and Properties – Business Segments" and (ii) a description of risk factors affecting us and our business, found in Item 1A "Risk Factors."

Inasmuch as the discussion below and the other sections to which we have referred you pertain to management's comments on financial resources, capital spending, our business strategy and the outlook for our business, such discussions contain forward-looking statements. These forward-looking statements reflect the expectations, beliefs, plans and objectives of management about future financial performance and assumptions underlying management's judgment concerning the matters discussed, and accordingly, involve estimates, assumptions, judgments and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to any differences include, but are not limited to, those discussed below and elsewhere in our 2017 Form 10-K, particularly in Item 1A "Risk Factors" and in "Forward-Looking Statements."

OVERVIEW

Company Description

Willbros is a specialty energy infrastructure contractor serving the power and oil and gas industries with offerings that primarily include construction, maintenance and facilities development services. Our principal markets for continuing operations are the United States and Canada. We obtain our work through competitive bidding and negotiations with prospective clients. Contract values range from several thousand dollars to several hundred million dollars, and contract durations range from a few weeks to more than two years.

Business Segments

Willbros has three reportable segments: *Utility T&D*, *Canada* and *Oil & Gas*. These segments are comprised of strategic businesses that are defined by the industries or geographic regions they serve. Each segment is led by a separate segment President who reports directly to the CODM.

Our *Utility T&D* segment provides a wide range of services in electric and natural gas transmission and distribution, including comprehensive engineering, procurement, maintenance and construction, repair and restoration of utility infrastructure. These services include engineering, design, installation, maintenance, procurement and repair of electrical transmission, distribution, substation, wireless and gas distribution systems. Our *Utility T&D* segment conducts projects ranging from small engineering and consulting projects to multi-million dollar turnkey distribution, substation and transmission line projects, including those required for renewable energy facilities.

Our *Canada* segment provides construction, maintenance and fabrication services, including integrity and supporting civil work, pipeline construction, general mechanical and facility construction, API storage tanks, general and modular fabrication, along with electrical and instrumentation projects serving the Canadian energy and water industries.

Our *Oil & Gas* segment provides construction, maintenance and lifecycle extension services to the midstream markets. These services include facilities construction such as tank terminals, pump stations, flow stations, gas compressor stations and metering stations, as well as small-diameter midstream pipeline construction, integrity construction, system maintenance, tank services and mainline pipeline construction.

On January 2, 2018, we sold our tank services business to ATS. See Note 5 – Assets Held for Sale in Item 8 of this Form 10-K for more information.

On January 9, 2018, we entered into an agreement to sell assets comprising our mainline pipeline construction business to Meridien.

The CODM evaluates segment performance using operating income which is defined as contract revenue less contract costs and segment overhead, such as amortization related to intangible assets and general and administrative expenses that are directly attributable to the segment.

General economic and market conditions, coupled with the highly competitive nature of our industry, continue to result in pricing pressure on the services we provide in our *Oil & Gas* and *Canada* segments.

Merger Agreement

On March 27, 2018, we entered into a Merger Agreement with Primoris and Merger Sub. Pursuant to the Merger Agreement, Merger Sub will be merged into us, and we will become a wholly owned subsidiary of Primoris. The Merger Agreement includes customary representations, warranties and covenants. Primoris will pay $0.60 per share for all of our outstanding common stock. The Merger Agreement is expected to close in the second quarter of 2018, subject to satisfaction of customary closing conditions, including approval of the Merger Agreement by the requisite vote of our stockholders. Upon termination of the Merger Agreement in certain circumstances, we are obligated to pay Primoris a termination fee of $4.3 million and, in certain other circumstances, a termination fee of $8.0 million.

Term Forbearance Agreement

On March 27, 2018, we entered into a Term Forbearance Agreement with the Term Lenders. Under the Term Forbearance Agreement, the Term Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2014 Term Credit Agreement with respect to Term Specified Defaults. The Term Forbearance Agreement is effective until the expiration of the Term Forbearance Period. The effectiveness of the Term Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the Term Forbearance Agreement or if we were to default under the Term Forbearance Agreement or the 2014 Term Credit Agreement, other than Term Specified Defaults, the Term Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2014 Term Credit Agreement.

ABL Forbearance Agreement

On March 27, 2018, we entered into an ABL Forbearance Agreement with the ABL Lenders. Under the ABL Forbearance Agreement, the ABL Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2013 ABL Credit Facility with respect to ABL Specified Defaults. The ABL Forbearance Agreement is effective until the expiration of the ABL Forbearance Period. The effectiveness of the ABL Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the ABL Forbearance Agreement or if we were to default under the ABL Forbearance Agreement or the 2013 ABL Credit Facility, other than ABL Specified Defaults, the ABL Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2013 ABL Credit Facility.

Seventh Amendment to the 2014 Term Credit Agreement

On the Seventh Amendment Effective Date, we amended the 2014 Term Credit Agreement pursuant to a Seventh Amendment. Under the terms of the Seventh Amendment, Primoris will provide us with an Initial First-Out Loan in an amount equal to $10.0 million to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. The Initial First-Out Loan is subject to various terms and conditions including that no defaults shall have occurred and be continuing under the 2013 ABL Credit Facility or the 2014 Term Credit Agreement other than ABL Specified Defaults and Term Specified Defaults.

In addition, under the terms of the Seventh Amendment, Primoris may provide us with Additional First-Out Loans in an aggregate amount not to exceed $10.0 million. Interest payable with respect to the Initial First-Out Loan and any Additional First-Out Loans will be paid in-kind through additions to the principal amount of such loans.

The Seventh Amendment further provides that, until the termination of the Term Forbearance Period, the due date of any payments due and owing to the lenders (other than Primoris) under the 2014 Term Credit Agreement will be deferred until the fifth business day after the date of the termination of the Term Forbearance Period. In addition, the Seventh Amendment provides that the payment by the borrower of an amount equal to $100.0 million plus the expenses of the administrative agent in an amount not to exceed $1.1 million shall constitute payment in full and satisfaction and discharge of all obligations of the borrower and the other loan parties under the 2014 Term Credit Agreement, but solely if such payment is made in connection with the consummation of the merger.

Going Concern

We have incurred significant operating losses, cash outflows from operating activities and a net working capital deficiency, We do not expect to be in compliance with the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the 2014 Term Credit Agreement beginning with the quarterly period ending March 31, 2018, primarily due to these significant operating losses in 2017. In addition, we are not in compliance with certain other provisions under the 2014

Term Credit Agreement and the 2013 ABL Credit Facility, which expires on August 7, 2018. Absent the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement, all of our debt obligations would become due under the default provisions in the 2014 Term Credit Agreement and the 2013 ABL Credit Facility. In addition, these significant operating losses and cash outflows have put a considerable strain on our overall liquidity. Although the Seventh Amendment provides us with additional short-term liquidity for the period between the signing of the Merger Agreement and the completion of the merger, we can provide no assurance that the merger will be completed. If we are unable to complete the merger, we will likely need to explore other strategic alternatives, which could include seeking protection under the U.S. Bankruptcy laws.

Our continuing failure to comply with financial covenants and other covenants, our inability to extend or refinance the 2013 ABL Credit Facility and our continuing liquidity issues raise substantial doubt about our ability to continue as a going concern, notwithstanding the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement and the short-term liquidity provided by the Seventh Amendment.

In consideration of the above facts and circumstances, at December 31, 2017, we have classified all of our debt obligations as current, which has caused our current liabilities to far exceed our current assets since such date. These debt obligations, net of unamortized discount and debt issuance costs, approximate $133.3 million at December 31, 2017.

Sale of Mainline Pipeline Construction Business

On January 9, 2018, we entered into an agreement to sell assets comprising our mainline pipeline construction business to Meridien.

As part of the agreement, we retained the three mainline pipeline construction projects associated with the business through their completion. Two of these projects have reached mechanical completion with an existing letter of credit returned in the first quarter of 2018. The remaining right-of-way restoration and other clean-up activities associated with these projects are expected to be completed by the end of the third quarter of 2018.

With respect to the remaining mainline pipeline construction project, in the first quarter of 2018, we reached a settlement with the customer to mutually conclude the remaining work. In addition, the settlement releases us from further liability at the completion of the project. As such, we have withdrawn and released any outstanding change orders or claims associated with the project.

Other Financial Measures

Backlog

Backlog broadly consists of anticipated revenue from the uncompleted portions of existing contracts and contracts whose award is reasonably assured, subject only to the cancellation and modification provisions contained in various contracts. Additionally, due to the short duration of many jobs, revenue associated with jobs won and performed within a reporting period will not be reflected in quarterly backlog reports. We generate revenue from numerous sources, including contracts of long or short duration entered into during a year as well as from various contractual processes, including change orders, extra work and variations in the scope of work. These revenue sources are not added to backlog until realization is assured.

Our backlog presentation reflects not only the 12-month lump sum and work under a MSA but also the full-term value of work under contract, including MSA work, as we believe that this information is helpful in providing additional long-term visibility. We determine the amount of backlog for work under ongoing MSA maintenance and construction contracts by using recurring historical trends inherent in the MSAs, factoring in seasonal demand and projecting customer needs based upon ongoing communications with the customer.

At December 31, 2017, 12-month backlog was $477.1 million, which is an increase of $57.2 million compared to December 31, 2016. The increase is primarily related to discrete project additions in our *Oil & Gas* segment, partially offset by the work-off of existing projects in our *Utility T&D* segment.

At December 31, 2017, total backlog was $616.3 million, which is a decrease of $176.1 million compared to December 31, 2016. The decrease is primarily related to the work-off of existing MSAs in our *Utility T&D* segment. MSAs are subject to renewal options in future years, and we include MSA work in backlog that extends only through the life of the contract. We intend to pursue the renewal of these MSAs upon expiration. The decrease in total backlog is partially offset with discrete project additions in our *Oil & Ga*s segment previously discussed.

Approximately $20.7 million and $5.4 million of 12-month and total backlog at December 31, 2017 and December 31, 2016, respectively, is attributed to our mainline pipeline construction business in our *Oil & Gas* segment. On January 9, 2018, we entered into an agreement to sell assets comprising our mainline pipeline construction business to Meridien.

Approximately $18.3 million and $15.2 million of 12-month and total backlog at December 31, 2017 and December 31, 2016, respectively, is attributed to our tank services business in our *Oil & Gas* segment. On January 2, 2018, we sold our tank services business to ATS. See Note 5 – Assets Held for Sale in Item 8 of this Form 10-K for more information.

The following tables (in thousands) show our 12-month and total backlog by operating segment and type of contract as of December 31, 2017 and 2016 and our 12 month backlog for each of the last five years:

	12-Month Backlog					
	December 31, 2017			December 31, 2016		
	MSA	Discrete Contract	12-Month	MSA	Discrete Contract	12-Month
Utility T&D	$ 285,759	$ 21,363	$ 307,122	$ 312,681	$ 37,317	$ 349,998
Canada	45,759	5,955	51,714	33,430	7,611	41,041
Oil & Gas	—	118,278	118,278	—	28,827	28,827
12-Month Backlog	$ 331,518	$ 145,596	$ 477,114	$ 346,111	$ 73,755	$ 419,866

	Total Backlog					
	December 31, 2017			December 31, 2016		
	MSA	Discrete Contract	Total	MSA	Discrete Contract	Total
Utility T&D	$ 350,107	$ 37,177	$ 387,284	$ 607,061	$ 49,777	$ 656,838
Canada	104,815	5,955	110,770	99,182	7,611	106,793
Oil & Gas	—	118,278	118,278	—	28,827	28,827
Total Backlog	$ 454,922	$ 161,410	$ 616,332	$ 706,243	$ 86,215	$ 792,458

	As of December 31,				
	2017	2016	2015	2014	2013
12 Month Backlog	$ 477,114	$ 419,866	$ 432,217	$ 548,552	$ 800,961

Subsequent to December 31, 2017, Oncor notified us of its election to extend its alliance agreement through December 31, 2019. The impact of the extension is not reflected in 12-month and total backlog at December 31, 2017.

Adjusted EBITDA from Continuing Operations

We define Adjusted EBITDA from continuing operations as income (loss) from continuing operations before interest expense (income), income tax expense (benefit) and depreciation and amortization, adjusted for items which management does not consider representative of our ongoing operations and certain non-cash items of the Company. These adjustments are itemized in the following table. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA from continuing operations, you should be aware that in the future we may incur expenses that are the same as, or similar to, some of the adjustments in this presentation. Our presentation of Adjusted EBITDA from continuing operations should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Management uses Adjusted EBITDA from continuing operations as a supplemental performance measure for:

- Comparing normalized operating results with corresponding historical periods and with the operational performance of other companies in our industry; and
- Presentations made to analysts, investment banks and other members of the financial community who use this information in order to make investment decisions about us.

Adjusted EBITDA from continuing operations is not a financial measurement recognized under U.S. GAAP. When analyzing our operating performance, investors should use Adjusted EBITDA from continuing operations in addition to, and not as an alternative for, net income, operating income, or any other performance measure derived in accordance with U.S. GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity. Because all companies do not use

identical calculations, our presentation of Adjusted EBITDA from continuing operations may be different from similarly titled measures of other companies.

A reconciliation of Adjusted EBITDA from continuing operations to U.S. GAAP financial information follows (in thousands):

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Loss from continuing operations attributable to Willbros Group, Inc.	$ (106,659)	$ (43,782)	$ (64,549)	$ (74,608)	$ (36,698)
Interest expense	16,017	13,976	27,254	30,797	32,394
Interest income	(31)	(451)	(51)	(438)	(1,174)
Provision (benefit) for income taxes	(964)	(530)	(54,031)	229	(3,992)
Depreciation and amortization	19,162	21,919	27,200	31,873	34,436
EBITDA from continuing operations	(72,475)	(8,868)	(64,177)	(12,147)	24,966
Debt covenant suspension and extinguishment charges	—	63	39,178	15,176	11,573
Stock-based compensation	2,859	4,127	6,605	12,475	6,382
Fort McMurray wildfire related costs	—	450	—	—	—
Restructuring and reorganization costs	1,339	4,933	9,475	1,878	59
Accounting and legal fees associated with the restatements	636	(24)	595	3,413	—
(Gain) loss on disposal of equipment	(3,241)	(3,436)	1,155	(5,177)	(3,178)
Gain on sale of subsidiary	—	—	(12,826)	—	—
Impairment of intangible assets	—	—	534	—	—
Adjusted EBITDA from continuing operations	$ (70,882)	$ (2,755)	$ (19,461)	$ 15,618	$ 39,802

RESULTS OF OPERATIONS

	Years Ended December 31 (in thousands)				
	2017	2016	2017-2016 Change	2015	2016-2015 Change
Contract revenue					
Utility T&D	$ 506,978	$ 418,387	$ 88,591	$ 379,629	$ 38,758
Canada	121,151	143,140	(21,989)	232,534	(89,394)
Oil & Gas	221,939	170,448	51,491	297,110	(126,662)
Eliminations	(85)	(290)	205	(279)	(11)
Total	849,983	731,685	118,298	908,994	(177,309)
Contract costs	874,738	685,389	189,349	868,240	(182,851)
Contract income (loss)	(24,755)	46,296	(71,051)	40,754	5,542
Amortization of intangibles	9,667	9,754	(87)	9,874	(120)
General and administrative	54,693	60,993	(6,300)	77,335	(16,342)
Gain on sale of subsidiary	—	—	—	(12,826)	12,826
Other charges	2,226	6,210	(3,984)	18,469	(12,259)
Operating income (loss)					
Utility T&D	(5,281)	15,567	(20,848)	3,960	11,607
Canada	(4,045)	(650)	(3,395)	10,226	(10,876)
Oil & Gas	(60,505)	(16,783)	(43,722)	(38,024)	21,241
Gain on sale of subsidiary	—	—	—	12,826	(12,826)
Corporate	(21,510)	(28,795)	7,285	(41,086)	12,291
Total	(91,341)	(30,661)	(60,680)	(52,098)	21,437
Non-operating expenses	(16,282)	(13,651)	(2,631)	(66,482)	52,831
Loss from continuing operations before income taxes	(107,623)	(44,312)	(63,311)	(118,580)	74,268
Benefit for income taxes	(964)	(530)	(434)	(54,031)	53,501
Loss from continuing operations	(106,659)	(43,782)	(62,877)	(64,549)	20,767
Income (loss) from discontinued operations net of provision for income taxes	(1,436)	(3,977)	2,541	96,032	(100,009)
Net income (loss)	$ (108,095)	$ (47,759)	$ (60,336)	$ 31,483	$ (79,242)

2017 versus 2016

Consolidated Results

Contract Revenue

Contract revenue increased $118.3 million in 2017 primarily driven by growth in discrete projects within our *Utility T&D* and *Oil & Gas* segments in comparison to 2016 as well as incremental storm restoration work. The increase in contract revenue is partially offset by a lower volume of work in our *Canada* segment in a number of service offerings primarily driven by lower demand for oil and gas related services in the Canadian market.

Contract Income (Loss)

Contract income decreased $71.1 million in 2017 to a contract loss of $24.8 million, as contract margin was negative 2.9 percent compared to 6.3 percent in 2016. The decrease in contract income and related margin is primarily related to significant losses in our *Oil & Gas* segment mainly attributed to three mainline pipeline construction projects and several small-diameter pipeline construction projects in the Northeast. These projects, which are all in the same geographic region and have similar risk profiles, were negatively impacted by adverse weather conditions, lower than planned productivity through difficulties in execution and various project delays that shifted work into the winter, which presented challenging right-of-way and ground work conditions. We recorded $46.3 million in losses on these projects in 2017. Included in these losses are $10.9 million in accrued contract losses that will be worked off in 2018.

The decrease in contract income and related margin is also partly related to an increased volume discount of $9.2 million associated with our alliance agreement with Oncor in our *Utility T&D* segment. Under the terms of the alliance agreement, Oncor is entitled to a volume discount when certain levels of revenue are exceeded. In 2017, we had an increase in activity related to the alliance agreement that triggered the additional discount. The decrease in contract income and related margin in our *Utility T&D* segment is also partly related to $6.7 million in losses related to two large discrete projects as well as lower margins in our electric transmission construction services in 2017 and increased insurance and other employee-related indirect costs in 2017.

In addition, the decrease in contract income and related margin is partly attributed to a lower volume of work in our *Canada* segment described above as well as a reduction in margin in our industrial and construction services, where certain larger tank projects were completed in 2016 and did not recur in 2017.

The decrease in contract income and related margin is partially offset by increased margin associated with incremental storm work in our *Utility T&D* segment as well as an increase in equipment utilization in our *Oil & Gas* segment in comparison to 2016.

Amortization of Intangibles

We recorded $9.7 million of intangible amortization expense in 2017 primarily related to the amortization of customer relationship and trademark intangibles associated with our alliance agreement with a major customer in our *Utility T&D* segment. The $0.1 million decrease from 2016 is related to the lack of intangible amortization associated with our tank services business in our *Oil & Gas* segment, which is held for sale at December 31, 2017. The tank services business was sold in the first quarter of 2018.

General and Administrative Expenses

General and administrative expenses decreased $6.3 million in 2017 primarily due to 2016 cost reduction initiatives in our corporate headquarters, as well as general and administrative headcount reductions in our *Oil & Gas* segment.

Other Charges

We recorded other charges of $2.2 million in 2017 primarily related to employee severance and termination costs of $1.6 million and legal fees of $0.6 million associated with the restatement of our Condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2014 and June 30, 2014. The decrease in other charges of $4.0 million in comparison to 2016 is primarily related to equipment and facility lease abandonment estimates in 2016 that did not recur in 2017.

Operating Loss

Operating loss increased $60.7 million in 2017 primarily driven by the decrease in contract income and related margin discussed above. The increased operating loss is partially offset by a decrease in general and administrative expenses and other charges, including equipment and facility lease abandonment estimates in 2016 that did not recur in 2017.

Non-Operating Expenses

Non-operating expenses increased $2.6 million in 2017 primarily attributed to a $1.6 million increase in amortization of debt issuance costs and the amortization of the repayment fee, both associated with the 2014 Term Loan Facility. The increase in non-operating expenses is also partly attributed to an increase in interest expense associated with the 2014 Term Loan Facility related to an increased interest rate in conjunction with the Sixth Amendment to the 2014 Credit Agreement as well as an increase in interest expense attributed to higher indebtedness under the 2013 ABL Credit Facility in comparison to 2016. The increase in non-operating expenses is also partly attributed to the favorable settlement of a contract dispute with a customer in 2016 that did not recur in 2017. The settlement resulted in interest income in 2016 of approximately $0.4 million.

Benefit for Income Taxes

Benefit for income taxes increased $0.4 million to $1.0 million in 2017. The increase in comparison to 2016 is primarily attributed to a refund resulting from a Texas Margins Tax audit, a refundable alternate minimum tax credit carryforward and an increase in losses associated with our *Canada* segment. The increased benefit is partially offset with a settlement of a transfer pricing audit and a provision on discrete items.

Loss from Discontinued Operations, Net of Taxes

Loss from discontinued operations decreased $2.5 million in 2017 primarily due to working capital adjustments in 2016 in connection with the sale of our *Professional Services* segment, which did not recur in 2017. Working capital and all other post-closing adjustments associated with this sale were finalized during the year ended December 31, 2016. The decreased loss is also partly attributed to a reduction of insurance liabilities in 2017 associated with previously disposed businesses. The

decreased loss is partially offset by changes in facility abandonment estimates that generated income in 2016 compared to losses in 2017.

Segment Results

Utility T&D Segment

Contract revenue increased $88.6 million in 2017 primarily driven by three large discrete projects approximating $79.1 million as well as incremental storm restoration work compared to 2016. In addition, contract revenue increased in our distribution service offerings in the Southeast year-over-year. The overall increase in contract revenue is partially offset by a reduction in distribution service offerings in the East Coast year-over-year.

Operating income decreased $20.8 million to a loss of $5.3 million in 2017. The decrease in operating income is primarily driven by an increased volume discount of $9.2 million associated with our alliance agreement with Oncor. Under the terms of the alliance agreement, Oncor is entitled to a volume discount when certain levels of revenue are exceeded. In 2017, we had an increase in activity related to the alliance agreement that triggered the additional discount.

The decrease in operating income is also partly attributed to $6.7 million in losses related to two of the large discrete projects noted above as well as margin reduction in our electric transmission construction services where our workforce and supervision were overextended in 2017 on large discrete projects outside of our traditional client base. The decrease in operating income is also partly attributed to lower contract revenue in 2017 associated with historically higher margin wireless work, as well as lower insurance and other employee-related indirect costs in 2016. The decrease in operating income is partially offset by increased margin associated with incremental storm restoration work in comparison to 2016 as discussed above as well as increased margins in our distribution service offerings in Texas year-over-year.

Canada Segment

Contract revenue decreased $22.0 million in 2017 primarily driven by a lower volume of work in a number of service offerings caused by lower demand for oil and gas related services in the Canadian market. The decrease in contract revenue is also partly attributed to a reduction in maintenance related work and a reduction in cross-country pipeline services compared to 2016.

Operating loss increased $3.4 million in 2017 primarily driven by a lower volume of work described above as well as a reduction in our industrial and construction services, where certain larger tank projects were completed in 2016 and did not recur in 2017. The increased operating loss is also partly attributed to reduced margins in our construction and maintenance services where certain 2016 contracts that had higher margins were renegotiated at lower margins in 2017. The increased operating loss is partially offset by a 2016 loss on a cross-country pipeline project that did not recur in 2017. We recorded a $2.0 million income recovery in 2017 associated with a claim on this completed project.

Oil & Gas Segment

Contract revenue increased $51.5 million in 2017 primarily driven by growth in discrete projects in our facilities construction services, tank services, small-diameter pipeline construction services in the Northeast and our mainline pipeline construction services.

Operating loss increased $43.7 million in 2017 primarily driven by significant losses on three mainline pipeline construction projects of $42.0 million and several small-diameter pipeline construction projects in the Northeast of $4.3 million. These six projects, which are all in the same geographic region and have similar risk profiles, were negatively impacted by adverse weather conditions, lower than planned productivity through difficulties in execution and various project delays that shifted work into the winter, which presented challenging right-of-way and ground work conditions.

The increased operating loss is also partly due to a reduction in income of $1.5 million in our facilities construction services where we completed a higher margin facilities construction project in 2016. The increased operating loss is partially offset by improved equipment utilization in conjunction with revenue growth across the entire segment as well as changes in estimates related to the abandonment of certain equipment leases in 2016 that did not recur in 2017 and a decrease in general and administrative expenses primarily related to headcount reductions.

In the first quarter of 2018, we sold our tank services business and agreed to sell assets comprising our mainline pipeline construction business to outside parties. These businesses recorded approximately $125.5 million and $100.2 million in contract revenue in 2017 and 2016, respectively and approximately $46.9 million and $17.5 million in operating losses in 2017 and 2016, respectively.

Corporate

Corporate costs represent overhead costs, such as executive management, public company, accounting, tax and professional services, human resources and treasury, which are not directly related to the operations of the segments. The $7.3 million decrease in corporate costs in 2017 is primarily driven by 2016 cost reduction initiatives, including employee headcount reductions, across our corporate headquarters. In addition, the overall decrease is partly attributed to a facility lease abandonment changes in estimates in 2016 that did not recur in 2017.

2016 versus 2015

Consolidated Results

Contract Revenue

Contract revenue decreased $177.3 million in 2016 primarily related to a lower volume of work in our *Oil & Gas* and *Canada* segments driven by challenging market conditions for the majority of the year. The overall decrease is also partly attributed to the 2015 exit from both our regional delivery model and service offerings in the downstream market in our *Oil & Gas* segment. The decrease is partially offset by increased revenue in our *Utility T&D* segment driven mainly by our electric transmission construction services in Texas and distribution MSA work along the Atlantic seaboard, Texas and the Gulf Coast.

Contract Income

Contract income increased $5.5 million in 2016, as contract margin was 6.3 percent in 2016 compared to 4.5 percent in 2015. The improved margin is primarily related to a reduction of equipment-related indirect costs due to the rationalization of our equipment fleet.

Amortization of Intangibles

We recorded $9.8 million of intangible amortization expense in 2016 primarily related to the amortization of customer relationship and trademark intangibles associated with our *Utility T&D* segment. The decrease from 2015 of $0.1 million is primarily related to the lack of intangible amortization associated with field, fabrication and union construction turnaround services in our *Oil & Gas* segment, which were fully impaired in 2015.

General and Administrative

General and administrative expense decreased $16.3 million in 2016 as a result of cost reduction initiatives taken over the last year, including, but not limited to, employee headcount reductions, primarily in our corporate headquarters, as well as the closing of our regional delivery offices and our exit from the downstream market in our *Oil & Gas* segment.

Gain on Sale of Subsidiary

The $12.8 million reduction in gain on sale of subsidiary is attributed to the 2015 sale of Bemis, LLC (“Bemis”) that did not recur in 2016.

Other Charges

We recorded other charges of $6.2 million in 2016 primarily related to $3.6 million in equipment and facility lease abandonment charges, $1.3 million in employee severance charges and $1.0 million in losses on disposal of equipment. The year-over-year decrease of $12.3 million is primarily related to a $5.7 million reduction in losses on disposal of equipment, a $4.1 million reduction in equipment and facility lease abandonment charges, a $0.4 million reduction in employee severance charges and other termination costs, as well as a $0.6 million decrease in legal and accounting costs associated with our investigation related to the deterioration of certain construction projects within our *Oil & Ga*s segment and restatement of our Condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2014 and June 31, 2014.

Operating Loss

Operating loss decreased $21.4 million in 2016 primarily driven by the rationalization of our equipment fleet in our *Oil & Gas* segment and decreased general and administrative costs and other charges year-over-year. In addition, the reduced loss is partly attributable to an increased volume of work in a number of service offerings in our *Utility T&D* segment. The overall decrease in operating loss was partially offset by $7.0 million in losses on a cross-country pipeline project in our *Canada s*egment, which was mainly due to adverse weather conditions. The overall decrease in operating loss was also partially offset by a lower volume of work in our *Oil & Gas* and *Canada* segments year-over-year, as well as a $12.8 million gain on the sale of Bemis in 2015, which did not recur in 2016.

Non-Operating Expenses

Non-operating expenses decreased $52.8 million in 2016 primarily related to $33.5 million in debt covenant suspension and extinguishment charges related to the fair value of outstanding stock issued during 2015, which did not recur in 2016. The remaining decrease was related to a reduction of interest expense as a result of a lower Term Loan balance in 2016, compared to 2015, as well as a reduction in prepayment premiums and debt issuance cost write-offs in connection with early payments of debt from asset dispositions, which significantly decreased year-over-year.

Benefit for Income Taxes

Benefit for income taxes decreased $53.5 million in 2016. The decrease is primarily attributed to a 2015 benefit for income taxes in continuing operations that was partially offset by a 2015 provision for income taxes in discontinued operations in relation to the net gain on sale of subsidiaries in 2015 that did not recur in 2016.

Income (Loss) from Discontinued Operations, Net of Taxes

Income from discontinued operations decreased $100.0 million to a $4.0 million loss from discontinued operations in 2016. The decrease is primarily attributed to a change in net gain on sale of subsidiaries of $154.7 million between periods. In 2015, we recorded a large net gain on sale of $152.2 million primarily related to the sale of our *Professional Services* segment, as well as the sale of our Premier and UtilX subsidiaries, whereas in 2016, we recorded a loss on sale of $2.5 million related to the settlement of working capital and other post-closing adjustments in connection with the sale of our *Professional Services* segment. The overall decrease from 2015 is also partly attributed to a reduction of income in 2016 from services previously associated with our *Professional Services* segment. The overall decrease is partially offset by a 2015 provision for income taxes of $57.2 million related to previously sold subsidiaries that did not recur in 2016.

Segment Results

Utility T&D Segment

Contract revenue increased $38.8 million in 2016 primarily due to an increase in the volume of work in our electric transmission construction services, which includes work performed under our alliance agreement with Oncor, as well as growth in distribution MSA work along the Atlantic seaboard, Texas, and the Gulf Coast. The increase was partially offset by the absence of matting services associated with Bemis, which was sold in 2015.

Operating income increased $11.6 million in 2016 primarily driven by the increased volume of work described above, which led to higher margins. The increase is also partly attributed to a decrease in insurance and other employee related costs coupled with the absence of other charges associated with the abandonment of certain equipment and facility leases across the segment compared to 2015. The increase is partially offset by a reduction of income generated from matting services in Bemis, which was sold in 2015.

Canada Segment

Contract revenue decreased $89.4 million in 2016 primarily related to a lower volume of work across the entire segment due to low prevailing oil and gas prices and pricing pressures from our customers for the majority of 2016. The decrease in contract revenue is also partly driven by the 2015 completion of certain large capital projects that have not recurred in 2016 due to the challenging market conditions described above, which has significantly reduced capital spending by our customers.

Operating income decreased $10.9 million to a loss of $0.7 million in 2016 primarily related to $7.0 million in losses on one cross-country pipeline project in 2016, which was mainly due to adverse weather conditions. The overall decrease in income is also driven by a lower volume of work across the entire segment as previously discussed, as well as a change in the mix of services offered during the year. The overall decrease was partially offset by the impact of measures taken to reduce overall operating costs in 2016.

Oil & Gas Segment

Contract revenue decreased $126.7 million in 2016 primarily related to the 2015 exit of both our regional delivery model and service offerings in the downstream market, coupled with a lower volume of work in tank services, facilities and integrity construction services compared to 2015, as well as the 2015 completion of a large project in the Northeast that did not recur in 2016. The overall decrease is partially offset by increased revenue in our mainline pipeline construction service offerings year-over-year.

Operating loss decreased $21.2 million in 2016 primarily associated with lower equipment-related indirect costs due to the rationalization of our equipment fleet, as well as a decrease in other charges related to the abandonment of certain equipment and facility leases, mostly in our mainline pipeline construction services. The decreased operating loss is also partly

attributed to a reduction of losses associated with our regional delivery model and service offerings in our downstream market, which we exited in 2015, as well as the favorable settlement of a contract dispute with a customer during 2016. The overall decrease is partially offset by a reduction of income in our facilities and integrity construction services due mainly to a lower volume of work compared to 2015.

Corporate

Corporate costs represent overhead costs, such as executive management, public company, accounting, tax and professional services, human resources and treasury, which are not directly related to the operations of the segments. The decreased costs in 2016 are primarily attributed to continued cost reduction initiatives implemented during the year, including employee headcount reductions, across our corporate headquarters.

LIQUIDITY AND CAPITAL RESOURCES

2014 Term Loan Facility

On December 15, 2014, we entered into a credit agreement (the "2014 Term Credit Agreement") among Willbros Group, Inc., certain of its subsidiaries, as guarantors, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. Cortland Capital Market Services LLC currently serves as administrative agent under the 2014 Term Credit Agreement.

Principal, Interest and Maturity

The 2014 Term Credit Agreement initially provided for a five-year $270.0 million term loan facility (the "2014 Term Loan Facility"), which we drew in full on the effective date of the 2014 Term Credit Agreement. Effective November 6, 2017, we amended the 2014 Term Credit Agreement pursuant to the Sixth Amendment. The Sixth Amendment, among other things, provides for an additional term loan in an amount equal to $15.0 million, which will be pari passu in right of payment with, and secured on a pari passu basis with the aggregate outstanding principal balance of the 2014 Term Loan Facility. The additional term loan was drawn in full on November 17, 2017 (the "Sixth Amendment Funding Date") and bears the same maturity date as the aggregate outstanding principal balance of the 2014 Term Loan Facility. At December 31, 2017, the aggregate outstanding principal balance of the 2014 Term Loan Facility was approximately $107.2 million.

The 2014 Term Loan Facility initially bore interest at the "Adjusted Base Rate" plus an applicable margin of 8.75 percent, or the "Eurodollar Rate" plus an applicable margin of 9.75 percent. The interest rate in effect at December 31, 2016 was 11 percent, which consisted of an applicable margin of 9.75 percent for Eurodollar Rate loans plus a LIBOR floor of 1.25 percent. On the Sixth Amendment Funding Date, the interest rate increased to 13 percent, consisting of an applicable margin of 11.75 percent for Eurodollar Rate loans plus a LIBOR floor of 1.25 percent. Beginning September 30, 2018, the applicable margin will increase an additional 100 basis points each quarterly period until maturity.

Subsequent to December 31, 2017, we amended the 2014 Term Credit Agreement pursuant to the Seventh Amendment. Under the terms of the Seventh Amendment, Primoris will provide us an Initial First-Out Loan in an amount equal to $10.0 million to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. In addition, Primoris may provide us with Additional First-Out Loans up to $10.0 million. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

Makewhole

Under the 2014 Term Credit Agreement, with respect to prepayments made from inception of the Term Loan through December 31, 2017, we have not been required to pay prepayment premiums in respect of the "makewhole amount." However, future prepayments or refinancing of the balance of the 2014 Term Loan Facility may require us to pay a prepayment premium equal to the makewhole amount and the repayment fee described below. Pursuant to the Sixth Amendment and beginning with the Sixth Amendment Funding Date, if a prepayment is made on or before September 30, 2018, the makewhole amount will be calculated as the present value of all interest payments that would have been made on the amount prepaid from the date of the prepayment to June 15, 2019 at a rate per annum equal to the sum of the applicable margin on the date of the prepayment plus the greater of 1.25 percent and the Eurodollar rate in effect on the date of the repayment. If a prepayment is made after September 30, 2018, the makewhole amount will be calculated as the present value of all interest payments that would have been made on the amount prepaid from the date of the prepayment to December 15, 2019 at a rate per annum equal to the sum of the applicable margin on the date of the prepayment plus the greater of 1.25 percent and the Eurodollar rate in effect on the date of the repayment.

Should a prepayment in full occur under the Sixth Amendment, the estimated makewhole amount due at future prepayment dates would be as follows (in thousands):

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Makewhole	$ 16,843	$ 13,358	$ 9,874	$ 16,888	$ 12,331	$ 7,595	$ 3,350

Repayment Fee

Prior to the Sixth Amendment, we were also required to pay a repayment fee on the date of any prepayment and on the maturity date of the 2014 Term Loan Facility equal to a total of $4.6 million, which was 5.0 percent of the amount prepaid or 5.0 percent of the aggregate remaining outstanding principal balance on the maturity date. Pursuant to the Sixth Amendment and beginning with the Sixth Amendment Funding Date, the repayment fee increased to a total of $9.7 million, which is 9.0 percent of the amount prepaid or 9.0 percent of the aggregate remaining outstanding principal balance on the maturity date. We are amortizing the repayment fee as a discount, from that date through the maturity date of the 2014 Term Loan Facility, using the effective interest method. The unamortized amount of the repayment fee was $7.2 million at December 31, 2017 based on the 9.0 percent repayment fee in effect as of the Sixth Amendment Funding Date and $3.6 million at December 31, 2016, based on the 5.0 percent repayment fee in effect as of that date.

Term Loan Discounted Payoff

The Seventh Amendment provides that the payment by us of an amount equal to $100.0 million plus the expenses of the administrative agent in an amount not to exceed $1.1 million shall constitute payment in full and satisfaction and discharge of all obligations of the borrower and the other loan parties under the 2014 Term Credit Agreement, but solely if such payment is made in connection with the consummation of the merger. Accordingly, if the 2014 Term Loan Facility is paid off in connection with the closing of the merger, no amounts will be owed in respect of the makewhole amount and the repayment fee. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

Debt Covenants

On March 31, 2015 (the “First Amendment Closing Date”), March 1, 2016, July 26, 2016 and March 3, 2017, we amended the 2014 Term Credit Agreement pursuant to a First Amendment (the “First Amendment”), a Third Amendment (the “Third Amendment”), a Fourth Amendment (the “Fourth Amendment”) and a Fifth Amendment (the “Fifth Amendment”). These amendments, among other things, suspended the calculation of the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio for the period from December 31, 2014 through June 30, 2017 (the “Covenant Suspension Periods”) so that any failure by us to comply with the Maximum Total Leverage Ratio or Minimum Interest Coverage Ratio during the Covenant Suspension Periods shall not be deemed to result in a default or event of default.

In consideration of the initial suspension of the calculation of the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the First Amendment, we issued 10.1 million shares, which was equivalent to 19.9 percent of the then outstanding shares of common stock immediately prior to the First Amendment Closing Date, to KKR Lending Partners II L.P. and other entities indirectly advised by KKR Credit Advisers (US) LLC, which made them a related party. In connection with this transaction, we recorded debt covenant suspension charges of approximately $33.5 million which represented the fair value of the 10.1 million outstanding shares of common stock issued, multiplied by the closing stock price on the First Amendment Closing Date. In addition, we recorded debt extinguishment charges of approximately $0.8 million related to the write-off of debt issuance costs associated with the 2014 Term Credit Agreement.

In consideration for the Third Amendment, Fourth Amendment and Fifth Amendment, we paid a total of $4.6 million in amendment fees during the year ended December 31, 2016 and $2.3 million in amendment fees during the year ended December 31, 2017. The amendment fees are recorded as direct deductions from the carrying amount of the 2014 Term Loan Facility and are being amortized through the maturity date of the 2014 Term Loan Facility using the effective interest method.

The Sixth Amendment suspends compliance with the Maximum Total Leverage Ratio and the Minimum Interest Coverage Ratio covenants through December 31, 2017. In addition, under the Sixth Amendment, the Maximum Total Leverage Ratio will be 5.50 to 1.00 as of March 31, 2018 and will decrease to 4.50 to 1.00 as of June 30, 2018, 4.25 to 1.00 as of September 30, 2018 and 3.00 to 1.00 as of March 31, 2019, and thereafter. The Minimum Interest Coverage Ratio will be 1.75 to 1.00 as of March 31, 2018, will increase to 2.00 to 1.00 as of June 30, 2018, decrease to 1.50 to 1.00 as of December 31, 2018 and increase to 2.75 to 1.00 as of March 31, 2019, and thereafter. The Sixth Amendment also provides that, for the four-quarter period ending March 31, 2018, Consolidated EBITDA shall be equal to the sum of Consolidated EBITDA for the quarterly periods ending December 31, 2017 and March 31, 2018 multiplied by two, and, for the four-quarter period ending

June 30, 2018, Consolidated EBITDA shall be equal to the annualized sum of Consolidated EBITDA for the quarterly periods ending December 31, 2017, March 31, 2018 and June 30, 2018.

Other

We are the borrower under the 2014 Term Credit Agreement, with all of our obligations guaranteed by our material U.S. subsidiaries, other than excluded subsidiaries. Obligations under the 2014 Term Loan Facility are secured by a first priority security interest in, among other things, the borrower's and the guarantors' equipment, subsidiary capital stock and intellectual property (the "2014 Term Loan Priority Collateral") and a second priority security interest in, among other things, the borrower's and the guarantors' inventory, accounts receivable, deposit accounts and similar assets.

Unamortized debt issuance costs, primarily related to amendment fees associated with the 2014 Term Loan Facility, were $4.5 million and $4.1 million at December 31, 2017 and December 31, 2016, respectively. These costs are being amortized through the maturity date of the 2014 Term Loan Facility using the effective interest method.

We made no early payments during the year ended December 31, 2017 and $3.1 million of early payments during the year ended December 31, 2016 against the 2014 Term Loan Facility. As a result of these early payments, we recorded no debt extinguishment charges during the year ended December 31, 2017 and $0.1 million of debt extinguishment charges, which consisted of the write-off of debt issuance costs, during the year ended December 31, 2016.

2013 ABL Credit Facility

On August 7, 2013, we entered into a five-year asset based senior revolving credit facility maturing on August 7, 2018 with Bank of America, N.A. serving as sole administrative agent for the lenders thereunder, collateral agent, issuing bank and swingline lender (as amended, the "2013 ABL Credit Facility").

The aggregate amount of commitments for the 2013 ABL Credit Facility is $100.0 million, which is comprised of $90.0 million for the U.S. facility (the "U.S. Facility") and $10.0 million for the Canadian facility (the "Canadian Facility"). At December 31, 2017, we had approximately $28.1 million in outstanding borrowings under the 2013 ABL Credit Facility for working capital purposes.

The 2013 ABL Credit Facility includes a sublimit of $80.0 million for letters of credit. The borrowers under the U.S. Facility consist of all of our U.S. operating subsidiaries with assets included in the borrowing base, and the U.S. Facility is guaranteed by Willbros Group, Inc. and its material U.S. subsidiaries, other than excluded subsidiaries. The borrower under the Canadian Facility is Willbros Construction Services (Canada) LP, and the Canadian Facility is guaranteed by Willbros Group, Inc. and all of its material U.S. and Canadian subsidiaries, other than excluded subsidiaries.

Advances under the U.S. and Canadian Facilities are limited to a borrowing base consisting of the sum of the following, less applicable reserves:

- 85 percent of the value of "eligible accounts" (as defined in the 2013 ABL Credit Facility);
- the lesser of (i) 75 percent of the value of "eligible unbilled accounts" (as defined in the 2013 ABL Credit Facility) and (ii) $33.0 million minus the amount of eligible unbilled accounts then included in the borrowing base; and
- "eligible pledged cash".

We are also required, as part of our borrowing base calculation, to include a minimum of $25.0 million of the net proceeds of the sale of Bemis, LLC and the balance of the *Professional Services* segment as eligible pledged cash. We have included $40.0 million as eligible pledged cash in our December 31, 2017 borrowing base calculation, which is included in "Restricted cash" on our Consolidated Balance Sheets.

The aggregate amount of the borrowing base attributable to eligible accounts and eligible unbilled accounts constituting certain progress or milestone billings, retainage and other performance-based benchmarks may not exceed $23.0 million.

Advances in U.S. dollars bear interest at a rate equal to LIBOR or the U.S. or Canadian base rate plus an additional margin. Advances in Canadian dollars bear interest at the Bankers Acceptance ("BA") Equivalent Rate or the Canadian prime rate plus an additional margin.

The interest rate margins will be adjusted each quarter based on our fixed charge coverage ratio as of the end of the previous quarter as follows:

Fixed Charge Coverage Ratio	U.S. Base Rate, Canadian Base Rate and Canadian Prime Rate Loans	LIBOR Loans, BA Rate Loans and Letter of Credit Fees
>1.25 to 1	1.25%	2.25%
≤1.25 to 1 and >1.15 to 1	1.50%	2.50%
≤1.15 to 1	1.75%	2.75%

We will also pay an unused line fee on each of the U.S. and Canadian Facilities equal to 50 basis points when usage under the applicable facility during the preceding calendar month is less than 50 percent of the commitments or 37.5 basis points when usage under the applicable facility equals or exceeds 50 percent of the commitments for such period. With respect to the letters of credit, we will pay a letter of credit fee equal to the applicable LIBOR margin, shown in the table above, on all letters of credit and a 0.125 percent fronting fee to the issuing bank, in each case, payable monthly in arrears.

Obligations under the 2013 ABL Credit Facility are secured by a first priority security interest in the borrowers' and guarantors' accounts receivable, deposit accounts and similar assets (the "ABL Priority Collateral") and a second priority security interest in the 2014 Term Loan Priority Collateral.

On January 2, 2018, we paid down $2.5 million of our outstanding borrowings under the 2013 ABL Credit Facility using available cash on hand.

If our unused availability under the 2013 ABL Credit Facility is less than the greater of (i) 15.0 percent of the revolving commitments or $15.0 million for five consecutive days, or (ii) 12.5 percent of the revolving commitments or $12.5 million at any time, or upon the occurrence of certain events of default under the 2013 ABL Credit Facility ("Cash Dominion"), we are subject to increased reporting requirements, the administrative agent shall have exclusive control over any deposit account, we will not have any right of access to, or withdrawal from, any deposit account, or any right to direct the disposition of funds in any deposit account, and amounts in any deposit account will be applied to reduce the outstanding amounts under the 2013 ABL Credit Facility. In addition, if our unused availability under the 2013 ABL Credit Facility is less than the amounts described above, we would be required to comply with a Minimum Fixed Charge Coverage Ratio of 1.15 to 1.00.

In accordance with our December 31, 2017 borrowing base certificate completed in January 2018, our unused availability under the 2013 ABL Credit Facility was $12.8 million. As such, on January 30, 2018, in order to avoid Cash Dominion under the 2013 ABL Credit Facility, as described above, we paid down an additional $2.5 million of outstanding revolver borrowings under the 2013 ABL Credit Facility. We give no assurance that we will continue to be able to avoid Cash Dominion under the 2013 ABL Credit Facility. If the Minimum Fixed Charge Coverage Ratio were to become applicable, we would not expect to be in compliance over the next twelve months and would therefore be in default under our credit agreements.

Pursuant to the ABL Forbearance Agreement, the aggregate amount of commitments under the 2013 ABL Credit Facility has been reduced from $100.0 million to $90.0 million, which is comprised of $80.0 million for the U.S. Facility and $10.0 million for the Canadian Facility. In addition, during the ABL Forbearance Period, we may not request any additional loans or any new or increased letters of credit. The ABL Forbearance Agreement also provides that Cash Dominion will occur if our unused availability under the 2013 ABL Credit Facility is less than $10.0 million at any time.

Events of Default

A default under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility may be triggered by events such as a failure to comply with financial covenants or other covenants under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, a failure to make payments when due under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, a failure to make payments when due in respect of, or a failure to perform obligations relating to, debt obligations in excess of $15.0 million, a change of control of the Company and certain insolvency proceedings. A default under the 2013 ABL Credit Facility would permit the lenders to terminate their commitment to make cash advances or issue letters of credit, require the immediate repayment of any outstanding cash advances with interest and require the cash collateralization of outstanding letter of credit obligations. A default under the 2014 Term Credit Agreement would permit the lenders to require immediate repayment of all principal, interest, fees and other amounts payable thereunder.

The 2014 Term Credit Agreement and the 2013 ABL Credit Facility also include customary representations and warranties and affirmative and negative covenants, including:

- the preparation of financial statements in accordance with GAAP;

- the ability to deliver an audit opinion without a going concern explanation;
- the identification of any events or circumstances, either individually or in the aggregate, that has had or could reasonably be expected to have a material adverse effect on the business, results of operations, properties or financial condition of the Company;
- limitations on liens and indebtedness;
- limitations on dividends and other payments in respect of capital stock;
- limitations on capital expenditures; and
- limitations on modifications of the documentation of the 2013 ABL Credit Facility.

Our inability to deliver audited financial statements without a going concern explanation constitutes an event of default under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

On March 27, 2018, we entered into a Term Forbearance Agreement with the Term Lenders and an ABL Forbearance Agreement with the ABL Lenders. If the merger with Primoris is not completed, or if these forbearance agreements were to expire or be terminated prior to the completion of the merger, the Term Lenders and ABL Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, respectively. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

Cash Balances and Working Capital

As of December 31, 2017, we had cash and cash equivalents of $33.5 million. Our cash and cash equivalent balances held in the United States and foreign countries were $25.2 million and $8.3 million, respectively. In 2011, we discontinued our strategy of reinvesting non-U.S. earnings in foreign operations. Accordingly, we may repatriate foreign cash for corporate purposes without incurring additional tax expense.

In 2017, we borrowed a net $28.1 million under the 2013 ABL Credit Facility, and obtained an additional term loan of $15.0 million pursuant to the Sixth Amendment, to support working capital needs and fund operating losses and revenue growth. However, our significant operating losses in 2017 have led to significant negative operating cash flow in recent months, which has a put a considerable strain on our overall liquidity. Subsequent to December 31, 2017, we paid down approximately $5.0 million of our outstanding revolver borrowings under the 2013 ABL Credit Facility.

Our working capital position (defined as current assets minus current liabilities) for continuing operations decreased $173.5 million to a negative $83.1 million at December 31, 2017. The reduction in working capital is primarily attributed to the reclassification of all of our debt obligations as current at December 31, 2017. In addition, the decrease in working capital is partly attributed to higher accounts payable balances in conjunction with higher activity in comparison to 2016. The decrease in working capital is partially offset with increases in accounts receivable in conjunction with revenue growth year-over-year.

Subsequent to December 31, 2017, we amended the 2014 Term Credit Agreement pursuant to the Seventh Amendment. Under the terms of the Seventh Amendment, Primoris will provide us an Initial First-Out Loan under the 2014 Term Credit Agreement in an amount equal to $10.0 million to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. In addition, Primoris may provide us with Additional First-Out Loans up to an additional $10.0 million. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

Cash Flows

Statements of cash flows for entities with international operations that use the local currency as the functional currency exclude the effects of the changes in foreign currency exchange rates that occur during any given period, as these are non-cash charges. As a result, changes reflected in certain accounts on the Consolidated Statements of Cash Flows may not reflect the changes in corresponding accounts on the Consolidated Balance Sheets.

Cash flows provided by (used in) continuing operations by type of activity were as follows for years ended December 31, 2017, 2016 and 2015 (in thousands):

	2017	2016	2015
Operating activities	$ (49,623)	$ (11,992)	$ 46,009
Investing activities	2,581	10,843	210,423
Financing activities	40,115	(8,615)	(177,266)
Effect of exchange rate changes	823	(29)	(3,437)
Net change in cash from all continuing activities	$ (6,104)	$ (9,793)	$ 75,729

Operating Activities

Cash flow from operations is primarily influenced by demand for our services, operating margins and the type of services we provide but can also be influenced by working capital needs such as the timing of collection of receivables and the settlement of payables and other obligations. Working capital needs are generally higher during the summer and fall months when the majority of our capital-intensive projects are executed. Conversely, working capital assets are typically converted to cash during the late fall and winter months.

Operating activities from continuing operations used net cash of $49.6 million in 2017 as compared to $12.0 million used in 2016. The $37.6 million decrease in operating cash flow is primarily a result of the following:

- An increase in cash flow used by continuing operations, adjusted for any non-cash items, of $64.2 million primarily related to an increase in operating losses in comparison to 2016;
- A decrease in cash flow provided by accounts receivable of $51.5 million to cash flow used of $30.4 million primarily related to a higher volume of work in comparison to 2016; and
- A decrease in cash flow provided by contracts in progress of $3.0 million primarily related to a higher volume of work in comparison to 2016.

This decrease was partially offset by:

- A decrease in cash flow used by accounts payable of $73.7 million to cash flow provided of $53.1 million primarily related to higher accounts payable balances resulting from a higher volume of work in comparison to 2016.

Operating activities from continuing operations used net cash of $12.0 million in 2016 as compared to $46.0 million provided in 2015. The $58.0 million decrease in operating cash flow is primarily a result of the following:

- A decrease in cash flow provided by continuing operations, adjusted for any non-cash items, of $18.2 million primarily related to an increase in operating losses in comparison to 2015; and
- A decrease in cash flow provided by accounts receivable of $83.4 million related to a lower volume of work in comparison to 2015.

This decrease was partially offset by:

- A decrease in cash flow used by accounts payable of $36.3 million attributed primarily to a reduction of vendor payments in comparison to 2015; and
- A decrease in cash flow used by other assets and liabilities of $6.4 million attributed primarily to changes in business activity in comparison to 2015.

Investing Activities

Investing activities from continuing operations provided net cash of $2.6 million in 2017 as compared to $10.8 million in 2016. The $8.2 million decrease in investing cash flow is primarily attributed to an $11.7 million decrease in cash proceeds from the sale of subsidiaries and a $2.7 million decrease in cash proceeds from the sale of property, plant and equipment. The overall decrease in investing cash flow was partially offset by a reduction in cash purchases of property, plant and equipment of $1.3 million and a reduction in restricted cash deposits of $4.8 million in comparison to 2016.

Investing activities from continuing operations provided net cash of $10.8 million in 2016 as compared to $210.4 million in 2015. The $199.6 million decrease in investing cash flow is primarily the result of a 2016 decrease of $223.5 million in cash proceeds from the sale of subsidiaries, as 2015 included the sale of the balance of our *Professional Services* segment, as well as the sale of our Premier, UtilX, Downstream Professional Services and Bemis subsidiaries. In addition, the decrease in investing

cash flow is partly attributed to a reduction in cash proceeds from the sale of property, plant and equipment of $5.2 million and an increase in cash purchases of property, plant and equipment of $1.1 million. The overall decrease in investing cash flow was partially offset by a reduction in restricted cash deposits of $30.2 million in comparison to 2015.

Financing Activities

Financing activities from continuing operations provided net cash of $40.1 million in 2017 as compared to using net cash of $8.6 million in 2016. The $48.7 million increase in financing cash flow is primarily related to an increase of $29.0 million in cash proceeds from 2017 borrowings against the 2013 ABL Credit Facility and an increase of $15.0 million in cash proceeds from 2017 borrowings under our Term Loan. The increase in financing cash flow is also partly attributed to a $3.1 million reduction in payments against our Term Loan in 2017 as well as a decrease of $2.3 million in 2017 debt issuance costs.

Financing activities from continuing operations used net cash of $8.6 million in 2016 as compared to $177.3 million in 2015. The $168.7 million increase in financing cash flow is primarily related to a $171.5 million reduction in payments against our Term Loan in 2016. The overall increase in financing cash flow is partially offset by a $3.8 million increase in 2016 debt issuance costs, which are primarily composed of fees paid in connection with amendments to our Term Loan.

Discontinued Operations

Discontinued operations used net cash of $1.8 million in 2017 as compared to cash used of $7.6 million in 2016. The $5.8 million increase in discontinued operations cash flow is primarily due to a reduction in activity between periods with respect to services previously associated with our *Professional Services* segment.

Discontinued operations used net cash of $7.6 million in 2016 as compared to cash used of $40.2 million in 2015. The $32.6 million increase in discontinued cash flow is primarily due to a reduction in activity between periods with respect to services previously associated with our *Professional Services* segment.

Interest Rate Risk

We are subject to interest rate risk on our debt and investment of cash and cash equivalents arising in the normal course of business and have previously entered into hedging arrangements from time to time to fix or otherwise limit the interest costs of our variable interest rate borrowings.

Termination of Interest Rate Swap Agreement

In August 2013, we entered into an interest rate swap agreement (the “Swap Agreement”) for a notional amount of $124.1 million to hedge changes in the variable rate interest expense on $124.1 million of our existing or replacement LIBOR indexed debt. The Swap Agreement was designated and qualified as a cash flow hedging instrument with the effective portion of the Swap Agreement’s change in fair value recorded in Other Comprehensive Income (“OCI”). The Swap Agreement was highly effective in offsetting changes in interest expense, and no hedge ineffectiveness was recorded in the Consolidated Statements of Operations. The Swap Agreement was terminated in the third quarter of 2015 for $5.7 million, which was recorded in OCI at fair value. In the fourth quarter of 2015, we made an early payment of $93.6 million against the 2014 Term Loan Facility and therefore reclassified approximately $1.2 million of the fair value of the Swap Agreement from OCI to interest expense. In the first quarter of 2016, we made an early payment of $3.1 million against the 2014 Term Loan Facility and therefore reclassified approximately $0.1 million of the fair value of the Swap Agreement from OCI to interest expense. The remaining fair value of the Swap Agreement included in OCI will be reclassified to interest expense over the remaining life of the underlying debt with approximately $1.1 million expected to be recognized in the coming twelve months.

Capital Requirements

We continue to work towards effective liquidity management to meet the material, equipment and personnel needs of our project and MSA commitments. In 2017, capital expenditures by segment amounted to $1.9 million spent by *Utility T&D*, $0.3 million spent by *Canada*, $0.3 million spent by *Oil & Gas,* and $0.1 million spent by Corporate, for a total of $2.6 million. We are currently focused on providing working capital for projects in process and those scheduled to begin in 2018 and expect to minimize our capital expenditures.

In 2017, we borrowed $28.1 million under the 2013 ABL Credit Facility for working capital purposes and obtained an additional term loan of $15.0 million pursuant to the Sixth Amendment. Subsequent to December 31, 2017, we paid down approximately $5.0 million of our outstanding revolver borrowings under the 2013 ABL Credit Facility. Pursuant to the ABL Forbearance Agreement, we may not request any additional loans or any new or increased letters of credit under the 2013 ABL Credit Facility.

Subsequent to December 31, 2017, we amended the 2014 Term Credit Agreement pursuant to the Seventh Amendment. Under the terms of the Seventh Amendment, Primoris will provide us an Initial First-Out Loan under the 2014 Term Credit Agreement in an amount equal to $10.0 million to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. In addition, Primoris may provide us with Additional First-Out Loans up to an additional $10.0 million. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

Contractual Obligations

The following table (in thousands) details our future cash payments related to various contractual obligations as of December 31, 2017:

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Principal amount, 2014 Term Loan Facility	$ 107,224	$ 107,224	$ —	$ —	$ —
Principal amount, 2013 ABL Credit Facility	28,108	28,108	—	—	—
Repayment fee, 2014 Term Loan Facility	9,650	9,650	—	—	—
Interest obligations, 2014 Term Loan Facility	31,497	31,497	—	—	—
Interest obligations, 2013 ABL Credit Facility	1,010	1,010	—	—	—
Operating lease obligations	90,392	25,055	33,379	19,051	12,907
Total	$ 267,881	$ 202,544	$ 33,379	$ 19,051	$ 12,907

Off-Balance Sheet Arrangements and Commercial Commitments

From time to time, we enter into commercial commitments, usually in the form of commercial and standby letters of credit, surety bonds and financial guarantees. Contracts with our customers may require us to provide letters of credit or surety bonds with regard to our performance of contracted services. In such cases, the commitments can be called upon in the event of our failure to perform contracted services. Likewise, contracts may allow us to issue letters of credit or surety bonds in lieu of contract retention provisions, in which the client withholds a percentage of the contract value until project completion or expiration of a warranty period.

The letters of credit represent the maximum amount of payments we could be required to make if these letters of credit are drawn upon. Additionally, we issue surety bonds customarily required by commercial terms on construction projects. U.S. surety bonds represent the bond penalty amount of future payments we could be required to make if we fail to perform our obligations under such contracts. The surety bonds do not have a stated expiration date; rather, each is released when the contract is accepted by the owner. Our maximum exposure as it relates to the value of the bonds outstanding is lowered on each bonded project as the cost to complete is reduced.

As of December 31, 2017, no liability has been recognized for letters of credit or surety bonds.

A summary of our off-balance sheet commercial commitments as of December 31, 2017 is as follows (in thousands):

	Expiration Per Period			
	Total Commitment	Less than 1 year	1-2 Years	More Than 2 Years
Letters of credit:				
U.S. – financial	$ 46,246	$ 46,246	$ —	$ —
Canada – financial	2,813	2,813	—	—
Total letters of credit	49,059	49,059	—	—
U.S. surety bonds – primarily performance	155,304	141,435	13,868	1
Total commercial commitments	$ 204,363	$ 190,494	$ 13,868	$ 1

Certain operational risks are analyzed and categorized by our risk management department and insured against through major international insurance brokers under a comprehensive insurance program. We maintain worldwide master commercial insurance policies written through highly-rated insurers in types and amounts typically carried by companies engaged in the project management and construction industry. These policies cover our property, plant, equipment and cargo against normally-insurable risks. Other policies cover our workers and liabilities arising out of our operations. Primary and excess liability

insurance limits are consistent with industry standards for the level of our operations and asset base. Risks of loss or damage to project works and materials are often insured on our behalf by our clients. On other projects, “builders all risk insurance” is purchased when deemed necessary. All insurance is purchased and maintained at the corporate level except for certain basic insurance that must be purchased locally to comply with insurance laws.

The insurance protection we maintain may not be sufficient or effective in all circumstances or against all hazards. An enforceable claim for which we are not fully insured could have a material adverse effect on our results of operations. In the future, our ability to maintain insurance, which may not be available or at rates we consider reasonable, may be affected by events over which we have no control.

Our balance sheet and overall financial condition currently precludes us from obtaining surety bonds with reasonable terms and pricing.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue

A number of factors relating to our business affect the recognition of contract revenue. We typically structure contracts as unit-price, time and materials, fixed-price or cost plus fixed fee. We believe that our operating results should be evaluated over a time horizon during which major contracts in progress are completed and change orders, extra work, variations in the scope of work, cost recoveries and other claims are negotiated and realized. Revenue from unit-price and time and materials contracts is recognized as earned.

Revenue for fixed-price and cost plus fixed fee contracts is recognized using the percentage-of-completion method. Under this method, estimated contract income and resulting revenue is generally accrued based on costs incurred to date as a percentage of total estimated costs, taking into consideration physical completion. Total estimated costs, and thus contract income, are impacted by changes in productivity, scheduling, unit cost of labor, subcontracts, materials and equipment. Additionally, external factors such as weather, client needs, client delays in providing permits and approvals, labor availability, governmental regulation and politics may affect the progress of a project’s completion and thus the estimated amount and timing of revenue recognition. Certain fixed-price and cost plus fixed fee contracts include, or are amended to include, incentive bonus amounts, contingent on accomplishing a stated milestone. Revenue attributable to incentive bonus amounts is recognized when the risk and uncertainty surrounding the achievement of the milestone have been removed. We do not recognize income on a fixed-price contract until the contract is approximately five to ten percent complete, depending upon the nature of the contract. If a current estimate of total contract cost indicates a loss on a contract, the projected loss is recognized in full when determined.

We consider unapproved change orders to be contract variations on which we have customer approval for scope change, but not for price associated with that scope change. Costs associated with unapproved change orders are included in the estimated cost to complete the contracts and are expensed as incurred. We recognize revenue equal to cost incurred on unapproved change orders when realization of price approval is probable and the amount is estimable. Revenue recognized on unapproved change orders is included in “Contract costs and recognized income not yet billed” on the Consolidated Balance Sheets. Revenue recognized on unapproved change orders is subject to adjustment in subsequent periods to reflect the changes in estimates or final agreements with customers.

We consider claims to be amounts that we seek or will seek to collect from customers or others for customer-caused changes in contract specifications or design, or other customer-related causes of unanticipated additional contract costs on which there is no agreement with customers on both scope and price changes. Revenue from claims is recognized when agreement is reached with customers as to the value of the claims, which in some instances may not occur until after completion of work under the contract. Costs associated with claims are included in the estimated costs to complete the contracts and are expensed when incurred.

Our operating loss for the years ended December 31, 2017 and 2016 was positively impacted by approximately $1.4 million and $7.6 million, as a result of changes in contract estimates related to projects that were in progress at December 31, 2016 and 2015, respectively. Included in these changes in contract estimates for the year ended December 31, 2017 is a $2.0 million income recovery associated with a claim on a cross-country pipeline project in our *Canada* segment. These changes in contract estimates are primarily attributed to, among other things, a reduction in estimated costs for certain individually immaterial projects as they progress to completion; the realization of change orders related to work previously performed; and other changes in events, facts and circumstances during the period in which the estimate was revised.

Valuation of Intangible Assets

Our intangible assets with finite lives include customer relationships and trade names. The value of customer relationships is estimated using the income approach, specifically the excess earnings method. The excess earnings method consists of discounting to present value the projected cash flows attributable to the customer relationships, with consideration given to customer contract renewals, the importance or lack thereof of existing customer relationships to our business plan, income taxes and required rates of return. The value of trade names is estimated using the relief-from-royalty method of the income approach. This approach is based on the assumption that in lieu of ownership, a company would be willing to pay a royalty in order to exploit the related benefits of this intangible asset.

We amortize intangible assets based upon the estimated consumption of the economic benefits of each intangible asset or on a straight-line basis if the pattern of economic benefits consumption cannot otherwise be reliably estimated. Intangible assets subject to amortization are reviewed for impairment and are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For instance, a significant change in business climate or a loss of a significant customer, among other things, may trigger the need for an impairment test of intangible assets. An impairment loss is recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. For additional information, see Note 7 – Intangible Assets in Item 8 of this Form 10-K for more information.

Valuation of Long-Lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if an impairment of such asset is necessary. This evaluation, as well as an evaluation of our intangible assets, requires us to make long-term forecasts of the future revenues and costs related to the assets subject to review. Forecasts require assumptions about demand for our services and future market conditions. Estimating future cash flows requires significant judgment, and our projections may vary from the cash flows eventually realized. Future events and unanticipated changes to assumptions could require a provision for impairment in a future period. The effect of any impairment would be to expense the difference between the fair value (less selling costs) of such asset and its carrying value. Such expense would be reflected in earnings.

Impairment Review – December 31, 2017

In the fourth quarter of 2017, we continued to incur significant operating losses primarily driven by losses on three mainline pipeline construction projects in our *Oil & Gas* segment. Consequently, we do not expect to be in compliance with our Maximum Total Leverage Ratio and Minimum Interest Coverage ratio under the 2014 Term Credit Agreement beginning with the quarterly period ending March 31, 2018. In addition, these significant operating losses have led to significant negative operating cash flow in recent months, which has a put a considerable strain on our overall liquidity. These factors, combined with the uncertainty associated with our ability to obtain covenant relief, extend or refinance our indebtedness and meet our obligations as they become due raises substantial doubt about our ability to continue as a going concern. See Note 1 – Company Description and Financial Condition in Item 8 of this Form 10-K for more information.

The above information indicates that the carrying amount of long-lived assets (including intangible assets) associated with each of our asset groups may not be recoverable. As such, we have performed an impairment assessment of all long-lived assets (including intangible assets) associated with each of our asset groups under ASC 360, Property, Plant and Equipment. As part of our assessment, we determined the estimated future undiscounted cash flows derived from the long-lived assets (including intangible assets) associated with each of our asset groups at December 31, 2017, based on our best internal projections and the likelihood of various outcomes, which includes bankruptcy and outright sale.

Based on our assessment, we determined that the estimated future undiscounted cash flows associated with each of our asset groups exceeds the carrying amount of long-lived assets (including intangible assets) associated with each of our asset groups. As such, no impairment to long-lived assets (including intangible assets) was required during the year ended December 31, 2017. However, the occurrence of future events or deteriorating conditions could result in additional impairment assessments subsequent to December 31, 2017.

Insurance

We are insured for workers' compensation, employer's liability, auto liability and general liability claims, subject to a deductible of $1.0 million per occurrence. Additionally, our largest non-union employee-related health care benefit plan is subject to a deductible of $0.3 million per claimant per year.

Losses are accrued based upon our estimates of the ultimate liability for claims incurred (including an estimate of claims incurred but not reported), with assistance from third-party actuaries. For these claims, to the extent we have insurance coverage above the deductible amounts, we have recorded a receivable reflected in "Other long-term assets" in our Consolidated Balance Sheets. These insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties and the number of incidents not reported. The accruals are based upon known facts and historical trends.

Income Taxes

The Financial Accounting Standards Board's standard for income taxes takes into account the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date. We evaluate the realizability of our deferred tax assets in the determination of our valuation allowance and adjust the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are our forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in the applicable taxing jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in our effective tax rate on future earnings. The provision or benefit for income taxes and the annual effective tax rate are impacted by income taxes in certain countries being computed based on a deemed profit rather than on taxable income and tax holidays on certain international projects.

We record reserves for expected tax consequences of uncertain tax positions assuming that the taxing authorities have full knowledge of the position and all relevant facts. The income tax laws and regulations are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding our tax positions that could materially affect amounts recognized in our future Consolidated Balance Sheets and Consolidated Statements of Operations.

Additionally, we are currently evaluating provisions of United States tax reform enacted on December 22, 2017, which among other things, lowered the corporate income tax rate from 35 percent to 21 percent and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. In the fourth quarter of 2017, we recorded a total benefit to income taxes of $0.7 million related to our preliminary assessment of the net effects of tax reform. Tax reform did not result in a material impact to the Consolidated Financial Statements or effective tax rate due to the full valuation allowance and because the Company had no unrepatriated foreign earnings from foreign operations. While certain elements of the legislation require clarification through more detailed regulation or interpretive guidance, based on the information and guidance available and our analysis (including computations of income tax effects) completed to date, at this time, we do not expect that the Tax Cuts & Jobs Act will have a material economic impact on the Company going forward. See Note 11 – Income Taxes in Item 8 of this Form 10-K for more information.

RECENT ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, see Note 2 – Summary of Significant Accounting Policies in Item 8 of this Form 10-K for more information.

EFFECTS OF INFLATION AND CHANGING PRICES

Our operations are affected by increases in prices, whether caused by inflation, government mandates or other economic factors, in the countries in which we operate. We attempt to recover anticipated increases in the cost of labor, equipment, fuel and materials through price escalation provisions in certain major contracts or by considering the estimated effect of such increases when bidding or pricing new work.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are subject to interest rate risk on our debt and investment of cash and cash equivalents arising in the normal course of business and have entered into hedging arrangements from time to time to fix or otherwise limit the interest costs of our variable interest rate borrowings.

Under the 2014 Term Loan Facility, a 100 basis point increase in interest rates would increase interest expense by $1.1 million. Conversely, a 100 basis point decrease in interest rates would decrease interest expense by $1.1 million.

Termination of Interest Rate Swap Agreement

In August 2013, we entered into a Swap Agreement for a notional amount of $124.1 million to hedge changes in the variable rate interest expense on $124.1 million of our existing or replacement LIBOR-indexed debt. The Swap Agreement was designated and qualified as a cash flow hedging instrument with the effective portion of the Swap Agreement's change in fair value recorded in OCI. The Swap Agreement was highly effective in offsetting changes in interest expense, and no hedge ineffectiveness was recorded in the Consolidated Statements of Operations. The Swap Agreement was terminated in the third quarter of 2015 for $5.7 million, which was recorded in OCI at fair value. In the fourth quarter of 2015, we made an early payment of $93.6 million against the 2014 Term Loan Facility and therefore reclassified approximately $1.2 million of the fair value of the Swap Agreement from OCI to interest expense. In the first quarter of 2016, we made an early payment of $3.1 million against the 2014 Term Loan Facility and therefore reclassified approximately $0.1 million of the fair value of the Swap Agreement from OCI to interest expense. The remaining fair value of the Swap Agreement included in OCI will be reclassified to interest expense over the remaining life of the underlying debt with approximately $1.1 million expected to be recognized in the coming twelve months.

Foreign Currency Risk

We are exposed to market risk associated with changes in non-U.S. currency exchange rates. To mitigate our risk, we may borrow Canadian dollars under our Canadian Facility to settle U.S. dollar account balances.

We attempt to negotiate contracts which provide for payment in U.S. dollars, but we may be required to take all or a portion of payment under a contract in another currency. To mitigate non-U.S. currency exchange risk, we seek to match anticipated non-U.S. currency revenue with expense in the same currency whenever possible. To the extent we are unable to match non-U.S. currency revenue with expense in the same currency, we may use forward contracts, options or other common hedging techniques in the same non-U.S. currencies. We had no forward contracts or options at December 31, 2017 and 2016.

Other

The carrying amounts for cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities shown in the Consolidated Balance Sheets approximate fair value at December 31, 2017 due to the generally short maturities of these items. At December 31, 2017, we invested primarily in short-term dollar denominated bank deposits. We have the ability and expect to hold our investments to maturity.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Willbros Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements, including the related notes and financial statement schedule, of Willbros Group, Inc. and its subsidiaries as listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016**,** and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations, cash outflows from operating activities and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
March 29, 2018

We have served as the Company's auditor since 2011.

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WILLBROS GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,472	$ 41,420
Accounts receivable, net	142,192	112,037
Contract cost and recognized income not yet billed	13,992	11,938
Prepaid expenses and other current assets	20,760	18,416
Parts and supplies inventories	1,152	800
Assets held for sale	1,804	9,050
Assets associated with discontinued operations	324	505
Total current assets	213,696	194,166
Property, plant and equipment, net	30,113	38,123
Intangible assets, net	67,181	76,848
Restricted cash	40,367	40,206
Deferred income taxes	—	315
Other long-term assets	12,520	13,378
Total assets	$ 363,877	$ 363,036
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 138,161	$ 83,488
Contract billings in excess of cost and recognized income	17,814	4,938
Current maturities of long-term debt	105,175	—
Short-term borrowings under revolving credit facility	28,108	—
Accrued income taxes	310	311
Other current liabilities	6,056	6,253
Liabilities held for sale	865	8,275
Current liabilities associated with discontinued operations	1,091	1,578
Total current liabilities	297,580	104,843
Long-term debt obligations	—	89,189
Long-term liabilities for unrecognized tax benefits	603	—
Other long-term liabilities	33,093	32,872
Long-term liabilities associated with discontinued operations	893	995
Total liabilities	332,169	227,899
Contingencies and commitments (Note 15)		
Stockholders' equity:		
Preferred stock, par value $.01 per share, 1,000,000 shares authorized, none issued	—	—
Common stock, par value $.05 per share, 105,000,000 shares authorized and 65,598,065 shares issued at December 31, 2017 (64,679,896 at December 31, 2016)	3,271	3,226
Additional paid-in capital	752,117	749,303
Accumulated deficit	(706,116)	(598,021)
Treasury stock at cost, 2,361,343 shares at December 31, 2017 (2,025,208 at December 31, 2016)	(15,702)	(15,137)
Accumulated other comprehensive loss	(1,862)	(4,234)
Total stockholders' equity	31,708	135,137
Total liabilities and stockholders' equity	$ 363,877	$ 363,036

See accompanying notes to consolidated financial statements.

WILLBROS GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2017	2016	2015
Contract revenue	$ 849,983	$ 731,685	$ 908,994
Contract costs	874,738	685,389	868,240
Contract income (loss)	(24,755)	46,296	40,754
Amortization of intangibles	9,667	9,754	9,874
General and administrative	54,693	60,993	77,335
Gain on sale of subsidiary	—	—	(12,826)
Other charges	2,226	6,210	18,469
Operating loss	(91,341)	(30,661)	(52,098)
Interest expense	(16,017)	(13,976)	(27,254)
Interest income	31	451	51
Debt covenant suspension and extinguishment charges	—	(63)	(39,178)
Other, net	(296)	(63)	(101)
	(16,282)	(13,651)	(66,482)
Loss from continuing operations before income taxes	(107,623)	(44,312)	(118,580)
Benefit for income taxes	(964)	(530)	(54,031)
Loss from continuing operations	(106,659)	(43,782)	(64,549)
Income (loss) from discontinued operations, net of provision for income taxes	(1,436)	(3,977)	96,032
Net income (loss)	$ (108,095)	$ (47,759)	$ 31,483
Basic income (loss) per share attributable to Company shareholders:			
Loss from continuing operations	$ (1.72)	$ (0.71)	$ (1.12)
Income (loss) from discontinued operations	(0.02)	(0.06)	1.66
Net income (loss)	$ (1.74)	$ (0.77)	$ 0.54
Diluted income (loss) per share attributable to Company shareholders:			
Loss from continuing operations	$ (1.72)	$ (0.71)	$ (1.12)
Income (loss) from discontinued operations	(0.02)	(0.06)	1.66
Net income (loss)	$ (1.74)	$ (0.77)	$ 0.54
Weighted average number of common shares outstanding:			
Basic	62,160,849	61,364,592	57,759,988
Diluted	62,160,849	61,364,592	57,759,988

See accompanying notes to consolidated financial statements.

WILLBROS GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2017	2016	2015
Net income (loss)	$ (108,095)	$ (47,759)	$ 31,483
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	1,287	553	(8,828)
Changes in derivative financial instruments	1,085	1,222	31
Total other comprehensive income (loss), net of tax	2,372	1,775	(8,797)
Total comprehensive income (loss)	$ (105,723)	$ (45,984)	$ 22,686

See accompanying notes to consolidated financial statements.

WILLBROS GROUP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share and per share amounts)

	Common Stock								
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity Willbros Group, Inc.	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2014	52,094,931	$ 2,597	$ 703,728	$ (581,745)	$ (13,832)	$ 2,788	$ 113,536	$ 289	$113,825
Net income	—	—	—	31,483	—	—	31,483	—	31,483
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(8,828)	(8,828)	—	(8,828)
Derivatives, net of tax	—	—	—	—	—	31	31	—	31
Sale of noncontrolling interest	—	—	—	—	—	—	—	(289)	(289)
Cost of debt covenant suspension	10,125,410	506	33,009	—	—	—	33,515	—	33,515
Amortization of stock-based compensation	—	—	8,562	—	—	—	8,562	—	8,562
Stock issued under share-based compensation plans	1,697,879	85	(85)	—	—	—	—	—	—
Additions to treasury stock, vesting and forfeitures of restricted stock	—	—	—	—	(899)	—	(899)	—	(899)
Balance as of December 31, 2015	63,918,220	$ 3,188	$ 745,214	$ (550,262)	$ (14,731)	$ (6,009)	$ 177,400	$ —	$177,400
Net loss	—	—	—	(47,759)	—	—	(47,759)	—	(47,759)
Foreign currency translation adjustments, net of tax	—	—	—	—	—	553	553	—	553
Derivatives, net of tax	—	—	—	—	—	1,222	1,222	—	1,222
Amortization of stock-based compensation	—	—	4,127	—	—	—	4,127	—	4,127
Stock issued under share-based compensation plans	761,676	38	(38)	—	—	—	—	—	—
Additions to treasury stock, vesting and forfeitures of restricted stock	—	—	—	—	(406)	—	(406)	—	(406)
Balance as of December 31, 2016	64,679,896	$ 3,226	$ 749,303	$ (598,021)	$ (15,137)	$ (4,234)	$ 135,137	$ —	$135,137
Net loss	—	—	—	(108,095)	—	—	(108,095)	—	(108,095)
Foreign currency translation adjustments, net of tax	—	—	—	—	—	1,287	1,287	—	1,287
Derivatives, net of tax	—	—	—	—	—	1,085	1,085	—	1,085
Amortization of stock-based compensation	—	—	2,859	—	—	—	2,859	—	2,859
Stock issued under share-based compensation plans	918,169	45	(45)	—	—	—	—	—	—
Additions to treasury stock, vesting and forfeitures of restricted stock	—	—	—	—	(565)	—	(565)	—	(565)
Balance as of December 31, 2017	65,598,065	$ 3,271	$ 752,117	$ (706,116)	$ (15,702)	$ (1,862)	$ 31,708	$ —	$ 31,708

See accompanying notes to consolidated financial statements.

WILLBROS GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2017	2016	2015
Cash flows from operating activities:			
Net income (loss)	$ (108,095)	$ (47,759)	$ 31,483
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
(Income) loss from discontinued operations	1,436	3,977	(96,032)
Depreciation and amortization	19,162	21,919	27,200
Stock-based compensation	2,859	4,127	6,605
Debt covenant suspension and extinguishment charges	—	63	39,178
Provision (benefit) for deferred income taxes	326	(176)	(413)
Amortization of debt issue costs	2,203	1,063	573
Non-cash interest expense	2,481	2,173	—
(Gain) loss on disposal of equipment	(3,241)	(3,436)	1,155
Impairment of intangible assets	—	—	534
Gain on sale of subsidiary	—	—	(12,826)
Provision for bad debt	887	284	2,945
Changes in operating assets and liabilities:			
Accounts receivable, net	(30,353)	21,182	104,620
Contract cost and recognized income not yet billed	(1,927)	8,411	9,672
Prepaid expenses and other current assets	(2,240)	1,093	(433)
Accounts payable and accrued liabilities	53,101	(20,557)	(56,894)
Accrued income taxes	(1)	(2,818)	715
Contract billings in excess of cost and recognized income	12,874	(506)	(4,611)
Assets held for sale	7,302	—	—
Liabilities held for sale	(7,409)	—	—
Other assets and liabilities, net	1,012	(1,032)	(7,462)
Cash provided by (used in) operating activities of continuing operations	(49,623)	(11,992)	46,009
Cash used in operating activities of discontinued operations	(1,844)	(7,619)	(50,204)
Cash used in operating activities	(51,467)	(19,611)	(4,195)
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	4,242	6,985	12,228
Proceeds from sale of subsidiaries	950	12,646	236,112
Purchases of property, plant and equipment	(2,450)	(3,794)	(2,705)
Changes in restricted cash	(161)	(4,994)	(35,212)
Cash provided by investing activities of continuing operations	2,581	10,843	210,423
Cash used in investing activities of discontinued operations	—	—	(590)
Cash provided by investing activities	2,581	10,843	209,833
Cash flows from financing activities:			
Proceeds from term loan issuance	15,000	—	—
Proceeds from revolver and notes payable	28,995	—	30,439
Payments on capital leases	—	(469)	(915)
Payments on revolver and notes payable	(1,009)	—	(30,439)
Payments on term loan facility	—	(3,128)	(174,648)
Payments to reacquire common stock	(565)	(406)	(899)
Cost of debt issuance	(2,306)	(4,612)	(804)
Cash provided by (used in) financing activities of continuing operations	40,115	(8,615)	(177,266)

	Year Ended December 31,		
	2017	2016	2015
Cash provided by financing activities of discontinued operations	—	—	10,624
Cash provided by (used in) financing activities	40,115	(8,615)	(166,642)
Effect of exchange rate changes on cash and cash equivalents	823	(29)	(3,437)
Cash provided by (used in) all activities	(7,948)	(17,412)	35,559
Cash and cash equivalents of continuing operations at beginning of period	41,420	58,832	22,565
Cash and cash equivalents of discontinued operations at beginning of period	—	—	708
Cash and cash equivalents at beginning of period	41,420	58,832	23,273
Cash and cash equivalents at end of period	33,472	41,420	58,832
Less: cash and cash equivalents of discontinued operations at end of period	—	—	—
Cash and cash equivalents of continuing operations at end of period	$ 33,472	$ 41,420	$ 58,832
Supplemental disclosures of cash flow information:			
Cash paid for interest (including discontinued operations)	$ 10,783	$ 9,019	$ 28,198
Cash paid for income taxes (including discontinued operations)	$ 993	$ 2,737	$ 3,495
Supplemental non-cash investing and financing transactions:			
Capital expenditure included in accounts payable and accrued liabilities	$ 283	$ 171	$ 163

See accompanying notes to consolidated financial statements.

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Company Description and Financial Condition

Company Description – Willbros Group, Inc., a Delaware corporation, and its subsidiaries (the "Company," "Willbros" or "WGI"), is a specialty energy infrastructure contractor serving the oil and gas and power industries with offerings that primarily include construction, maintenance and facilities development services. The Company's principal markets for continuing operations are the United States and Canada. The Company obtains its work through competitive bidding and negotiations with prospective clients. Contract values range from several thousand dollars to several hundred million dollars, and contract durations range from a few weeks to more than two years.

Business Segments – The Company has three reportable segments: *Utility T&D*, *Canada* and *Oil & Gas*.

The Company's *Utility T&D* segment provides a wide range of services in electric and natural gas transmission and distribution, including comprehensive engineering, procurement, maintenance and construction, repair and restoration of utility infrastructure. These services include engineering, design, installation, maintenance, procurement and repair of electrical transmission, distribution, substation, wireless and gas distribution systems. The Company's *Utility T&D* segment conducts projects ranging from small engineering and consulting projects to multi-million dollar turnkey distribution, substation and transmission line projects, including those required for renewable energy facilities.

The Company's *Canada* segment provides construction, maintenance and fabrication services, including integrity and supporting civil work, pipeline construction, general mechanical and facility construction, American Petroleum Institute ("API") storage tanks, general and modular fabrication, along with electrical and instrumentation projects serving the Canadian energy and water industries.

The Company's *Oil & Gas* segment provides construction, maintenance and lifecycle extension services to the midstream markets. These services include facilities construction such as tank terminals, pump stations, flow stations, gas compressor stations and metering stations, as well as small-diameter midstream pipeline construction, integrity construction, system maintenance, tank services and mainline pipeline construction.

On January 2, 2018, the Company sold its tank services business to ATS Group, Inc. ("ATS"). See Note 5 – Assets Held for Sale for more information.

On January 9, 2018, the Company agreed to sell assets comprising its mainline pipeline construction business to WB Pipeline, LLC, an affiliate of Meridien Energy, LLC. ("Meridien").

Discontinued Operations – On November 30, 2015, the Company sold the balance of its *Professional Services* segment to TRC Companies ("TRC"). As such, the *Professional Services* segment, including Willbros Engineers, LLC and Willbros Heater Services, LLC (collectively "Downstream Professional Services"), Premier Utility Services, LLC ("Premier") and UtilX Corporation ("UtilX"), which were sold earlier in 2015, are presented as discontinued operations in the Company's Consolidated Financial Statements. These subsidiaries, coupled with assets comprising the Company's Hawkeye business that was sold in 2013 ("Hawkeye"), are referred to as the "Discontinued Operations." Assets and liabilities related to the Discontinued Operations are included in the line item "Assets associated with discontinued operations," "Current liabilities associated with discontinued operations" and "Long-term liabilities associated with discontinued operations" on the Consolidated Balance Sheets for all periods presented. The results of the Discontinued Operations are included in the line item "Income (loss) from discontinued operations, net of provision for income taxes" on the Consolidated Statements of Operations for all periods presented. See Note 18 – Discontinued Operations for more information.

Merger Agreement – On March 27, 2018, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Primoris Services Corporation ("Primoris") and Waco Acquisition Vehicle, Inc., a wholly-owned subsidiary of Primoris (the "Merger Sub"). Pursuant to the Merger Agreement, Merger Sub will be merged into the Company, and the Company will become a wholly owned subsidiary of Primoris. The Merger Agreement includes customary representations, warranties and covenants. Primoris will pay $0.60 per share for all of the Company's outstanding common stock. The Merger Agreement is expected to close in the second quarter of 2018, subject to satisfaction of customary closing conditions, including approval of the Merger Agreement by the requisite vote of the Company's stockholders. Upon termination of the Merger Agreement in certain circumstances, the Company is obligated to pay Primoris a termination fee of $4.3 million and, in certain other circumstances, a termination fee of $8.0 million.

1. Company Description and Financial Condition (continued)

Term Forbearance Agreement – On March 27, 2018, the Company entered into a Forbearance Agreement (the "Term Forbearance Agreement") with the lenders under the 2014 Term Credit Agreement (the "Term Lenders"). Under the Term Forbearance Agreement, the Term Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2014 Term Credit Agreement with respect to certain defaults and events of default (the "Term Specified Defaults"). The Term Forbearance Agreement is effective until the earliest of (i) August 15, 2018 or the closing of the Merger Agreement or (ii) the occurrence of any one of several specified termination events including, among other things, the termination of the Merger Agreement (the "Term Forbearance Period"). The effectiveness of the Term Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the Term Forbearance Agreement or if the Company were to default under the Term Forbearance Agreement or the 2014 Term Credit Agreement, other than Term Specified Defaults, the Term Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2014 Term Credit Agreement.

ABL Forbearance Agreement – On March 27, 2018, the Company entered into a Limited Forbearance Agreement (the "ABL Forbearance Agreement") with the lenders under the 2013 ABL Credit Facility (the "ABL Lenders"). Under the ABL Forbearance Agreement, the ABL Lenders agreed to, among other things, forbear from taking any action to enforce certain of their rights or remedies under the 2013 ABL Credit Facility with respect to certain defaults and events of default (the "ABL Specified Defaults"). The ABL Forbearance Agreement is effective until the earliest of (i) July 31, 2018 or the closing of the Merger Agreement or (ii) the occurrence of any one of several specified termination events including, among other things, the termination of the Merger Agreement (the "ABL Forbearance Period"). The effectiveness of the ABL Forbearance Agreement is conditioned on the occurrence of several events, including the execution of the Merger Agreement and the Seventh Amendment. Upon expiration of the ABL Forbearance Agreement or if the Company were to default under the ABL Forbearance Agreement or the 2013 ABL Credit Facility, other than ABL Specified Defaults, the ABL Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2013 ABL Credit Facility.

Seventh Amendment to the 2014 Term Credit Agreement – On March 27, 2018, (the "Seventh Amendment Effective Date"), the Company amended the 2014 Term Credit Agreement pursuant to a Seventh Amendment among the Company, as borrower, the guarantors from time to time party thereto, Primoris as initial first-out lender, the lenders from time to time party thereto and Cortland Capital Market Services LLC, as administrative agent (the "Seventh Amendment"). Under the terms of the Seventh Amendment, Primoris will provide the Company with an additional term loan in an amount equal to $10.0 million (the "Initial First-Out Loan") to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. The Initial First-Out Loan is subject to various terms and conditions including that no defaults shall have occurred and be continuing under the 2013 ABL Credit Facility or the 2014 Term Credit Agreement other than ABL Specified Defaults and Term Specified Defaults.

In addition, under the terms of the Seventh Amendment, Primoris may provide the Company with additional term loans in an aggregate amount not to exceed $10.0 million (the "Additional First-Out Loans"). Interest payable with respect to the Initial First-Out Loan and any Additional First-Out Loans will be paid in-kind through additions to the principal amount of such loans.

The Seventh Amendment further provides that, until the termination of the Term Forbearance Period, the due date of any payments due and owing to the lenders (other than Primoris) under the 2014 Term Credit Agreement will be deferred until the fifth business day after the date of the termination of the Term Forbearance Period. In addition, the Seventh Amendment provides that the payment by the borrower of an amount equal to $100.0 million plus the expenses of the administrative agent in an amount not to exceed $1.1 million shall constitute payment in full and satisfaction and discharge of all obligations of the borrower and the other loan parties under the 2014 Term Credit Agreement, but solely if such payment is made in connection with the consummation of the merger.

Going Concern – The Company has incurred significant operating losses, cash outflows from operating activities and a net working capital deficiency. The Company does not expect to be in compliance with the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the 2014 Term Credit Agreement beginning with the quarterly period ending March 31, 2018, primarily due to these significant operating losses in 2017. In addition, the Company is not in compliance with certain other provisions under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, which expires on August 7, 2018. Absent the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement, all

1. Company Description and Financial Condition (continued)

of the Company's debt obligations would become due under the default provisions in the 2014 Term Credit Agreement and the 2013 ABL Credit Facility. In addition, these significant operating losses and cash outflows have put a considerable strain on the Company's overall liquidity. Although the Seventh Amendment provides the Company with additional short-term liquidity for the period between the signing of the Merger Agreement and the completion of the merger, the Company can provide no assurance that the merger will be completed. If the Company is unable to complete the merger, it will likely need to explore other strategic alternatives, which could include seeking protection under the U.S. Bankruptcy laws.

The Company's continuing failure to comply with financial covenants and other covenants, its inability to extend or refinance the 2013 ABL Credit Facility and its continuing liquidity issues raise substantial doubt about its ability to continue as a going concern, notwithstanding the temporary forbearance provided under the Term Forbearance Agreement and the ABL Forbearance Agreement and the short-term liquidity provided by the Seventh Amendment.

In consideration of the above facts and circumstances, at December 31, 2017, the Company has classified all of its debt obligations as current, which has caused its current liabilities to far exceed its current assets since such date. These debt obligations, net of unamortized discount and debt issuance costs, approximate $133.3 million at December 31, 2017.

Sale of Mainline Pipeline Construction Business – On January 9, 2018, the Company entered into an agreement to sell assets comprising our mainline pipeline construction business to Meridien.

As part of the agreement, the Company retained the three mainline pipeline construction projects associated with the business through their completion. Two of these projects have reached mechanical completion with an existing letter of credit returned in the first quarter of 2018. The remaining right-of-way restoration and other clean-up activities associated with these projects are expected to be completed by the end of the third quarter of 2018.

With respect to the remaining mainline pipeline construction project, in the first quarter of 2018, the Company reached a settlement with the customer to mutually conclude the remaining work. In addition, the settlement releases the Company from further liability at the completion of the project. As such, the Company has withdrawn and released any outstanding change orders or claims associated with the project.

2. Summary of Significant Accounting Policies

Principles of Consolidation – The Consolidated Financial Statements of the Company include all of its majority-owned subsidiaries and all of its wholly-owned entities. Inter-company accounts and transactions are eliminated in consolidation. The ownership interest of noncontrolling participants in subsidiaries that are not wholly-owned is included as a separate component of equity. These subsidiaries were sold in 2015.

Use of Estimates – The Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States and include certain estimates and assumptions made by management of the Company in the preparation of the Consolidated Financial Statements. These estimates and assumptions relate to the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expense during the period. Significant items subject to such estimates and assumptions include revenue recognition under the percentage-of-completion method of accounting, including estimates of progress towards completion and estimates of gross profit or loss accrual on contracts in progress; tax accruals and certain other accrued liabilities; quantification of amounts recorded for contingencies; valuation allowances for accounts receivable and deferred income tax assets; and the carrying amount of property, plant and equipment, goodwill and intangible assets. The Company bases its estimates on historical experience and other assumptions that it believes relevant under the circumstances. Actual results could differ from these estimates.

Change in Presentation – In the second quarter of 2017, the Company adopted a change in presentation on its Consolidated Statements of Operations in order to present a "Contract income (loss)" line item that is consistent with its peers. "Contract income (loss)" is defined as contract revenue less contract costs (which is inclusive of both direct and indirect costs). Previously reported information has been modified to conform to this new presentation.

Commitments and Contingencies – Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when management assesses that it is probable that a liability has been incurred and the

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

amount can be reasonably estimated. Recoveries of costs from third parties, which management assesses as being probable of realization, are recorded as "Other long-term assets" in the Consolidated Balance Sheets. Legal costs incurred in connection with matters relating to contingencies are expensed in the period incurred. See Note 15 – Contingencies, Commitments and Other Circumstances for more information.

Accounts Receivable – Most of the accounts receivable and contract work in progress are from clients in the oil, gas, refinery, petrochemical and power industries in North America. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Most contracts require payments as the projects progress or, in certain cases, advance payments. The Company generally does not require collateral, but in most cases can place liens against the property, plant or equipment constructed or terminate the contract if a material default occurs. The allowance for doubtful accounts is the Company's best estimate of the probable amount of credit losses in the Company's existing accounts receivable. A considerable amount of judgment is required in assessing the realization of receivables. Relevant assessment factors include the creditworthiness of the customer and prior collection history. Balances over 90 days past due are reviewed individually for collectability. Account balances are charged off against the allowance after all reasonable means of collection are exhausted and the potential for recovery is considered remote. The allowance requirements are based on the most current facts available and are re-evaluated and adjusted on a regular basis and as additional information is received.

Inventories – Inventories, consisting primarily of parts and supplies, are stated at the lower of actual cost or market. Parts and supplies are evaluated at least annually and adjusted for excess and obsolescence. No excess or obsolescence allowances existed at December 31, 2017 or 2016.

Intangible Assets – The Company's intangible assets with finite lives include customer relationships and trade names. The value of customer relationships is estimated using the income approach, specifically the excess earnings method. The excess earnings method consists of discounting to present value the projected cash flows attributable to the customer relationships, with consideration given to customer contract renewals, the importance or lack thereof of existing customer relationships to the Company's business plan, income taxes and required rates of return. The value of trade names is estimated using the relief-from-royalty method of the income approach. This approach is based on the assumption that in lieu of ownership, a company would be willing to pay a royalty in order to exploit the related benefits of this intangible asset.

The Company amortizes intangible assets based upon the estimated consumption of the economic benefits of each intangible asset or on a straight-line basis if the pattern of economic benefits consumption cannot otherwise be reliably estimated. Intangible assets subject to amortization are reviewed for impairment and are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For instance, a significant change in business climate or a loss of a significant customer, among other things, may trigger the need for an impairment test of intangible assets. An impairment loss is recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value.

Property, Plant and Equipment – Property, plant and equipment is stated at cost. Depreciation, including amortization of capital leases, is provided on the straight-line method using estimated lives as follows:

Construction equipment	3-20 years
Furniture and equipment	3-12 years
Buildings	20 years
Transportation equipment	3-17 years
Marine equipment	10 years

Leasehold improvements are amortized on a straight-line basis over the shorter of their economic lives or the lease term. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized within operating expenses in the Consolidated Statements of Operations for the period. Normal repair and maintenance costs are charged to expense as incurred. Significant renewals and betterments are capitalized.

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

The Company depreciates assets based on their estimated useful lives at the time of acquisition using the straight-line method. Depreciation and amortization related to operating activities is included in “Contract costs,” and depreciation and amortization related to general and administrative activities is included in “General and administrative” expense in the Consolidated Statements of Operations. “Contract costs” and “General and administrative” expenses are included within operating expenses in the Consolidated Statements of Operations. Further, amortization of assets under capital lease obligations is included in depreciation expense.

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset’s carrying amount to determine if an impairment of such asset is necessary. This evaluation, as well as an evaluation of our intangible assets, requires the Company to make long-term forecasts of the future revenues and costs related to the assets subject to review. Forecasts require assumptions about demand for the Company’s services and future market conditions. Estimating future cash flows requires significant judgment, and the Company’s projections may vary from the cash flows eventually realized. Future events and unanticipated changes to assumptions could require a provision for impairment in a future period. The effect of any impairment would be to expense the difference between the fair value (less selling costs) of such asset and its carrying value. Such expense would be reflected in earnings.

In the fourth quarter of 2017, the Company continued to incur significant operating losses primarily driven by losses on three mainline pipeline construction projects in the *Oil & Gas* segment. Consequently, the Company does not expect to be in compliance with its Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the 2014 Term Credit Agreement beginning with the quarterly period ending March 31, 2018. In addition, these significant operating losses have led to significant negative operating cash flow in recent months, which has a put a considerable strain on the Company’s overall liquidity. These factors, combined with the uncertainty associated with the Company’s ability to obtain covenant relief, extend or refinance its indebtedness and meet its obligations as they become due raises substantial doubt about the Company’s ability to continue as a going concern. See Note 1 – Company Description and Financial Condition for more information.

The above information indicates that the carrying amount of long-lived assets (including intangible assets) associated with each of the Company’s asset groups may not be recoverable. As such, the Company has performed an impairment assessment of all long-lived assets (including intangible assets) associated with each of its asset groups under ASC 360, Property, Plant and Equipment. As part of its assessment, the Company determined the estimated future undiscounted cash flows derived from the long-lived assets (including intangible assets) associated with each of its asset groups at December 31, 2017, based on its best internal projections and the likelihood of various outcomes, which includes bankruptcy and outright sale.

Based on its assessment, the Company determined that the estimated future undiscounted cash flows associated with each of its asset groups exceeds the carrying amount of long-lived assets (including intangible assets) associated with each of its asset groups. As such, no impairment to long-lived assets (including intangible assets) was required. However, the occurrence of future events or deteriorating conditions could result in additional impairment assessments subsequent to December 31, 2017.

Revenue – A number of factors relating to the Company’s business affect the recognition of contract revenue. The Company typically structures contracts as unit-price, time and materials, fixed-price or cost plus fixed fee. The Company believes that its operating results should be evaluated over a time horizon during which major contracts in progress are completed and change orders, extra work, variations in the scope of work, cost recoveries and other claims are negotiated and realized. Revenue from unit-price and time and materials contracts is recognized as earned.

Revenue for fixed-price and cost plus fixed fee contracts is recognized using the percentage-of-completion method. Under this method, estimated contract income and resulting revenue is generally accrued based on costs incurred to date as a percentage of total estimated costs, taking into consideration physical completion. Total estimated costs, and thus contract income, are impacted by changes in productivity, scheduling, unit cost of labor, subcontracts, materials and equipment. Additionally, external factors such as weather, client needs, client delays in providing permits and approvals, labor availability, governmental regulation and politics may affect the progress of a project’s completion and thus the estimated amount and timing of revenue recognition. Certain fixed-price and cost plus fixed fee contracts include, or are amended to include, incentive bonus amounts, contingent on accomplishing a stated milestone. Revenue attributable to incentive bonus amounts is recognized when the risk and uncertainty surrounding the achievement of the milestone have been removed. The Company does not recognize income on a fixed-price contract until the contract is approximately five to ten percent complete, depending upon

2. Summary of Significant Accounting Policies (continued)

the nature of the contract. If a current estimate of total contract cost indicates a loss on a contract, the projected loss is recognized in full when determined.

The Company considers unapproved change orders to be contract variations on which the Company has customer approval for scope change, but not for price associated with that scope change. Costs associated with unapproved change orders are included in the estimated cost to complete the contracts and are expensed as incurred. The Company recognizes revenue equal to cost incurred on unapproved change orders when realization of price approval is probable and the amount is estimable. Revenue recognized on unapproved change orders is included in “Contract cost and recognized income not yet billed” on the Consolidated Balance Sheets. Revenue recognized on unapproved change orders is subject to adjustment in subsequent periods to reflect the changes in estimates or final agreements with customers.

The Company considers claims to be amounts that the Company seeks or will seek to collect from customers or others for customer-caused changes in contract specifications or design, or other customer-related causes of unanticipated additional contract costs on which there is no agreement with customers on both scope and price changes. Revenue from claims is recognized when agreement is reached with customers as to the value of the claims, which in some instances may not occur until after completion of work under the contract. Costs associated with claims are included in the estimated costs to complete the contracts and are expensed when incurred.

The Company’s operating loss for the years ended December 31, 2017 and 2016 was positively impacted by approximately $1.4 million and $7.6 million, respectively, as a result of changes in contract estimates related to projects that were in progress at December 31, 2016 and 2015. Included in these changes in contract estimates for the year ended December 31, 2017 is a $2.0 million income recovery associated with a claim on a cross-country pipeline project in the *Canada* segment. These changes in contract estimates are primarily attributed to, among other things, a reduction in estimated costs for certain individually immaterial projects as they progress to completion; the realization of change orders related to work previously performed; and other changes in events, facts and circumstances during the period in which the estimate was revised.

Insurance – The Company is insured for workers’ compensation, employer’s liability, auto liability and general liability claims, subject to a deductible of $1.0 million per occurrence. Additionally, the Company’s largest non-union employee-related health care benefit plan is subject to a deductible of $0.3 million per claimant per year.

Losses are accrued based upon the Company’s estimates of the ultimate liability for claims incurred (including an estimate of claims incurred but not reported), with assistance from third-party actuaries. For these claims, to the extent insurance coverage is above the deductible amounts, the Company has recorded a receivable reflected in “Other long-term assets” in the Consolidated Balance Sheets. These insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of the Company’s liability in proportion to other parties and the number of incidents not reported. The accruals are based upon known facts and historical trends.

Income Taxes – The Financial Accounting Standards Board (“FASB”) standard for income taxes takes into account the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates due to changes in legislation is recognized as income or expense in the period that includes the enactment date.

The ultimate realization of deferred tax assets related to net operating loss carry forwards, including federal and state net operating loss carry forwards, is dependent upon the generation of future taxable income in a particular tax jurisdiction during the periods in which the use of such net operating losses are allowed. The Company considers future taxable income, including the impacts of reversing taxable temporary differences, future forecasted income and available tax planning strategies, when evaluating whether deferred tax assets are more likely than not to be realized prior to expiration.

The Company files income tax returns in the United States federal jurisdiction, in various states and in various foreign jurisdictions. The Company is subject to examination for 2008 forward for the United States and the majority of the state jurisdictions and for 2010 forward in Canada.

2. Summary of Significant Accounting Policies (continued)

Retirement Plans and Benefits – The Company has a voluntary defined contribution retirement plan for U.S. based employees that is qualified and contributory on the part of the employees. Additionally, the Company is subject to collective bargaining agreements with various unions. As a result, the Company participates with other companies in the unions' multi-employer pension and other postretirement benefit plans.

Stock-Based Compensation – Compensation cost resulting from all share-based payment transactions is recognized in the financial statements measured based on the grant-date fair value of the instrument issued and is recognized over the vesting period. Share-based compensation related to restricted stock and restricted stock units or rights, also described collectively as restricted stock units, is recorded based on the Company's closing stock price as of the grant date. Awards granted are expensed ratably over the vesting period of the award.

Foreign Currency Translation – All significant monetary asset and liability accounts denominated in currencies other than United States dollars are translated into United States dollars at current exchange rates. Translation adjustments are included in "Other comprehensive income (loss), net of tax" in the Company's Consolidated Statements of Comprehensive Income (Loss). Revenue and expense accounts are converted at prevailing rates throughout the year. Gains or losses on foreign currency transactions are recorded in income in the period in which they are incurred.

Concentration of Credit Risk – The Company has a concentration of customers in the oil and gas and power industries which expose the Company to a concentration of credit risk within a single industry. The Company seeks to obtain advance and progress payments for contract work performed on major contracts. Receivables are generally not collateralized. An allowance for doubtful accounts of $2.8 million and $2.0 million is included within "Accounts receivable, net" on the Consolidated Balance Sheets for the years ended December 31, 2017 and 2016, respectively.

Income (Loss) per Common Share – Basic income (loss) per share is calculated by dividing net income (loss), less any preferred dividend requirements, by the weighted-average number of common shares outstanding during the year. Diluted income (loss) per share is calculated by including the weighted average number of all potentially dilutive common shares with the weighted-average number of common shares outstanding.

Derivative Financial Instruments – The Company may use derivative financial instruments such as forward contracts, options or other common hedging techniques to mitigate non-U.S. currency exchange risk when the Company is unable to match non-U.S. currency revenue with expense in the same currency. The Company has no forward contracts or options at December 31, 2017 and 2016.

The Company is subject to interest rate risk on its debt and investment of cash and cash equivalents arising in the normal course of business and has previously entered into hedging arrangements from time to time to fix or otherwise limit the interest cost of the variable interest rate borrowings.

Cash Equivalents – The Company considers all highly liquid investments with an original maturity of 3 months or less to be cash equivalents.

Short-term Investments – The Company may invest a portion of its cash in short-term time deposits, some of which may have early withdrawal penalties. All such deposits have maturity dates that exceed three months. There were no short-term investments outstanding as of December 31, 2017 and 2016.

Accounting Pronouncements Recently Adopted – In March 2016, the FASB issued Accounting Standards Update ("ASU") 2016-09, which changes how companies account for certain aspects of share-based payment awards to employees, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods with early adoption permitted. The Company adopted ASU 2016-09 in the first quarter with an effective date of January 1, 2017. The recognition of previously unrecognized windfall tax benefits increased the Company's deferred tax assets by $1.8 million offset by a related valuation allowance which resulted in a $0 cumulative-effect adjustment, net of tax, on the Company's Consolidated Balance Sheet as of the beginning of 2017. The amendments within ASU 2016-09 related to the recognition of excess tax benefits and tax shortfalls in the Consolidated Statement of Operations and presentation within the operating section of the Consolidated Statement of Cash Flows were adopted prospectively with no adjustments to

2. Summary of Significant Accounting Policies (continued)

prior periods. The Company has elected to account for forfeitures as they occur. The remaining provisions of ASU 2016-09 did not have a material effect on the Company's Consolidated Financial Statements.

Accounting Pronouncements Not Yet Adopted – Revenue Recognition – In May 2014, the FASB issued ASU 2014-09 governing the recognition of revenue from contracts with customers. Under the new standard, a company will recognize revenue when it satisfies a performance obligation by transferring a promised good or service to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. The standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, under ASU 2015-14, the FASB deferred the effective date of the standard to December 15, 2017 with early adoption permitted. The standard can be applied on a full retrospective or modified retrospective basis whereby the entity records a cumulative effect of initially applying this update at the date of initial application. Furthermore, in March, April, and May of 2016, the FASB issued ASUs 2016-08, 2016-10, and 2016-12, respectively, which provide practical expedients and clarification in regards to ASU 2014-09. ASU 2016-08 amends and clarifies the principal versus agent considerations under the new revenue recognition standard, which requires determination of whether the nature of a promise is to provide the specified good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by another party (that is, the entity is an agent). This determination affects the timing and amount of revenue recognition. ASU 2016-10 clarifies issues related to identifying performance obligations. ASU 2016-12 provides practical expedients and clarification pertaining to the exclusion of sales tax from the measurement of a transaction price, the measurement of noncash consideration, allocation of a transaction price on the basis of all satisfied and unsatisfied performance obligations in a modified contract at transition, and the definition of a completed contract. The effective date of ASUs 2016-08, 2016-10, and 2016-12 is December 15, 2017 with early adoption permitted.

Quantitative Disclosures of Directional Effects of Adoption

The Company will adopt the new revenue guidance effective January 1, 2018 via the modified retrospective approach, by recognizing the cumulative effect of initially applying the new standard as an increase to the opening balance of retained earnings. Although still under the process of determining the impact, we expect this adjustment to be an immaterial impact to our opening balance of retained earnings as well as net income and earnings per share on an ongoing basis.

Qualitative Status of Management's Implementation Efforts

Upon our initial evaluation of ASU 2014-09, there are no material changes in the standard that impact our revenue recognition relating to the allocation and measurement of contract revenues and the timing in which those revenues are recognized. However, the new standard will require a substantial increase in the amount and complexity of disclosures related to revenue recognition.

The Company has taken steps to effectively implement the new standard by evaluating a representative sample of contracts with customers to identify the potential impacts that would result from applying the requirements of the standard to the Company's existing revenue contracts. For most of the contracts entered into, the Company expects there to be a similar number of performance obligations, and in most cases, the Company has determined that the method of revenue recognition for these contracts will remain the same with the Company already considering different elements, such as variable consideration, when evaluating their transaction prices. The Company continues analyzing stand-alone pricing of the obligations as well as the timing related to revenue recognition. Significant judgments were used when concluding on the method of revenue recognition, but, in most cases, the Company determined that over time revenue recognition was appropriate via the percentage-of-completion method, based on time incurred, or as units are produced in accordance with the three over time criteria within ASC 606-10-25-27. However, there were also various industry-specific elements that the Company has identified that will have to be continuously monitored as new contracts are entered into in associated with ASU 2014-09, including uninstalled materials, customer provided materials and other elements.

The Company has started to update its current accounting policies to align with revenue recognition practices under the new standard. As part of its evaluation of contracts with customers, the Company is holding regular meetings with key stakeholders across the organization to determine the impacts of the standards on its business processes. Additionally, the Company is evaluating its processes to address risks associated with incorporating these standards, and upon adoption, the Company expects to implement new internal controls related to accounting policies and procedures in order to validate the

2. Summary of Significant Accounting Policies (continued)

processes implemented upon adoption and going forward. Various trainings of the Accounting team are also expected to be held to further educate the business when applying some of the significant judgments required as part of the new standard.

The Company is continuing to evaluate the future impact and method of adoption of ASU 2014-09 and related amendments on its Consolidated Financial Statements and related disclosures.

Accounting Pronouncements Not Yet Adopted – Other – In February 2018, the FASB issued ASU 2018-02, which provides that the stranded tax effects from the Tax Cuts and Jobs Act on the balance of other comprehensive earnings may be reclassified to retained earnings. The ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with an option to adopt early. We are evaluating the effect of the standard on our Consolidated Financial Statements.

In May 2017, the FASB issued ASU 2017-09, which clarifies when a change to the terms or conditions of a share-based payment award should be accounted for as a modification. An entity should account for the effects of a modification unless the fair value, vesting conditions and classification, as an equity instrument or a liability instrument, of the modified award are the same before and after a change to the terms or conditions of the share-based payment award. The standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Company does not expect the new standard to have a material impact on its Consolidated Financial Statements.

In November 2016, the FASB issued ASU 2016-18, which requires a reporting entity to include restricted cash and restricted cash equivalents in its cash and cash-equivalent balances presented in the entity’s statement of cash flows. A reconciliation between the statement of financial position and the statement of cash flows must be disclosed when the balance sheet includes more than one line item for cash, cash equivalents, restricted cash and restricted cash equivalents. Transfers between non-restricted and restricted cash should not be presented as cash flow activities in the statement of cash flows. Furthermore, an entity with a material restricted cash balance must disclose information regarding the nature of the restrictions. The standard is effective for annual periods beginning after December 15, 2017, including interim periods within those annual reporting periods. At December 31, 2017 and December 31, 2016, approximately $40.4 million and $40.2 million, respectively, is recorded as “Restricted cash” on the Company’s Consolidated Balance Sheets. These amounts are primarily composed of eligible pledged cash in the Company’s December 31, 2017 and December 31, 2016 borrowing base calculation. The Company will adopt this standard in the first quarter of 2018.

In October 2016, the FASB issued ASU 2016-16, which requires a reporting entity to recognize the tax expense from the sale of an asset in the seller’s tax jurisdiction when the transfer occurs, even though the pre-tax effects of that transaction are eliminated in consolidation. The new guidance does not apply to intra-entity transfers of inventory, and the income tax consequences from the sale of inventory from one member of a consolidated entity to another will continue to be deferred until the inventory is sold to a third party. The standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Company does not expect the new standard to have any impact on its Consolidated Financial Statements.

In August 2016, the FASB issued ASU 2016-15, which provides specific guidance for cash flow classifications of cash payments and receipts to reduce the diversity of treatment of such items. The standard is effective for annual periods beginning after December 15, 2017 and interim periods within those annual periods with early adoption permitted. The Company does not expect the new standard to have a material impact on its Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02, which requires companies that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those assets. The standard is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted for financial statements of fiscal years or interim periods that have not been previously issued. The Company is currently evaluating the impact of the standard on its Consolidated Financial Statements. Based on initial evaluation, the Company expects to include operating leases with durations greater than twelve months on its Consolidated Balance Sheets. The Company will provide additional information about the expected financial impact as it progresses through the evaluation and implementation of the standard.

3. Accounts Receivable

Accounts receivable, net as of December 31, 2017 and 2016 is comprised of the following (in thousands):

	December 31,	
	2017	2016
Trade	$ 95,923	$ 79,348
Unbilled revenue	22,018	20,447
Contract retention	26,146	12,091
Other receivables	901	2,114
Total accounts receivable	144,988	114,000
Less: allowance for doubtful accounts	(2,796)	(1,963)
Total accounts receivable, net	$ 142,192	$ 112,037

The Company expects all accounts receivable to be collected within one year. The provision for bad debt included in operating expenses in the Consolidated Statements of Operations was $0.9 million, $0.3 million and $2.9 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The balances billed but not paid by customers pursuant to retainage provisions in certain contracts are generally due upon completion of the contracts and acceptance by the customer. Based on the Company’s contract terms in recent years, the majority of the retainage balances at each balance sheet date are expected to be collected within the next 12 months.

4. Contracts in Progress

Contract cost and recognized income not yet billed on uncompleted contracts arise when recorded revenues for a contract exceed the amounts billed under the terms of the contracts. Contract billings in excess of cost and recognized income arise when billed amounts exceed revenues recorded. Amounts are billable to customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract.

Contract cost and recognized income not yet billed and related amounts billed as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31,	
	2017	2016
Cost incurred on contracts in progress	$ 445,029	$ 234,544
Recognized income	(14,536)	28,702
	430,493	263,246
Progress billings and advance payments	(434,315)	(256,246)
	$ (3,822)	$ 7,000
Contract cost and recognized income not yet billed	$ 13,992	$ 11,938
Contract billings in excess of cost and recognized income	(17,814)	(4,938)
	$ (3,822)	$ 7,000

Contract cost and recognized income not yet billed includes $0.5 million and $0.5 million at December 31, 2017 and 2016, respectively, on completed contracts.

5. Assets Held for Sale

Components of assets held for sale as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31,	
	2017	2016
Accounts receivable, net	$ 490	$ 7,806
Contract cost and recognized income not yet billed	234	136
Prepaid expenses and other assets	36	61
Parts and supplies inventories	409	468
Property, plant and equipment, net	375	318
Intangible assets, net	260	260
Other long-term assets	—	1
Total assets held for sale	1,804	9,050
Accounts payable and accrued liabilities	100	3,789
Contract billings in excess of cost and recognized income	765	4,480
Other current liabilities	—	3
Other long-term liabilities	—	3
Total liabilities held for sale	$ 865	$ 8,275

The Company, as part of its ongoing strategic evaluation, made the decision to offer the sale of its tank services business, which is included in the Company's *Oil & Gas* segment, to an outside party. At December 31, 2017, the tank business was classified as held for sale, as it was being actively marketed, expected to sell within one year and measured at the lower of carrying value or fair value less costs to sell. On January 2, 2018, the Company sold its tank services business to ATS for $3.0 million, subject to working capital adjustments.

6. Property, Plant and Equipment

Property, plant and equipment, which are used to secure debt or are subject to lien, at cost, as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31,	
	2017	2016
Construction equipment	$ 57,195	$ 59,607
Furniture and equipment	26,002	30,752
Land and buildings	1,715	1,521
Transportation equipment	57,346	65,501
Leasehold improvements	5,819	5,641
Marine equipment	82	82
Total property, plant and equipment	148,159	163,104
Less: accumulated depreciation	(118,046)	(124,981)
Total property, plant and equipment, net	$ 30,113	$ 38,123

Amounts above include $0.3 million and $0.8 million of construction in progress as of December 31, 2017 and 2016, respectively. Depreciation expense included in operating expenses for the years ended December 31, 2017, 2016 and 2015 was $9.5 million, $12.1 million and $17.3 million, respectively.

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6. Property, Plant and Equipment (continued)

In the fourth quarter of 2017, the Company performed an impairment assessment of all long-lived assets (including property, plant and equipment) associated with each of its asset groups under ASC 360. As a result of the Company's assessment, no impairment to long-lived assets (including property, plant and equipment) was required. See Note 2 – Summary of Significant Accounting Policies for more information.

7. Intangible Assets

The Company's intangible assets as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31, 2017		
	Customer Relationships	Trademark/ Tradename	Total
Balance as of December 31, 2016	$ 73,100	$ 3,748	$ 76,848
Amortization	(8,597)	(1,070)	(9,667)
Balance as of December 31, 2017	$ 64,503	$ 2,678	$ 67,181
Weighted average remaining amortization period	7.5 years	2.5 years	

	December 31, 2016		
	Customer Relationships	Trademark/ Tradename	Total
Balance as of December 31, 2015	$ 82,044	$ 4,818	$ 86,862
Amortization	(8,684)	(1,070)	(9,754)
Transfer to assets held for sale	$ (260)	$ —	$ (260)
Balance as of December 31, 2016	$ 73,100	$ 3,748	$ 76,848
Weighted average remaining amortization period	8.5 years	3.5 years	

In the fourth quarter of 2017, the Company performed an impairment assessment of all long-lived assets (including intangible assets) associated with each of its asset groups under ASC 360. As a result of the Company's assessment, no impairment to long-lived assets (including intangible assets) was required. See Note 2 – Summary of Significant Accounting Policies for more information.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range from 5 to 15 years.

Amortization expense was $9.7 million, $9.8 million and $9.9 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Estimated amortization expense for each of the subsequent five years and thereafter is as follows (in thousands):

Fiscal year:	
2018	$ 9,667
2019	9,667
2020	9,135
2021	8,597
2022	8,597
Thereafter	21,518
Total amortization	$ 67,181

8. Accounts Payable

Accounts payable and accrued liabilities as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31,	
	2017	2016
Trade accounts payable	$ 54,414	$ 34,770
Payroll liabilities	12,185	10,377
Accrued contract costs	52,847	15,840
Self-insurance accrual	6,601	11,210
Other accrued liabilities	12,114	11,291
Total accounts payable and accrued liabilities	$ 138,161	$ 83,488

Accrued contract costs includes $12.2 million and $3.7 million at December 31, 2017 and 2016, respectively, related to provisions on loss projects.

The self-insurance accrual includes $6.6 million and $11.2 million of short-term liabilities at December 31, 2017 and 2016, respectively. The remaining $17.2 million and $14.5 million of the self-insurance accrual is included within “Other long-term liabilities” on the Consolidated Balance Sheets for the years ended December 31, 2017 and 2016, respectively.

9. Debt Obligations

The Company’s debt obligations as of December 31, 2017 and 2016 were as follows (in thousands):

	December 31,	
	2017	2016
Aggregate outstanding principal balance, 2014 Term Loan Facility	$ 107,224	$ 92,224
Repayment fee, 2014 Term Loan Facility	9,650	4,611
Unamortized discount – repayment fee, 2014 Term Loan Facility	(7,235)	(3,592)
Unamortized debt issuance costs, 2014 Term Loan Facility	(4,464)	(4,054)
Revolver borrowings, 2013 ABL Credit Facility	28,108	—
Total debt obligations, net of unamortized discount and debt issuance costs	$ 133,283	$ 89,189
Current maturities of long-term debt	$ 105,175	$ —
Short-term borrowings under revolving credit facility	28,108	—
Long-term debt obligations	—	89,189
Total debt obligations, net of unamortized discount and debt issuance costs	$ 133,283	$ 89,189

2014 Term Loan Facility

On December 15, 2014, the Company entered into a credit agreement (the “2014 Term Credit Agreement”) among the Company, certain of its subsidiaries, as guarantors, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. Cortland Capital Market Services LLC currently serves as administrative agent under the 2014 Term Credit Agreement.

9. Debt Obligations (continued)

Principal, Interest and Maturity

The 2014 Term Credit Agreement initially provided for a five-year $270.0 million term loan facility (the "2014 Term Loan Facility"), which the Company drew in full on the effective date of the 2014 Term Credit Agreement. Effective November 6, 2017, the Company amended the 2014 Term Credit Agreement pursuant to a Sixth Amendment (the "Sixth Amendment"). The Sixth Amendment, among other things, provides for an additional term loan in an amount equal to $15.0 million, which will be pari passu in right of payment with, and secured on a pari passu basis with the aggregate outstanding principal balance of the Company's 2014 Term Loan Facility. The additional term loan was drawn in full on November 17, 2017 (the "Sixth Amendment Funding Date") and bears the same maturity date as the aggregate outstanding principal balance of the Company's 2014 Term Loan Facility. At December 31, 2017, the aggregate outstanding principal balance of the Company's 2014 Term Loan Facility was approximately $107.2 million.

The 2014 Term Loan Facility initially bore interest at the "Adjusted Base Rate" plus an applicable margin of 8.75 percent, or the "Eurodollar Rate" plus an applicable margin of 9.75 percent. The interest rate in effect at December 31, 2016 was 11 percent, which consisted of an applicable margin of 9.75 percent for Eurodollar Rate loans plus a LIBOR floor of 1.25 percent. On the Sixth Amendment Funding Date, the interest rate increased to 13 percent, consisting of an applicable margin of 11.75 percent for Eurodollar Rate loans plus a LIBOR floor of 1.25 percent. Beginning September 30, 2018, the applicable margin will increase an additional 100 basis points each quarterly period until maturity.

Subsequent to December 31, 2017, the Company amended the 2014 Term Credit Agreement pursuant to the Seventh Amendment. Under the terms of the Seventh Amendment, Primoris will provide the Company with an Initial First-Out Loan in an amount equal to $10.0 million to be drawn in full no earlier than three business days after the Seventh Amendment Effective Date. In addition, Primoris may provide the Company with Additional First-Out Loans up to $10.0 million. See Note 1 – Company Description and Financial Condition for more information.

Makewhole

Under the 2014 Term Credit Agreement, with respect to prepayments made from inception of the Term Loan through December 31, 2017, the Company has not been required to pay prepayment premiums in respect of the "makewhole amount." However, future prepayments or refinancing of the balance of the 2014 Term Loan Facility may require the Company to pay a prepayment premium equal to the makewhole amount and the repayment fee described below. Pursuant to the Sixth Amendment and beginning with the Sixth Amendment Funding Date, if a prepayment is made on or before September 30, 2018, the makewhole amount will be calculated as the present value of all interest payments that would have been made on the amount prepaid from the date of the prepayment to June 15, 2019 at a rate per annum equal to the sum of the applicable margin on the date of the prepayment plus the greater of 1.25 percent and the Eurodollar rate in effect on the date of the repayment. If a prepayment is made after September 30, 2018, the makewhole amount will be calculated as the present value of all interest payments that would have been made on the amount prepaid from the date of the prepayment to December 15, 2019 at a rate per annum equal to the sum of the applicable margin on the date of the prepayment plus the greater of 1.25 percent and the Eurodollar rate in effect on the date of the repayment.

Should a prepayment in full occur under the Sixth Amendment, the estimated makewhole amount due at future prepayment dates would be as follows (in thousands):

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Makewhole	$ 16,843	$ 13,358	$ 9,874	$ 16,888	$ 12,331	$ 7,595	$ 3,350

Repayment Fee

Prior to the Sixth Amendment, the Company was also required to pay a repayment fee on the date of any prepayment and on the maturity date of the 2014 Term Loan Facility equal to a total of $4.6 million, which was 5.0 percent of the amount prepaid or 5.0 percent of the aggregate remaining outstanding principal balance on the maturity date. Pursuant to the Sixth Amendment and beginning with the Sixth Amendment Funding Date, the repayment fee increased to a total of $9.7 million, which is 9.0 percent of the amount prepaid or 9.0 percent of the aggregate remaining outstanding principal balance on the maturity date. The Company is amortizing the repayment fee as a discount, from that date through the maturity date of the 2014 Term Loan Facility, using the effective interest method. The unamortized amount of the repayment fee was $7.2 million at

9. Debt Obligations (continued)

December 31, 2017 based on the 9.0 percent repayment fee in effect as of the Sixth Amendment Funding Date and $3.6 million at December 31, 2016, based on the 5.0 percent repayment fee in effect as of that date.

Term Loan Discounted Payoff

The Seventh Amendment provides that the payment by the borrower of an amount equal to $100.0 million plus the expenses of the administrative agent in an amount not to exceed $1.1 million shall constitute payment in full and satisfaction and discharge of all obligations of the borrower and the other loan parties under the 2014 Term Credit Agreement, but solely if such payment is made in connection with the consummation of the merger. Accordingly, if the 2014 Term Loan Facility is paid off in connection with the closing of the merger, no amounts will be owed in respect of the makewhole amount and the repayment fee. See Note 1 – Company Description and Financial Condition for more information.

Debt Covenants

On March 31, 2015 (the “First Amendment Closing Date”), March 1, 2016, July 26, 2016 and March 3, 2017, the Company amended the 2014 Term Credit Agreement pursuant to a First Amendment (the “First Amendment”), a Third Amendment (the “Third Amendment”), a Fourth Amendment (the “Fourth Amendment”) and a Fifth Amendment (the “Fifth Amendment”). These amendments, among other things, suspended the calculation of the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio for the period from December 31, 2014 through June 30, 2017 (the “Covenant Suspension Periods”) so that any failure by the Company to comply with the Maximum Total Leverage Ratio or Minimum Interest Coverage Ratio during the Covenant Suspension Periods shall not be deemed to result in a default or event of default.

In consideration of the initial suspension of the calculation of the Maximum Total Leverage Ratio and Minimum Interest Coverage Ratio under the First Amendment, the Company issued 10.1 million shares, which was equivalent to 19.9 percent of the then outstanding shares of common stock immediately prior to the First Amendment Closing Date, to KKR Lending Partners II L.P. and other entities indirectly advised by KKR Credit Advisers (US) LLC, which made them a related party. In connection with this transaction, the Company recorded debt covenant suspension charges of approximately $33.5 million which represented the fair value of the 10.1 million outstanding shares of common stock issued, multiplied by the closing stock price on the First Amendment Closing Date. In addition, the Company recorded debt extinguishment charges of approximately $0.8 million related to the write-off of debt issuance costs associated with the Company’s 2014 Term Credit Agreement.

In consideration for the Third Amendment, Fourth Amendment and Fifth Amendment, the Company paid a total of $4.6 million in amendment fees during the year ended December 31, 2016 and $2.3 million in amendment fees during the year ended December 31, 2017. The amendment fees are recorded as direct deductions from the carrying amount of the 2014 Term Loan Facility and are being amortized through the maturity date of the 2014 Term Loan Facility using the effective interest method.

The Sixth Amendment suspends compliance with the Maximum Total Leverage Ratio and the Minimum Interest Coverage Ratio covenants through December 31, 2017. In addition, under the Sixth Amendment, the Maximum Total Leverage Ratio will be 5.50 to 1.00 as of March 31, 2018 and will decrease to 4.50 to 1.00 as of June 30, 2018, 4.25 to 1.00 as of September 30, 2018 and 3.00 to 1.00 as of March 31, 2019, and thereafter. The Minimum Interest Coverage Ratio will be 1.75 to 1.00 as of March 31, 2018, will increase to 2.00 to 1.00 as of June 30, 2018, decrease to 1.50 to 1.00 as of December 31, 2018 and increase to 2.75 to 1.00 as of March 31, 2019, and thereafter. The Sixth Amendment also provides that, for the four-quarter period ending March 31, 2018, Consolidated EBITDA shall be equal to the sum of Consolidated EBITDA for the quarterly periods ending December 31, 2017 and March 31, 2018 multiplied by two, and, for the four-quarter period ending June 30, 2018, Consolidated EBITDA shall be equal to the annualized sum of Consolidated EBITDA for the quarterly periods ending December 31, 2017, March 31, 2018 and June 30, 2018.

Other

The Company is the borrower under the 2014 Term Credit Agreement, with all of its obligations guaranteed by its material U.S. subsidiaries, other than excluded subsidiaries. Obligations under the 2014 Term Loan Facility are secured by a first priority security interest in, among other things, the borrower’s and the guarantors’ equipment, subsidiary capital stock and intellectual property (the “2014 Term Loan Priority Collateral”) and a second priority security interest in, among other things, the borrower’s and the guarantors’ inventory, accounts receivable, deposit accounts and similar assets.

9. Debt Obligations (continued)

Unamortized debt issuance costs, primarily related to amendment fees associated with the 2014 Term Loan Facility, were $4.5 million and $4.1 million at December 31, 2017 and December 31, 2016, respectively. These costs are being amortized through the maturity date of the 2014 Term Loan Facility using the effective interest method.

The Company made no early payments during the year ended December 31, 2017 and $3.1 million of early payments during the year ended December 31, 2016 against the 2014 Term Loan Facility. As a result of these early payments, the Company recorded no debt extinguishment charges during the year ended December 31, 2017 and $0.1 million of debt extinguishment charges, which consisted of the write-off of debt issuance costs, during the year ended December 31, 2016.

2013 ABL Credit Facility

On August 7, 2013, the Company entered into a five-year asset based senior revolving credit facility maturing on August 7, 2018 with Bank of America, N.A. serving as sole administrative agent for the lenders thereunder, collateral agent, issuing bank and swingline lender (as amended, the "2013 ABL Credit Facility").

The aggregate amount of commitments for the 2013 ABL Credit Facility is $100.0 million, which is comprised of $90.0 million for the U.S. facility (the "U.S. Facility") and $10.0 million for the Canadian facility (the "Canadian Facility"). At December 31, 2017, the Company had approximately $28.1 million in outstanding borrowings under the 2013 ABL Credit Facility for working capital purposes.

The 2013 ABL Credit Facility includes a sublimit of $80.0 million for letters of credit. The borrowers under the U.S. Facility consist of all of the Company's U.S. operating subsidiaries with assets included in the borrowing base, and the U.S. Facility is guaranteed by Willbros Group, Inc. and its material U.S. subsidiaries, other than excluded subsidiaries. The borrower under the Canadian Facility is Willbros Construction Services (Canada) LP, and the Canadian Facility is guaranteed by Willbros Group, Inc. and all of its material U.S. and Canadian subsidiaries, other than excluded subsidiaries.

Advances under the U.S. and Canadian Facilities are limited to a borrowing base consisting of the sum of the following, less applicable reserves:

- 85 percent of the value of "eligible accounts" (as defined in the 2013 ABL Credit Facility);
- the lesser of (i) 75 percent of the value of "eligible unbilled accounts" (as defined in the 2013 ABL Credit Facility) and (ii) $33.0 million minus the amount of eligible unbilled accounts then included in the borrowing base; and
- "eligible pledged cash".

The Company is also required, as part of its borrowing base calculation, to include a minimum of $25.0 million of the net proceeds of the sale of Bemis, LLC and the balance of the *Professional Services* segment as eligible pledged cash. The Company has included $40.0 million as eligible pledged cash in its December 31, 2017 borrowing base calculation, which is included in "Restricted cash" on its Consolidated Balance Sheets.

The aggregate amount of the borrowing base attributable to eligible accounts and eligible unbilled accounts constituting certain progress or milestone billings, retainage and other performance-based benchmarks may not exceed $23.0 million.

Advances in U.S. dollars bear interest at a rate equal to LIBOR or the U.S. or Canadian base rate plus an additional margin. Advances in Canadian dollars bear interest at the Bankers Acceptance ("BA") Equivalent Rate or the Canadian prime rate plus an additional margin.

The interest rate margins will be adjusted each quarter based on the Company's fixed charge coverage ratio as of the end of the previous quarter as follows:

Fixed Charge Coverage Ratio	U.S. Base Rate, Canadian Base Rate and Canadian Prime Rate Loans	LIBOR Loans, BA Rate Loans and Letter of Credit Fees
>1.25 to 1	1.25%	2.25%
≤1.25 to 1 and >1.15 to 1	1.50%	2.50%
≤1.15 to 1	1.75%	2.75%

9. Debt Obligations (continued)

The Company will also pay an unused line fee on each of the U.S. and Canadian Facilities equal to 50 basis points when usage under the applicable facility during the preceding calendar month is less than 50 percent of the commitments or 37.5 basis points when usage under the applicable facility equals or exceeds 50 percent of the commitments for such period. With respect to the letters of credit, the Company will pay a letter of credit fee equal to the applicable LIBOR margin, shown in the table above, on all letters of credit and a 0.125 percent fronting fee to the issuing bank, in each case, payable monthly in arrears.

Obligations under the 2013 ABL Credit Facility are secured by a first priority security interest in the borrowers' and guarantors' accounts receivable, deposit accounts and similar assets (the "ABL Priority Collateral") and a second priority security interest in the 2014 Term Loan Priority Collateral.

On January 2, 2018, the Company paid down $2.5 million of its outstanding borrowings under the 2013 ABL Credit Facility using available cash on hand.

If the Company's unused availability under the 2013 ABL Credit Facility is less than the greater of (i) 15.0 percent of the revolving commitments or $15.0 million for five consecutive days, or (ii) 12.5 percent of the revolving commitments or $12.5 million at any time, or upon the occurrence of certain events of default under the 2013 ABL Credit Facility ("Cash Dominion"), the Company is subject to increased reporting requirements, the administrative agent shall have exclusive control over any deposit account, the Company will not have any right of access to, or withdrawal from, any deposit account, or any right to direct the disposition of funds in any deposit account, and amounts in any deposit account will be applied to reduce the outstanding amounts under the 2013 ABL Credit Facility. In addition, if the Company's unused availability under the 2013 ABL Credit Facility is less than the amounts described above, the Company would be required to comply with a Minimum Fixed Charge Coverage Ratio of 1.15 to 1.00.

In accordance with its December 31, 2017 borrowing base certificate completed in January 2018, the Company's unused availability under the 2013 ABL Credit Facility was $12.8 million. As such, on January 30, 2018, in order to avoid Cash Dominion under the 2013 ABL Credit Facility, as described above, the Company paid down an additional $2.5 million of outstanding revolver borrowings under the 2013 ABL Credit Facility. The Company gives no assurance that it will continue to be able to avoid Cash Dominion under the 2013 ABL Credit Facility. If the Minimum Fixed Charge Coverage Ratio were to become applicable, the Company would not expect to be in compliance over the next twelve months and would therefore be in default under its credit agreements.

Pursuant to the ABL Forbearance Agreement, the aggregate amount of commitments under the 2013 ABL Credit Facility has been reduced from $100.0 million to $90.0 million, which is comprised of $80.0 million for the U.S. Facility and $10.0 million for the Canadian Facility. In addition, during the ABL Forbearance Period, the Company may not request any additional loans or any new or increased letters of credit. The ABL Forbearance Agreement also provides that Cash Dominion will occur if the Company's unused availability under the 2013 ABL Credit Facility is less than $10.0 million at any time.

Events of Default

A default under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility may be triggered by events such as a failure to comply with financial covenants or other covenants under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, a failure to make payments when due under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, a failure to make payments when due in respect of, or a failure to perform obligations relating to, debt obligations in excess of $15.0 million, a change of control of the Company and certain insolvency proceedings. A default under the 2013 ABL Credit Facility would permit the lenders to terminate their commitment to make cash advances or issue letters of credit, require the immediate repayment of any outstanding cash advances with interest and require the cash collateralization of outstanding letter of credit obligations. A default under the 2014 Term Credit Agreement would permit the lenders to require immediate repayment of all principal, interest, fees and other amounts payable thereunder.

The 2014 Term Credit Agreement and the 2013 ABL Credit Facility also include customary representations and warranties and affirmative and negative covenants, including:

- the preparation of financial statements in accordance with GAAP;
- the ability to deliver an audit opinion without a going concern explanation;

9. Debt Obligations (continued)

- the identification of any events or circumstances, either individually or in the aggregate, that has had or could reasonably be expected to have a material adverse effect on the business, results of operations, properties or financial condition of the Company;
- limitations on liens and indebtedness;
- limitations on dividends and other payments in respect of capital stock;
- limitations on capital expenditures; and
- limitations on modifications of the documentation of the 2013 ABL Credit Facility.

The Company’s inability to deliver audited financial statements without a going concern explanation constitutes an event of default under the 2014 Term Credit Agreement and the 2013 ABL Credit Facility. See Note 1 – Company Description and Financial Condition for more information.

On March 27, 2018, the Company entered into a Term Forbearance Agreement with the Term Lenders and an ABL Forbearance Agreement with the ABL Lenders. If the merger with Primoris is not completed, or if these forbearance agreements were to expire or be terminated prior to the completion of the merger, the Term Lenders and ABL Lenders would be free to exercise any rights and remedies with respect to such defaults and events of defaults pursuant to the terms of the 2014 Term Credit Agreement and the 2013 ABL Credit Facility, respectively. See Note 1 – Company Description and Financial Condition for more information.

Fair Value of Debt

The estimated fair value of the Company’s debt instruments as of December 31, 2017 and December 31, 2016 was as follows (in thousands):

	December 31, 2017	December 31, 2016
2014 Term Loan Facility	$ 119,042	$ 95,577
Revolver borrowings, 2013 ABL Credit Facility	28,108	—
Total fair value of debt instruments	$ 147,150	$ 95,577

The 2014 Term Loan Facility and revolver borrowings under the 2013 ABL Credit Facility are classified within Level 2 of the fair value hierarchy. The fair value of the 2014 Term Loan Facility has been estimated using discounted cash flow analyses based on the Company’s incremental borrowing rate for similar borrowing arrangements. The fair value of the revolver borrowings approximates its carrying value.

Maturities

The principal amounts due under the Company’s remaining debt obligations as of December 31, 2017 is as follows (in thousands):

Fiscal year:	
2018	$ 135,332
	$ 135,332

10. Retirement Plans and Benefits

The Company contributes to multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain union-represented employees. Currently, the Company has no intention to withdraw from these plans. The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Retirement Plans and Benefits (continued)

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If a participating employer chooses to stop participating in a multiemployer plan, the employer may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Employee Retirement Income Security Act of 1974 ("ERISA"), as amended by the Multi-Employer Pension Plan Amendments Act of 1980, imposes certain liabilities upon employers who are contributors to a multiemployer plan in the event of the employer's withdrawal from, or upon termination of, such plan. The plans do not maintain information on the net assets and actuarial present value of the plans' unfunded vested benefits allocable to the Company. As such, the amount, if any, for which the Company may be contingently liable, is not ascertainable at this time.

The majority of the Company's unionized employees work in the building and construction industry ("B&C"), and, therefore, the Company believes it satisfies the criteria for the B&C industry exception under ERISA for those multiemployer pension plans that primarily cover employees in the B&C industry. As a result, the Company does not expect to be assessed a withdrawal liability when it ceases making contributions to those plans after the completion of a project or projects, so long as it does not continue to perform work in the jurisdiction of the pension plan on a non-union basis. The applicability of the B&C industry proviso is fact-specific, so there can be no assurance in any particular situation whether the B&C proviso applies or whether withdrawal liability will be assessed.

The Pension Protection Act of 2006 added new funding rules generally applicable to plan years beginning after 2007 for multiemployer plans that are classified as "endangered," "seriously endangered" or "critical" status. For a plan in endangered, seriously endangered or critical status, additional required contributions and benefit reductions may apply. A number of plans to which the Company's business units contribute or may contribute in the future are in "endangered" or "critical" status. Certain of these plans may require additional contributions, generally in the form of a surcharge on future benefit contributions required for future work performed by union employees covered by these plans. The amount of additional funds, if any, that the Company may be obligated to contribute to these plans in the future cannot be estimated, as such amounts will likely be based on future levels of work that require the specific use of those union employees covered by these plans.

The following table contains a summary of plan information relating to the Company's participation in multiemployer pension plans, including Company contributions for the last three years, status of the multiemployer plan, and whether the plan is subject to a funding improvement, rehabilitation plan or contribution surcharges. Information has been presented separately for individually significant plans (defined as plans that make up 70 to 80 percent of the total Company defined benefit contributions and any plan that exceeds individual contributions of $0.1 million in any plan year presented).

Fund	EIN/PN	PPA Zone Status (1)	Plan Year End for Zone Status	Subject to Funding Improvement/ Rehabilitation Plan(2)	2017 Contributions (in thousands)	2016 Contributions (in thousands)	2015 Contributions (in thousands)	Sur-charge Imposed	Expiration Date of Collective Bargaining Agreement
Pennsylvania Heavy and Highway Contractors Pension Trust	23-6531755/ 001	Green	12/31/2016	No	$ 2,085	$ 975	$ 1,086	No	12/31/2018
Boilermaker-Blacksmith National Pension Trust	48-6168020/ 001	Yellow	12/31/2016	Implemented	$ —	$ —	$ 208	No	N/A
Other Funds					—	—	43		
Total Contributions:					**$ 2,085**	**$ 975**	**$ 1,337**		

(1) The zone status is based on information that the Company received from the plan as well as publicly available information per the Department of Labor website and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. Although the Boilermaker-Blacksmith National Pension Trust plan was considered to be in the yellow zone for 2016, it proactively entered critical status early for 2017 and imposed a surcharge for contributions payable after May 28, 2017.

(2) The "Subject to Funding Improvement / Rehabilitation Plan" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

10. Retirement Plans and Benefits (continued)

Based upon the most recent and available plan financial information, the Company made contributions to the Pennsylvania Heavy and Highway Contractors Pension Trust that represented more than 5 percent of total plan contributions for the 2016 plan year. In regards to the Boilermaker-Blacksmith National Pension Trust, the Company did not contribute to the plan in 2017 and has no collective bargaining agreements related to this plan.

In addition to the contributions noted above to multiemployer defined benefit pension plans, the Company also makes discretionary contributions to defined contribution plans. The zone status outlined above does not apply to defined contribution plans.

Contributions to all defined contribution and defined benefit plans were $9.1 million, $6.9 million and $9.9 million for the years ended December 31, 2017, 2016 and 2015, respectively.

11. Income Taxes

The Company is domiciled in the United States and operates primarily in the United States and Canada. These countries have different tax regimes and tax rates, which affect the consolidated income tax provision of the Company and its effective tax rate. Moreover, losses from one country generally cannot be used to offset taxable income from another country, and some expenses incurred in certain tax jurisdictions receive no tax benefit, thereby affecting the effective tax rate.

Tax Cuts and Jobs Act of 2017

On December 22, 2017, the President of the United States signed into law what is informally referred to as the Tax Cuts and Jobs Act of 2017 (the “Tax Act”), a comprehensive U.S. tax reform package that, effective January 1, 2018, among other things, lowered the corporate income tax rate from 35 percent to 21 percent and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. Under the accounting rules, companies are required to recognize the effects of changes in tax laws and tax rates on deferred tax assets and liabilities in the period in which the new legislation is enacted.

At December 31, 2017, the Company has recognized the tax effects of the Tax Act as written and recorded a $0.7 million tax benefit. Below is a brief description of the effects from U.S. tax reform and its impact on the Company.

Remeasurement of Deferred Taxes

Under the Tax Act, the U.S. corporate income tax rate was reduced from 35 percent to 21 percent. As a result, the Company remeasured its U.S. deferred taxes as of December 31, 2017. The remeasurement had no impact on tax expense or the Company’s effective tax rate due to the full valuation allowance. The valuation allowance decreased by $36.6 million. In addition, due to the remeasurement of the net operating loss (“NOL”), the ASC 740-10 reserve was remeasured at 21 percent, which resulted in a decrease to deferred taxes of $1.3 million with an offset to the valuation allowance.

Reassessment of the Realizability of Deferred Tax Assets

Under the Tax Act, the Alternative Minimum Tax Credit utilization rule was changed, which required the Company to reassess the realizability of the deferred tax asset. As a result, the Company has released the valuation allowance on the Refundable Alternative Minimum Tax Credit Carryforward and reclassified the asset from a deferred tax asset to a non-current receivable resulting in $0.7 million of tax benefit. The reclassification had a minimal impact on the Company’s effective tax rate.

Liability for Taxes Due on Mandatory Deemed Repatriation

Under the Tax Act, a company’s foreign earnings accumulated under the legacy tax laws are deemed to be repatriated into the United States. Since the Company discontinued its strategy of reinvesting foreign earnings in foreign operations in 2011, there is no impact to the tax provision as a result of the deemed repatriation.

Upon completion of our 2017 U.S. income tax return in 2018, we may identify additional remeasurement adjustments to our recorded deferred tax assets. We will continue to assess our provision for income taxes as future guidance on the accounting effects of the Tax Act is issued but do not anticipate significant revisions will be necessary. Any such revisions will be recorded in the period in which they are identified, in accordance with the measurement period guidance outlined in SEC Staff Accounting Bulletin No. 118.

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Income Taxes (continued)

Components of the Provision (Benefit) for Income Taxes

Income (loss) before income taxes on continuing operations consists of the following (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Foreign	$ (4,406)	$ (556)	$ 334
United States	(103,217)	(43,756)	(118,914)
	$ (107,623)	$ (44,312)	$ (118,580)

Provision (benefit) for income taxes on continuing operations by country consists of the following (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Current provision (benefit):			
Foreign	$ (157)	$ (550)	$ 1,822
United States:			
Federal	(833)	735	(51,475)
State	(391)	(159)	(4,497)
	(1,381)	26	(54,150)
Deferred tax provision (benefit):			
Foreign	417	(556)	357
United States	—	—	(238)
	417	(556)	119
Total benefit for income taxes	$ (964)	$ (530)	$ (54,031)

The provision (benefit) for income taxes has been determined based upon the tax laws and rates in the countries in which operations are conducted and income is earned. The Company and its subsidiaries operating in the United States are subject to federal income tax rates up to 35 percent and varying state income tax rates and methods of computing tax liabilities. The Company's principal international continuing operations are in Canada. The Company's subsidiaries in Canada are subject to a corporate income tax rate of 27 percent. The Company did not have any non-taxable foreign earnings from tax holidays for taxable years 2015 through 2017.

In April 2011, the Company discontinued its strategy of reinvesting foreign earnings in foreign operations. The Company's current operating strategy is not to reinvest all earnings of its operations internationally. Instead, dividends are distributed to the U.S. parent or its U.S. affiliates. Due to the current deficit in foreign earnings and profits, the Company does not anticipate a significant tax expense to future repatriations of foreign earnings in the United States.

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Income Taxes (continued)

A reconciliation of the differences between the provision (benefit) for income taxes computed at the appropriate statutory rates and the reported provision (benefit) for income taxes is as follows (in thousands). For 2017, 2016 and 2015, the Company was domiciled in the United States, which has a 35 percent statutory tax rate.

	2017	2016	2015
Taxes on earnings at statutory rate in domicile of parent company	$ (37,668)	$ (15,509)	$ (41,503)
Earnings taxed at rates less or greater than parent company rates:			
Foreign	443	246	(297)
State income taxes, net of U.S. federal benefit	—	116	(3,050)
Non deductibles	3,033	2,017	2,681
Changes in provision for unrecognized tax positions	574	204	91
Change in valuation allowance	33,656	12,951	(19,027)
Stock-based compensation	597	1,522	1,990
Deferred tax adjustments	(276)	(1,123)	(595)
Deemed dividend/previously taxed income	—	—	1,850
Prior year tax settlement	327	382	(246)
Transfer pricing allocation	(874)	6	2,011
Stock issuance costs	—	—	1,947
Alternative Minimum Tax credit carryforward	—	(1,031)	—
Other	(124)	(311)	117
Tax Cuts and Jobs Act	(652)	—	—
Total benefit for income taxes	$ (964)	$ (530)	$ (54,031)

For the year ended December 31, 2017, the Company’s provision for income taxes for discontinued operations is $0.0 million, and the Company’s benefit for income taxes for continuing operations is $1.0 million for a net benefit for income taxes of $1.0 million on a consolidated basis.

For the year ended December 31, 2016, the Company’s provision for income taxes for discontinued operations was $0.1 million, and the Company’s benefit for income taxes for continuing operations was $0.5 million for a net benefit for income taxes of $0.4 million on a consolidated basis.

For the year ended December 31, 2015, the Company’s provision for income taxes for discontinued operations was $57.2 million, and the Company’s benefit for income taxes for continuing operations was $54.0 million for a net provision for income taxes of $3.2 million on a consolidated basis.

As a result of the Tax Act, the NOL was remeasured from 35 percent to 21 percent. Due to the remeasurement of the NOL, the U.S. portion of the ASC 740-10 reserve was also remeasured at 21 percent, which decreased the gross position by $0.9 million with a full offset to the valuation allowance. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	Year Ended December 31,	
	2017	2016
Beginning balance	$ 2,406	$ 2,406
Impact of Tax Cuts and Jobs Act	(870)	—
Other	(49)	—
Ending balance	$ 1,487	$ 2,406

At December 31, 2017, there are no unrecognized tax benefits that will impact the Company’s effective tax rate if ultimately recognized. Due to the Tax Act, the Company remeasured interest and penalties on its U.S. positions from 35 percent to 21 percent, which resulted in a $0.4 million decrease to the reserve with a full offset to the valuation allowance. The

11. Income Taxes (continued)

Company has determined that, during the next twelve months, it is reasonably possible there will be no change in unrecognized tax benefits to be recognized due to the lapse of statutes of limitation in certain jurisdictions or settlement of audits.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2017, 2016 and 2015, the Company has recognized $0.2 million, $0.2 million and $0.2 million, respectively, in interest and penalties expense. The cumulative accrual for interest and penalties carried on the Consolidated Balance Sheets as of December 31, 2017 and 2016 is $1.0 million and $1.2 million, respectively.

The Company files income tax returns in the United States federal jurisdiction, in various states and in various foreign jurisdictions. The Company is subject to examination for 2008 forward for the United States and the majority of the state jurisdictions and for 2010 forward in Canada.

The principal components of the Company's net deferred tax assets (liabilities) are as follows (in thousands):

	December 31,	
	2017	2016
Deferred tax assets:		
Non-current:		
Accrued vacation	293	144
Allowance for doubtful accounts	319	249
Estimated losses	2,021	143
Deferred compensation	311	696
Accrued insurance	4,620	7,581
Deferred rent	790	1,815
Various accrued liabilities	163	274
Goodwill	12,885	25,739
U.S. tax net operating loss carry forwards	53,617	59,258
State tax net operating loss carry forwards	8,201	6,148
Foreign tax net operating loss carry forwards	2,817	2,817
Alternative Minimum Tax credit carryforward	—	846
Other	211	117
Gross deferred tax assets	86,248	105,827
Valuation allowance	(68,003)	(69,304)
Deferred tax assets, net of valuation allowance	18,245	36,523
Deferred tax liabilities:		
Non-current:		
Term Loan amortization	(394)	(1,203)
Depreciation	(3,150)	(7,409)
Intangible amortization	(14,701)	(27,596)
Deferred tax liabilities	(18,245)	(36,208)
Net deferred tax assets	$ —	$ 315
United States	$ —	$ —
Foreign	—	315
Net deferred tax assets	$ —	$ 315

The valuation allowance for deferred income tax assets at December 31, 2017 and 2016 was $68.0 million and $69.3 million, respectively. Due to the Tax Act, $36.6 million of the valuation allowance was released which resulted in no impact to

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Income Taxes (continued)

the Consolidated Statements of Operations. Valuation allowances exist in the U.S., Canada and Australia. The valuation allowances at December 31, 2017 are $64.7 million, $0.5 million and $2.8 million, respectively. The valuation allowances at December 31, 2016 are $66.5 million, $0.0 million and $2.8 million, respectively.

At December 31, 2017, the Company has remaining U.S. federal net operating loss carry forwards of $53.6 million and state net operating loss carry forwards of $8.2 million. The Company has a net operating loss carry forward for Australia of $2.8 million.

The Company's U.S. federal net operating losses expire beginning in 2031. The Company's state net operating losses generally expire 20 years after the period in which the net operating loss was incurred. After the effect of tax planning strategies, carrybacks of certain federal net operating losses, reversals of existing temporary differences, and projections for future taxable income over the periods in which the deferred tax assets can be utilized to offset taxable income, the Company does not believe that the remaining net federal deferred tax asset is more likely than not realizable in the foreseeable future.

12. Stockholders' Equity

Changes in Accumulated Other Comprehensive Income (Loss) by Component

	Year Ended December 31, 2017 (in thousands)		
	Foreign currency translation adjustments	Changes in derivative financial instruments	Total accumulated comprehensive income (loss)
Balance, December 31, 2016	$ (1,412)	$ (2,822)	$ (4,234)
Other comprehensive income before reclassifications	1,287	—	1,287
Amounts reclassified from accumulated other comprehensive income (loss)	—	1,085	1,085
Net current-period other comprehensive income	1,287	1,085	2,372
Balance, December 31, 2017	$ (125)	$ (1,737)	$ (1,862)

	Year Ended December 31, 2016 (in thousands)		
	Foreign currency translation adjustments	Changes in derivative financial instruments	Total accumulated comprehensive income (loss)
Balance, December 31, 2015	$ (1,965)	$ (4,044)	$ (6,009)
Other comprehensive income before reclassifications	553	—	553
Amounts reclassified from accumulated other comprehensive income (loss)	—	1,222	1,222
Net current-period other comprehensive income	553	1,222	1,775
Balance, December 31, 2016	$ (1,412)	$ (2,822)	$ (4,234)

	Year Ended December 31, 2015 (in thousands)		
	Foreign currency translation adjustments	Changes in derivative financial instruments	Total accumulated comprehensive income (loss)
Balance, December 31, 2014	$ 6,863	$ (4,075)	$ 2,788
Other comprehensive loss before reclassifications	(8,828)	(2,928)	(11,756)
Amounts reclassified from accumulated other comprehensive income (loss)	—	2,959	2,959
Net current-period other comprehensive income (loss)	(8,828)	31	(8,797)
Balance, December 31, 2015	$ (1,965)	$ (4,044)	$ (6,009)

12. Stockholders' Equity (continued)

Reclassifications out of Accumulated Other Comprehensive Income (Loss)

Year Ended December 31, 2017
(in thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Details about Accumulated Other Comprehensive Income Components
Interest rate contracts	$ 1,085	Interest expense, net
Total	$ 1,085	

Year Ended December 31, 2016
(in thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Details about Accumulated Other Comprehensive Income Components
Interest rate contracts	$ 1,222	Interest expense, net
Total	$ 1,222	

Year Ended December 31, 2015
(in thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Details about Accumulated Other Comprehensive Income Components
Interest rate contracts	$ 2,959	Interest expense, net
Total	$ 2,959	

Stock Ownership Plans

On June 1, 2017, the Company established the Willbros Group, Inc. 2017 Stock and Incentive Compensation Plan (the "2017 Plan") to provide for awards to key employees of the Company. The 2017 Plan succeeds the 2006 Director Restricted Stock Plan (the "2006 Director Plan") and the 2010 Stock and Incentive Compensation Plan (the "2010 Plan"). Beginning June 1, 2017, all future grants of stock awards to key employees will be made through the 2017 Plan, which had 4,960,315 shares available for grant at December 31, 2017.

Restricted Stock/Restricted Stock Units

Restricted stock and restricted stock units or rights, also described collectively as restricted stock units ("RSUs"), granted to employees under the 2010 Plan and 2017 Plan generally vest over a 3 to 4 year period whereas RSUs granted under the 2006 Director Plan generally vest one year after the date of grant.

The Company's RSU activity and related information consist of:

	Year Ended December 31,	
	2017	
	Shares	Weighted-Average Grant-Date Fair Value
Nonvested, beginning of year	1,219,446	$ 3.87
Granted	711,990	2.47
Vested	(809,652)	4.10
Forfeited	(108,137)	2.62
Nonvested, end of year	1,013,647	$ 2.84

12. Stockholders' Equity (continued)

For RSUs, certain provisions allow for accelerated vesting in the event of involuntary termination not for cause or a change of control of the Company. During the years ended December 31, 2017, 2016 and 2015, $0.4 million, $0.5 million and $2.3 million, respectively, of compensation expense was recognized due to accelerated vesting of RSUs due to retirements and separation from the Company.

Stock-based compensation related to RSUs is recorded based on the Company's closing stock price as of the grant date. The total fair value of RSUs vested during the years ended December 31, 2017, 2016 and 2015 was $3.3 million, $5.9 million and $9.8 million, respectively.

Performance Stock Units

For performance stock units ("PSUs") granted during the year ended December 31, 2017, 2016 and 2015, the number of shares that will vest is contingent upon the Company's achievement of certain specified targets. These awards have market conditions and were valued using a Monte Carlo simulation model. The following table sets forth the assumptions used in the valuations of these awards:

	Year Ended December 31,		
	2017	**2016**	**2015**
Volatility	99.8%	91.1%	77.8%
Risk-free interest rates	1.37%	1.01%	0.49% - 0.96%

The volatility inputs were developed based on volatility observed using historical price observations over a look-back period consistent with the contractual terms of the awards. The risk-free interest rate inputs were derived using the US Treasury security rates as of the grant dates. Awards granted during the year ended December 31, 2015 included tranches with varying vesting periods, which resulted in the application of a range of risk-free rates.

Stock Compensation Expense

Expense related to all stock-based compensation arrangements totaled $2.9 million, $4.1 million and $8.6 million, respectively, for the years ended December 31, 2017, 2016 and 2015.

As of December 31, 2017, there was a total of $3.6 million of unrecognized compensation cost related to all non-vested stock-based compensation arrangements granted under the Company's stock ownership plans. That cost is expected to be recognized over a weighted-average period of 2.30 years.

13. Income (Loss) Per Common Share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted income (loss) per share is based on the weighted average number of shares outstanding during each period and the assumed exercise of potentially dilutive stock options and warrants and vesting of RSUs less the number of treasury shares assumed to be purchased from the proceeds using the average market price of the Company's stock for each of the periods presented.

Basic and diluted loss per common share is computed as follows (in thousands, except share and per share amounts):

	Year Ended December 31,		
	2017	2016	2015
Net loss from continuing operations applicable to common shares (numerator for basic and diluted calculation)	$ (106,659)	$ (43,782)	$ (64,549)
Weighted average number of common shares outstanding for basic loss per share	62,160,849	61,364,592	57,759,988
Weighted average number of potentially dilutive common shares outstanding	—	—	—
Weighted average number of common shares outstanding for diluted loss per share	62,160,849	61,364,592	57,759,988
Loss per common share from continuing operations:			
Basic	$ (1.72)	$ (0.71)	$ (1.12)
Diluted	$ (1.72)	$ (0.71)	$ (1.12)

The Company has excluded shares potentially issuable under the terms of use of the securities listed below from the number of potentially dilutive shares outstanding as the effect would be anti-dilutive:

	Year Ended December 31,		
	2017	2016	2015
Stock options	—	32,787	55,000
Restricted stock and restricted stock rights	274,210	519,137	665,955
	274,210	551,924	720,955

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Segment Information

The Company has three reportable segments: *Utility T&D, Canada* and *Oil & Gas*. These segments are comprised of strategic businesses that are defined by the industries or geographic regions they serve. Each segment is led by a separate segment President who reports directly to the Company's Chief Operating Decision Maker ("CODM"). The CODM evaluates segment performance using operating income which is defined as contract revenue less contract costs and segment overhead, such as amortization related to intangible assets and general and administrative expenses that are directly attributable to the segment. For additional information regarding the Company's reportable segments, see Note 2 – Summary of Significant Accounting Policies for more information.

On November 30, 2015, the Company sold the balance of its *Professional Services* segment to TRC. As such, the *Professional Services* segment, including the Company's previously sold subsidiaries in 2015 of Downstream Professional Services, Premier and UtilX, are presented as discontinued operations in the tables below. For additional information, see Note 18 – Discontinued Operations for more information.

The following tables reflect the Company's operations for the years ended December 31, 2017, 2016 and 2015 (in thousands) by its three reportable segments.

	Year Ended December 31, 2017					
	Utility T&D	*Canada*	*Oil & Gas*	Corporate	Eliminations	Consolidated
Contract revenue	$ 506,978	$ 121,151	$ 221,939	$ —	$ (85)	$ 849,983
Contract costs	486,340	115,870	272,613	—	(85)	874,738
Contract income (loss)	20,638	5,281	(50,674)	—	—	(24,755)
Amortization of intangibles	9,559	—	108	—	—	9,667
General and administrative	16,360	7,659	9,584	21,090	—	54,693
Other charges	—	1,667	139	420	—	2,226
Operating loss	$ (5,281)	$ (4,045)	$ (60,505)	$ (21,510)	$ —	(91,341)
Non-operating expenses						(16,282)
Benefit for income taxes						(964)
Loss from continuing operations						(106,659)
Loss from discontinued operations, net of provision for income taxes						(1,436)
Net loss						$ (108,095)

	Year Ended December 31, 2016					
	Utility T&D	*Canada*	*Oil & Gas*	Corporate	Eliminations	Consolidated
Contract revenue	$ 418,387	$ 143,140	$ 170,448	$ —	$ (290)	$ 731,685
Contract costs	378,229	134,248	173,202	—	(290)	685,389
Contract income (loss)	40,158	8,892	(2,754)	—	—	46,296
Amortization of intangibles	9,559	—	195	—	—	9,754
General and administrative	15,035	8,538	12,175	25,245	—	60,993
Other charges (income)	(3)	1,004	1,659	3,550	—	6,210
Operating income (loss)	$ 15,567	$ (650)	$ (16,783)	$ (28,795)	$ —	(30,661)
Non-operating expenses						(13,651)
Benefit for income taxes						(530)
Loss from continuing operations						(43,782)
Loss from discontinued operations, net of provision for income taxes						(3,977)
Net loss						$ (47,759)

WILLBROS GROUP, INC.
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14. Segment Information (continued)

	Year Ended December 31, 2015					
	Utility T&D	*Canada*	*Oil & Gas*	Corporate	Eliminations	Consolidated
Contract revenue	$ 379,629	$ 232,534	$ 297,110	$ —	$ (279)	$ 908,994
Contract costs	354,267	209,439	304,813	—	(279)	868,240
Contract income (loss)	25,362	23,095	(7,703)	—	—	40,754
Amortization of intangibles	9,559	—	315	—	—	9,874
General and administrative	9,841	12,245	20,154	35,095	—	77,335
Gain on sale of subsidiary	—	—	—	— —	—	(12,826)
Other charges	2,002	624	9,852	5,991	—	18,469
Operating income (loss)	$ 3,960	$ 10,226	$ (38,024)	$ (41,086)	$ —	(52,098)
Non-operating expenses						(66,482)
Benefit for income taxes						(54,031)
Loss from continuing operations						(64,549)
Income from discontinued operations, net of provision for income taxes						96,032
Net income						$ 31,483

Depreciation and amortization expense by segment are presented below (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Utility T&D	$ 15,300	$ 16,511	$ 18,719
Canada	737	924	1,321
Oil & Gas	2,041	3,142	5,241
Corporate	1,084	1,342	1,919
Total	$ 19,162	$ 21,919	$ 27,200

Capital expenditures by segment are presented below (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Utility T&D	$ 1,953	$ 2,493	$ 451
Canada	271	693	519
Oil & Gas	275	323	605
Corporate	62	293	608
Total	$ 2,561	$ 3,802	$ 2,183

Total assets by segment as of December 31, 2017 and 2016 are presented below (in thousands):

	Year Ended December 31,	
	2017	2016
Utility T&D	$ 196,923	$ 201,339
Canada	41,958	47,704
Oil & Gas	50,779	42,887
Corporate	73,893	70,601
Total assets, continuing operations	$ 363,553	$ 362,531

Due to a limited number of major projects and clients, the Company may at any one time have a substantial part of its operations dedicated to one project, client and country.

WILLBROS GROUP, INC.
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14. Segment Information (continued)

Customers representing 10 percent or more of total contract revenue are as follows:

	Year Ended December 31,		
	2017	2016	2015
Oncor	25.0%	25.0%	17.9%
Enterprise Products Partners L.P.	9.8%	9.4%	12.5%

On March 5, 2018, Oncor notified the Company of its election to extend its agreement with Willbros, under the terms and conditions currently in effect, through December 31, 2019.

Information about the Company's operations in its work countries is shown below (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Contract revenue:			
United States	$ 728,832	$ 588,545	$ 676,460
Canada	121,151	143,140	232,534
	$ 849,983	$ 731,685	$ 908,994

	Year Ended December 31,	
	2017	2016
Property, plant and equipment, net:		
United States	$ 25,804	$ 33,625
Canada	4,309	4,498
	$ 30,113	$ 38,123

15. Contingencies, Commitments and Other Circumstances

Contingencies

Litigation and Regulatory Matters Related to the Company's October 21, 2014 Press Release and December 4, 2014 8-K Announcing the Restatement of Condensed Consolidated Financial Statements for the Quarterly Periods Ended June 30, 2014 and March 31, 2014

After the Company announced it would be restating its Condensed Consolidated Financial Statements for the quarterly period ended June 30, 2014, a complaint was filed in the United States District Court for the Southern District of Texas ("USDC") on October 28, 2014 seeking class action status on behalf of purchasers of the Company's stock and alleging damages on their behalf arising from the matters that led to the restatement. The original defendants in the case were the Company, its former Chief Executive Officer, Robert R. Harl, and its former Chief Financial Officer, Van A. Welch. On January 30, 2015, the court named two employee retirement systems as Lead Plaintiffs. Lead Plaintiffs filed their consolidated complaint, captioned *In re Willbros Group, Inc. Securities Litigation*, on March 31, 2015, adding as a defendant John T. McNabb, II, the former Chief Executive Officer who had succeeded Mr. Harl, and claims regarding the restatement of the Company's Condensed Consolidated Financial Statements for the quarterly period ended March 31, 2014. On June 15, 2015, Lead Plaintiffs filed a second amended consolidated complaint, seeking unspecified damages and asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Act"), based on alleged misrepresentations and omissions in the SEC filings and other public disclosures in 2014, primarily regarding internal controls, the performance of the *Oil & Gas* segment, compliance with debt covenants and liquidity, certain financial results and the circumstances surrounding Mr. Harl's departure. On July 27, 2015, the Company filed a motion to dismiss the case. At a hearing on May 24, 2016, the court granted the motion to dismiss in part and denied it in part. On July 22, 2016, the Company filed an answer to the suit denying the remaining allegations in the case, which complain of alleged misrepresentations and omissions in violation of the Act regarding internal controls, the performance of the *Oil & Gas* segment and Mr. Harl's departure. On June 28, 2017, Lead Plaintiffs filed a motion asking the Court to reconsider its order in 2016 dismissing certain claims and allow Lead Plaintiffs to replead two of the claims the Court has dismissed; the Company opposes the motion. The Court heard oral argument but has not ruled. On February 16, 2018, the Company reached an agreement in principle, which, if approved by the Court, would settle all claims against the defendants and be funded by our insurance carriers.

In addition, two shareholder derivative lawsuits were filed purportedly on behalf of the Company in connection with the restatement. The first, *Markovich v. Harl et al*, was filed on November 6, 2014 in the District Court of Harris County, Texas. The second, *Kumararatne v. McNabb et al*, was filed on March 4, 2015 in the USDC, but was voluntarily dismissed by the plaintiff on April 23, 2015. The *Markovich* lawsuit named certain former officers and current and former members of the Company's Board of Directors as defendants and the Company as a nominal defendant. The lawsuit alleged that the officer and board member defendants breached their fiduciary duties by permitting the Company's internal controls to be inadequate, failing to prevent the restatements, and wasting corporate assets, and that the defendants were unjustly enriched. The defendants sought dismissal of the lawsuit on the grounds that the plaintiff failed to make demand upon the Company's board to bring the lawsuit, and, on February 23, 2016, the court sustained the defendants' motion and dismissed the lawsuit with prejudice. On March 10, 2016, the plaintiff filed a motion for reconsideration and asked the court for leave to amend its lawsuit. The court granted the plaintiff's motion in part, allowing an amended petition, which was filed on April 18, 2016. The Plaintiff's Second Amended Petition added Ravi Kumararatne as a plaintiff and added claims for breach of fiduciary duty against the former officers and officer and Board of Director defendants related to the departure of former Company executives, financial controls, and compliance with the Company's debt covenants. The Company sought dismissal of the amended petition on the grounds the plaintiffs failed to make a demand upon the Company's board to bring the lawsuit. In response, plaintiffs filed a Third Amended Petition on June 24, 2016, purporting to add additional facts to support their allegations, including their allegation that they were excused from making a demand upon the board because, they claimed, such demand would be futile. Believing the claims added by plaintiffs were without merit, the Company sought to dismiss this latest pleading. After hearing argument on the motion, the court issued an order on October 24, 2016, sustaining the Company's objections to plaintiffs' latest pleading and again dismissed the lawsuit with prejudice. Plaintiffs' motion for reconsideration was denied on December 21, 2016. Plaintiffs filed a Notice of Appeal on January 20, 2017. The appeal is assigned to the 14th Court of Appeals, Houston, Texas; the court heard oral argument in the appeal on January 30, 2018 but has not yet issued an opinion.

15. Contingencies, Commitments and Other Circumstances (continued)

Other

The SEC issued an order of investigation on January 29, 2015 and a subpoena on February 3, 2015, requesting information regarding the restatement of the Company's previously issued Condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2014 and June 30, 2014. The Company provided its full cooperation to the SEC, who on January 25, 2016, sent the Company a letter stating it had concluded its investigation and, based on the information it had, did not intend to recommend an enforcement action against the Company.

In addition to the matters discussed above, the Company is party to a number of other legal proceedings. Management believes that the nature and number of these proceedings are typical for a firm of similar size engaged in a similar type of business and that none of these proceedings is material to the Company's consolidated results of operations, financial position or cash flows.

Commitments

From time to time, the Company enters into commercial commitments, usually in the form of commercial and standby letters of credit, surety bonds and financial guarantees. Contracts with the Company's customers may require the Company to secure letters of credit or surety bonds to secure the Company's performance of contracted services. In such cases, the letters of credit or bond commitments can be called upon in the event of the Company's failure to perform contracted services. Likewise, contracts may allow the Company to issue letters of credit or surety bonds in lieu of contract retention provisions, where the client otherwise withholds a percentage of the contract value until project completion or expiration of a warranty period. Retention letters of credit or bond commitments can be called upon in the event of warranty or project completion issues, as prescribed in the contracts. The Company also issues letters of credit from time to time to secure deductible obligations under its workers compensation, automobile and general liability policies. At December 31, 2017, the Company had approximately $49.1 million of outstanding letters of credit. This amount represents the maximum amount of payments the Company could be required to make if these letters of credit are drawn upon. Additionally, the Company issues surety bonds (primarily performance in nature) that are customarily required by commercial terms on construction projects. At December 31, 2017, these bonds outstanding had a face value at $155.3 million. This amount represents the bond penalty amount of future payments the Company could be required to make if the Company fails to perform its obligations under such contracts. The performance bonds do not have a stated expiration date; rather, each is released when the Company's performance of the contract is accepted by the owner. The Company's maximum exposure as it relates to the value of the bonds outstanding is lowered on each bonded project as the cost to complete is reduced. As of December 31, 2017, no liability has been recognized for letters of credit or surety bonds.

Operating Leases

The Company has certain operating leases for various equipment and office facilities. Rental expense for continuing operations excluding daily rentals and reimbursable rentals under cost plus contracts was $16.3 million in 2017, $23.3 million in 2016, and $33.0 million in 2015.

Minimum lease commitments under operating leases as of December 31, 2017, totaled $90.4 million and are payable as follows: 2018, $25.1 million; 2019, $19.3 million; 2020, $14.1 million; 2021, $12.1 million; 2022, $6.9 million and thereafter, $12.9 million.

Other Circumstances

The Company has the usual liability of contractors for the completion of contracts and the warranty of its work. In addition, the Company acts as prime contractor on a majority of the projects it undertakes and is normally responsible for the performance of the entire project, including subcontract work. Management is not aware of any material exposure related thereto which has not been provided for in the accompanying Consolidated Financial Statements.

16. Fair Value Measurements

The FASB's standard on fair value measurements defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Fair Value Hierarchy

The FASB's standard on fair value measurements establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This standard establishes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

There were no transfers between levels in 2017, 2016 or 2015.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, notes payable, long-term debt and interest rate contracts. The fair value estimates of the Company's financial instruments have been determined using available market information and appropriate valuation methodologies and approximate carrying value.

Hedging Arrangements

The Company is exposed to market risk associated with changes in non-U.S. currency exchange rates. To mitigate its risk, the Company may borrow Canadian dollars under its Canadian Facility to settle U.S. dollar account balances.

The Company attempts to negotiate contracts that provide for payment in U.S. dollars, but it may be required to take all or a portion of payment under a contract in another currency. To mitigate non-U.S. currency exchange risk, the Company seeks to match anticipated non-U.S. currency revenue with expenses in the same currency whenever possible. To the extent it is unable to match non-U.S. currency revenue with expenses in the same currency, the Company may use forward contracts, options or other common hedging techniques in the same non-U.S. currencies. The Company had no forward contracts or options at December 31, 2017 and December 31, 2016.

The Company is subject to interest rate risk on its debt and investment of cash and cash equivalents arising in the normal course of business and had previously entered into hedging arrangements from time to time to fix or otherwise limit the interest cost of its variable interest rate borrowings.

Termination of Interest Rate Swap Agreement

In August 2013, the Company entered into an interest rate swap agreement (the "Swap Agreement") for a notional amount of $124.1 million to hedge changes in the variable rate interest expense on $124.1 million of its existing or replacement LIBOR-indexed debt. The Swap Agreement was designated and qualified as a cash flow hedging instrument with the effective portion of the Swap Agreement's change in fair value recorded in Other Comprehensive Income ("OCI"). The Swap Agreement was highly effective in offsetting changes in interest expense, and no hedge ineffectiveness was recorded in the Consolidated Statements of Operations. The Swap Agreement was terminated in the third quarter of 2015 for $5.7 million, which was recorded in OCI at fair value. In the fourth quarter of 2015, the Company made an early payment of $93.6 million against the 2014 Term Loan Facility and therefore reclassified approximately $1.2 million of the fair value of the Swap Agreement from OCI to interest expense. In the first quarter of 2016, the Company made an early payment of $3.1 million against the 2014 Term Loan Facility and therefore reclassified approximately $0.1 million of the fair value of the Swap Agreement from OCI to interest expense. The remaining fair value of the Swap Agreement included in OCI will be reclassified to interest expense over

16. Fair Value Measurements (continued)

the remaining life of the underlying debt with approximately $1.1 million expected to be recognized in the coming twelve months.

For the Year Ended December 31,							
Derivatives in ASC 815 Cash Flow Hedging Relationships	**Amount of Gain Recognized in OCI on Derivative (Effective Portion)**			**Financial Statement Classification**	**Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)**		
	2017	**2016**	**2015**		**2017**	**2016**	**2015**
Interest rate contracts	$ —	$ —	$ (2,928)	Interest expense, net	$ 1,085	$ 1,222	$ 2,959
Total	$ —	$ —	$ (2,928)		$ 1,085	$ 1,222	$ 2,959

17. Other Charges

The following table reflects the Company’s other charges for the years ended December 31, 2017, 2016 and 2015 (in thousands):

	December 31,		
	2017	**2016**	**2015**
Equipment and facility lease abandonment (1)	$ (225)	$ 3,633	$ 7,747
Loss on disposal of equipment (2)	—	1,030	6,683
Employee severance charges	1,564	1,300	1,728
Restatement costs (3)	636	(24)	595
Impairment of intangible assets (4)	—	—	534
Accelerated stock vesting	251	271	1,182
Total	$ 2,226	$ 6,210	$ 18,469

(1) Includes $0.0 million, $0.8 million and $1.8 million of costs associated with the write-off of deferred rent attributed to the abandonment of a portion of the Company’s corporate facility lease headquarters during the years ended December 31, 2017, 2016 and 2015, respectively. In addition, the 2017 amount includes a $0.8 million adjustment to decrease one of the Company’s lease abandonment liabilities.

(2) 2016 loss is attributed to the fourth quarter disposal of $0.7 million in equipment associated with the abandonment of a portion of the Company’s corporate facility lease headquarters, as well as the $0.3 million loss on sale of the *Oil & Gas* segment’s fabrication business that was finalized during the year. 2015 loss is attributed to a $2.2 million loss on the sale of a corporate asset, impairment charges of $2.0 million in relation to the *Oil & Gas* segment’s fabrication services which was sold in 2016, impairment charges of $1.3 million in relation to construction equipment in the *Utility T&D* segment and the disposal of $1.2 million in equipment associated with the abandonment of a portion of the Company’s corporate facility lease headquarters.

(3) Includes accounting and legal fees associated with the investigation of the root cause behind the deterioration of certain construction projects within the *Oil & Gas* segment, which led to the restatements of the Company’s Condensed Consolidated Financial Statements for the quarterly periods ended March 31, 2014 and June 30, 2014.

(4) Attributed to intangible assets associated with fabrication, field and union construction turnaround services in the *Oil & Gas* segment.

17. Other Charges (continued)

Activity in the accrual related to the equipment and facility lease abandonment charges during the year ended December 31, 2017 is as follows (in thousands):

	Utility T&D	Canada	Oil & Gas	Corporate	Total
Accrued cost at December 31, 2016	$ 348	$ 290	$ 793	$ 4,048	$ 5,479
Cash payments	(176)	(120)	(296)	(1,127)	(1,719)
Non-cash charges (1)	—	—	—	340	340
Change in estimates	—	41	48	(314)	(225)
Accrued cost at December 31, 2017	$ 172	$ 211	$ 545	$ 2,947	$ 3,875

(1) Non-cash charges consist of accretion expense.

The Company will continue to evaluate the need for additional equipment and facility lease abandonment charges, including the adequacy of its existing accrual, as conditions warrant.

18. Discontinued Operations

The following disposals qualify for discontinued operations treatment with ASU 2014-08, which the Company adopted on January 1, 2015.

Professional Services

On November 30, 2015, the Company sold the balance of its *Professional Services* segment to TRC for $130.0 million in cash, subject to working capital and other adjustments. At closing, TRC held back $7.5 million from the purchase price (the "Holdback Amount") until the Company effects the novation of a customer contract from one of the subsidiaries sold in the transaction to the Company (or obtains written approval of a subcontract of all the work that is the subject of such contract) and obtains certain consents. If such novation, subcontract or consents are not approved by March 15, 2016, TRC would pay the Holdback Amount to the Company. In connection with this transaction, the Company recorded a net gain on sale of $97.0 million during the year ended December 31, 2015.

During the year ended December 31, 2016, the Company reached an agreement with TRC on substantially all of the outstanding items related to the sale of the *Professional Services* segment. As a result, the Company received $4.6 million during the year ended December 31, 2016 in relation to the sale and inclusive of the final settlement of working capital and the Holdback Amount and recorded $2.5 million in charges against the original net gain on sale in relation to working capital and other post-closing adjustments.

Certain assets and liabilities associated with one *Professional Services* contract were retained by the Company and have been excluded from the transaction.

In 2015, and prior to the sale of the balance of the *Professional Services* segment, the Company sold the following three subsidiaries that were historically part of the *Professional Services* segment.

Downstream Professional Services

On June 12, 2015, the Company sold all of its issued and outstanding equity of Downstream Professional Services to BR Engineers, LLC for approximately $10.0 million in cash. In connection with this transaction, the Company recorded a net loss on sale of $2.2 million during the year ended December 31, 2015.

Premier

On March 31, 2015, the Company sold all of its membership units in Premier to USIC Locating Services, LLC for approximately $51.0 million in cash, of which $4.0 million was deposited into an escrow account for a period of up to eighteen months to cover post-closing adjustments and any indemnification obligations of the Company. In connection with this transaction, the Company recorded a net gain on sale of $37.1 million during the year ended December 31, 2015. The Company received $3.7 million as full and final settlement of the outstanding escrow amount during the year ended December 31, 2016.

18. Discontinued Operations (continued)

UtilX

On March 17, 2015, the Company sold all of its equity interests of UtilX to Novinium, Inc. for approximately $40.0 million in cash, of which $0.5 million was deposited into an escrow account for a period of six months to cover post-closing adjustments and any indemnification obligations of the Company. In the third quarter of 2015, the Company cleared the $0.5 million amount recorded in the escrow account as a post-closing adjustment. As a result of this transaction, the Company recorded a net gain on sale of $20.3 million during the year ended December 31, 2015.

Hawkeye

In the fourth quarter of 2013, the Company sold certain assets comprising its Hawkeye business to Elecnor Hawkeye, LLC, a subsidiary of Elecnor, Inc.

Results of Discontinued Operations

Condensed Statements of Operations of the Discontinued Operations for the years ended December 31, 2017, 2016 and 2015 are as follows (in thousands):

	Year Ended December 31, 2017			
	Professional Services	Hawkeye	Other	Total
Contract revenue	$ 1,006	$ —	$ —	$ 1,006
Contract costs	831	—	—	831
General and administrative	1,219	(197)	—	1,022
Other charges	525	—	—	525
Operating income (loss)	(1,569)	197	—	(1,372)
Non-operating income (expense)	—	—	—	—
Pre-tax income (loss)	(1,569)	197	—	(1,372)
Provision for income taxes	64	—	—	64
Income (loss) from discontinued operations	$ (1,633)	$ 197	$ —	$ (1,436)

	Year Ended December 31, 2016			
	Professional Services	Hawkeye	Other	Total
Contract revenue	$ 2,126	$ —	$ —	$ 2,126
Contract costs	2,299	—	—	2,299
Loss on sale of subsidiary	2,456	—	—	2,456
General and administrative	2,633	(313)	—	2,320
Other income	(1,060)	—	—	(1,060)
Operating income (loss)	(4,202)	313	—	(3,889)
Non-operating income (expense)	—	—	—	—
Pre-tax income (loss)	(4,202)	313	—	(3,889)
Provision for income taxes	—	—	88	88
Income (loss) from discontinued operations	$ (4,202)	$ 313	$ (88)	$ (3,977)

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18. Discontinued Operations (continued)

	Year Ended December 31, 2015			
	Professional Services	Hawkeye	Other	Total
Contract revenue	$ 229,482	$ 2,078	$ —	$ 231,560
Contract costs	197,414	1,317	—	198,731
Amortization of intangibles	793	—	—	793
Gain on sale of subsidiaries	(152,208)	—	—	(152,208)
General and administrative	26,937	(370)	—	26,567
Other charges	4,405	—	—	4,405
Operating income	152,141	1,131	—	153,272
Non-operating income (expense)	(36)	6	—	(30)
Pre-tax income	152,105	1,137	—	153,242
Provision for income taxes	57,210	—	—	57,210
Income from discontinued operations	$ 94,895	$ 1,137	$ —	$ 96,032

Condensed Balance Sheets of the Discontinued Operations are as follows (in thousands):

	December 31, 2017		
	Professional Services	Hawkeye	Total
Contract cost and recognized income not yet billed	$ 324	$ —	$ 324
Total assets associated with discontinued operations	324	—	324
Accounts payable and accrued liabilities	337	180	517
Other current liabilities	574	—	574
Other long-term liabilities	893	—	893
Total liabilities associated with discontinued operations	1,804	180	1,984
Net liabilities associated with discontinued operations	$ (1,480)	$ (180)	$ (1,660)

	December 31, 2016		
	Professional Services	Hawkeye	Total
Accounts receivable, net	$ 313	$ —	$ 313
Contract cost and recognized income not yet billed	192	—	192
Total assets associated with discontinued operations	505	—	505
Accounts payable and accrued liabilities	412	277	689
Contract billings in excess of costs	358	—	358
Other current liabilities	531	—	531
Other long-term liabilities	995	—	995
Total liabilities associated with discontinued operations	2,296	277	2,573
Net liabilities associated with discontinued operations	$ (1,791)	$ (277)	$ (2,068)

19. Quarterly Financial Data (Unaudited)

Selected unaudited quarterly financial data for the years ended December 31, 2017 and 2016 is presented below (in thousands):

Year 2017 Quarter Ended	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Total 2017
Contract revenue	$ 163,900	$ 227,447	$ 240,773	$ 217,863	$ 849,983
Contract income (loss)	1,681	17,079	(12,188)	(31,327)	(24,755)
Operating income (loss)	(14,853)	358	(27,789)	(49,057)	(91,341)
Loss from continuing operations before income taxes	(18,336)	(3,318)	(31,577)	(54,392)	(107,623)
Loss from continuing operations	(17,736)	(1,121)	(32,709)	(55,093)	(106,659)
Income (loss) from discontinued operations, net of provision for income taxes	(31)	19	(1,496)	72	(1,436)
Net loss	$ (17,767)	$ (1,102)	$ (34,205)	$ (55,021)	$ (108,095)
Basic loss per share attributable to Company shareholders:					
Loss from continuing operations	$ (0.29)	$ (0.02)	$ (0.52)	$ (0.89)	$ (1.72)
Loss from discontinued operations	—	—	(0.02)	—	(0.02)
Net loss	$ (0.29)	$ (0.02)	$ (0.54)	$ (0.89)	$ (1.74)
Diluted loss per share attributable to Company shareholders:					
Loss from continuing operations	$ (0.29)	$ (0.02)	$ (0.52)	$ (0.89)	$ (1.72)
Loss from discontinued operations	—	—	(0.02)	—	(0.02)
Net loss	$ (0.29)	$ (0.02)	$ (0.54)	$ (0.89)	$ (1.74)
Weighted average number of common shares outstanding					
Basic	61,829,768	62,170,910	62,310,191	62,329,614	62,160,849
Diluted	61,829,768	62,170,910	62,310,191	62,329,614	62,160,849

WILLBROS GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19. Quarterly Financial Data (Unaudited) (continued)

Year 2016 Quarter Ended	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	Total 2016
Contract revenue	$ 199,030	$ 193,442	$ 174,821	$ 164,392	$ 731,685
Contract income	13,799	15,157	12,015	5,325	46,296
Operating loss	(9,461)	(2,741)	(6,319)	(12,140)	(30,661)
Loss from continuing operations before income taxes	(13,131)	(5,574)	(9,869)	(15,738)	(44,312)
Loss from continuing operations	(13,298)	(5,761)	(10,661)	(14,062)	(43,782)
Loss from discontinued operations, net of provision for income taxes	(1,853)	(658)	(1,325)	(141)	(3,977)
Net loss	$ (15,151)	$ (6,419)	$ (11,986)	$ (14,203)	$ (47,759)
Basic loss per share attributable to Company shareholders:					
Loss from continuing operations	$ (0.22)	$ (0.09)	$ (0.17)	$ (0.23)	$ (0.71)
Loss from discontinued operations	(0.03)	(0.01)	(0.02)	—	(0.06)
Net loss	$ (0.25)	$ (0.10)	$ (0.19)	$ (0.23)	$ (0.77)
Diluted loss per share attributable to Company shareholders:					
Loss from continuing operations	$ (0.22)	$ (0.09)	$ (0.17)	$ (0.23)	$ (0.71)
Loss from discontinued operations	(0.03)	(0.01)	(0.02)	—	(0.06)
Net loss	$ (0.25)	$ (0.10)	$ (0.19)	$ (0.23)	$ (0.77)
Weighted average number of common shares outstanding					
Basic	60,756,314	61,299,334	61,639,590	61,682,996	61,364,592
Diluted	60,756,314	61,299,334	61,639,590	61,682,996	61,364,592

Additional Notes:

- During the quarter ended March 31, 2016, the Company made an early payment of $3.1 million against its Term Loan Facility and recorded debt extinguishment costs of $0.1 million, which consisted of the write-off of debt issuance costs.
- During the quarter ended March 31, 2016, in relation to the sale of its *Professional Services* segment, the Company received $2.4 million of the Holdback Amount from TRC and recorded, as a working capital adjustment, a $1.5 million charge against the net gain on sale recorded during the quarter ended December 31, 2015.
- During the quarter ended June 30, 2016, in relation to the sale of Premier, the Company received $2.0 million from USIC in relation to a portion of the outstanding escrow amount.
- During the quarter ended June 30, 2016, in relation the sale of its *Professional Services* segment, the Company recorded, as a working capital adjustment, a $1.0 million charges against the net gain on sale recorded during the quarter ended December 31, 2015.
- During the quarter ended September 30, 2016, in relation to the sale of its *Professional Services* segment, the Company received $2.2 million from TRC and inclusive of the final settlement of working capital and the Holdback Amount.
- During the quarter ended September 30, 2016, in relation to the sale of Bemis, the Company received $0.9 million from Riggs Distler & Company in relation to a portion of the outstanding escrow amount.
- During the quarter ended December 31, 2016, in relation to the sale of Premier, the Company received $1.7 million from USIC in relation to the full and final settlement of the outstanding escrow amount.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed under the Exchange Act is accumulated and communicated to management, including its principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As of December 31, 2017, we have carried out an evaluation under the supervision of, and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2017, our disclosure controls and procedures were effective in providing the reasonable assurance described above.

Management's Report on Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed by, or under the supervision of, a company's principal executive and financial officers, or persons performing similar functions, and effected by the board of directors, management and other personnel, 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. A company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment of internal control over financial reporting, management used the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013. Based on management's assessment using the COSO criteria, we have concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated, in their report included in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarterly period ended December 31, 2017 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item with respect to the Company's directors and corporate governance is incorporated herein by reference to the sections entitled "PROPOSAL ONE – ELECTION OF DIRECTORS" and "CORPORATE GOVERNANCE" in the Company's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders ("Proxy Statement") or will be filed by amendment to this Annual Report on Form 10-K. The information required by this item with respect to the Company's executive officers is included in Item 4A of Part I of this Form 10-K. The information required by this item with respect to the Section 16 ownership reports is incorporated herein by reference to the section entitled "SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE" in the Proxy Statement or will be filed by amendment to this Annual Report on Form 10-K.

Code of Conduct

The Board of Directors has adopted both a code of business conduct and ethics for our directors, officers and employees and an additional separate code of ethics for our Chief Executive Officer and senior financial officers. This information is available on our website at http://www.willbros.com under the "Corporate Governance" caption on the "Investor Relations" page. We intend to satisfy the disclosure requirements, including those of Item 406 of Regulation S-K, regarding certain amendments to, or waivers from, provisions of our code of business conduct and ethics and code of ethics for the Chief Executive Officer and senior financial officers by posting such information on our website. Additionally, our corporate governance guidelines and the charters of the Audit, Compensation, Executive, Finance and Nominating/Corporate Governance Committees of the Board of Directors are also available on our website. A copy of the codes, governance guidelines and charters will be provided to any of our stockholders upon request to: Secretary, Willbros Group, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the sections entitled "EXECUTIVE COMPENSATION" and "DIRECTOR COMPENSATION" in the Proxy Statement or will be filed by amendment to this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to the sections entitled "EQUITY COMPENSATION PLAN INFORMATION" and "PRINCIPAL STOCKHOLDERS AND SECURITY OWNERSHIP OF MANAGEMENT" in the Proxy Statement or will be filed by amendment to this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the sections entitled "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS" and "CORPORATE GOVERNANCE" in the Proxy Statement or will be filed by amendment to this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated herein by reference to the sections entitled "FEES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM" and "AUDIT COMMITTEE PRE-APPROVAL POLICY" in the Proxy Statement or will be filed by amendment to this Annual Report on Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Financial Statements:

Our financial statements and those of our subsidiaries and independent registered public accounting firm's report are listed in Item 8 of this Form 10-K.

(2) Financial Statement Schedule:

	2017 Form 10-K Page(s)
Schedule II – Consolidated Valuation and Qualifying Accounts	106

All other schedules are omitted as inapplicable or because the required information is contained in the financial statements or included in the footnotes thereto.

(3) Exhibits:

The following documents are included as exhibits to this Form 10-K. Those exhibits below incorporated by reference herein are indicated as such by the information supplied in the parenthetical thereafter. If no parenthetical appears after an exhibit, such exhibit is filed herewith.

2.1	Amended and Restated Asset Purchase Agreement dated November 12, 2013, by and among Elecnor Hawkeye, LLC, Hawkeye, LLC and Halpine Line Construction LLC (filed as Exhibit 2.1 to our current report on Form 8-K dated November 12, 2013, filed November 18, 2013).
2.2	Stock Purchase Agreement, dated as of March 17, 2015, by and among Novinium, Inc., Willbros Utility T&D Holdings, LLC and the Company (filed as Exhibit 2.1 to our current report on Form 8-K dated March 17, 2015, filed March 23, 2015).
2.3	Units Purchase Agreement dated as of March 31, 2015, by and among USIC Locating Services, LLC, as Purchaser, Willbros United States Holdings, Inc., as Seller, and the Company (filed as Exhibit 2.1 to our current report on Form 8-K dated March 31, 2015, filed April 3, 2015).
2.4	Amended and Restated Securities Purchase Agreement dated as of November 30, 2015, by and among TRC Solutions, Inc., as purchaser, TRC Companies, Inc., Willbros United States Holdings, Inc., as seller, and Willbros Group, Inc. (filed as Exhibit 2.1 to our current report on Form 8-K dated November 30, 2015, filed December 4, 2015).
2.5	Agreement and Plan of Merger dated as of March 27, 2018 among Primoris Services Corporation, Waco Acquisition Vehicle, Inc. and Willbros Group, Inc. (filed as Exhibit 2 to our current report on Form 8-K dated March 26, 2018, filed March 28, 2018).
3.1	Certificate of Incorporation, as amended, of Willbros Group, Inc., a Delaware corporation (filed as Exhibit 4.1 to our registration statement on Form S-3, Registration No. 333-218413, filed June 1, 2017).
3.2	Certificate of Designations of Series A Preferred Stock (filed as Exhibit 3 to our current report on Form 8-K dated June 30, 2010, filed July 7, 2010).
3.3	Amended and Restated Bylaws of Willbros Group, Inc., a Delaware corporation.
4.1	Form of stock certificate for Common Stock, par value $0.05, of Willbros Group, Inc., a Delaware corporation (filed as Exhibit 4.1 to our report on Form 10-Q for the quarter ended March 31, 2009, filed May 7, 2009).
4.2	Amended and Restated Stockholder Agreement, dated as of March 19, 2015, by and between the Company and InfrastruX Holdings, LLC (filed as Exhibit 4.1 to our current report on Form 8-K dated March 17, 2015, filed March 23, 2015).
4.3	Registration Rights Agreement dated as of March 31, 2015, by and among the Company and the Subscribers listed on the signature pages thereto (filed as Exhibit 10.3 to our current report on Form 8-K dated March 31, 2015, filed April 3, 2015).
10.1	Loan, Security and Guaranty Agreement dated as of August 7, 2013, among certain subsidiaries of Willbros Group, Inc. party thereto, as U.S. Borrowers, Willbros Construction Services (Canada) L.P., as Canadian Borrower, and Willbros Group, Inc. and the other persons party thereto from time to time as guarantors, certain financial institutions party thereto, as Lenders, and Bank of America, N.A., as Agent, Sole Lead Arranger and Sole Bookrunner (the "ABL Credit Agreement") (filed as Exhibit 10.2 to our report on Form 10-Q for the quarter ended September 30, 2013, filed November 6, 2013).

10.2	First Amendment to ABL Credit Agreement dated as of August 30, 2013 (filed as Exhibit 10.3 to our report on Form 10-Q for the quarter ended September 30, 2013, filed November 6, 2013).
10.3	Waiver and Second Amendment to ABL Credit Agreement dated as of April 1, 2014 (filed as Exhibit 10.1 to our report on Form 10-Q for the quarter ended March 31, 2014, filed May 6, 2014).
10.4	Third Amendment to ABL Credit Agreement dated as of December 15, 2014 (filed as Exhibit 10.1 to our current report on Form 8-K dated December 15, 2014, filed December 19, 2014).
10.5	Fourth Amendment to ABL Credit Agreement dated as of September 28, 2015 (filed as Exhibit 10.2 to our current report on Form 8-K dated September 28, 2015, filed October 2, 2015).
10.6	Fifth Amendment to ABL Credit Agreement dated as of June 16, 2017 (filed as Exhibit 10 to our current report on Form 8-K dated June 16, 2017, filed June 20, 2017).
10.7	Limited Forbearance Agreement to ABL Credit Agreement dated as of March 27, 2018 (filed as Exhibit 10.1 to our current report on Form 8-K dated March 26, 2018, filed March 28, 2018).
10.8	Credit Agreement dated as of December 15, 2014, by and among Willbros Group, Inc., as borrower, certain subsidiaries, as guarantors, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and KKR Credit Advisors (US) LLC, as Sole Lead Arranger and Sole Bookrunner (filed as Exhibit 10.2 to our current report on Form 8-K dated December 15, 2014, filed December 19, 2014).
10.9	First Amendment to Credit Agreement dated as of March 31, 2015, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lenders party thereto, KKR Credit Advisors (US) LLC, as arranger, and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.1 to our current report on Form 8-K dated March 31, 2015, filed April 3, 2015).
10.10	Second Amendment to Credit Agreement dated as of September 28, 2015, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lenders party thereto, KKR Credit Advisors (US) LLC, as arranger, and JPMorgan Chase Bank, N.A. as administrative agent (filed as Exhibit 10.1 to our current report on Form 8-K dated September 28, 2015, filed October 2, 2015).
10.11	Third Amendment to Credit Agreement dated as of March 1, 2016, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lenders party thereto, KKR Credit Advisors (US) LLC, as arranger, and Cortland Capital Market Services LLC, as administrative agent (filed as Exhibit 10.9 to our report on Form 10-K for the year ended December 31, 2015, filed March 10, 2016 (the “2015 Form 10-K”)).
10.12	Fourth Amendment to Credit Agreement dated as of July 26, 2016, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lenders party thereto, KKR Credit Advisors (US) LLC, as arranger, and Cortland Capital Market Services LLC, as administrative agent (filed as Exhibit 10.1 to our report on Form 10-Q for the quarter ended June 30, 2016, filed July 29, 2016).
10.13	Fifth Amendment to Credit Agreement dated as of March 3, 2017, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lenders party thereto, KKR Credit Advisors (US) LLC, as arranger, and Cortland Capital Market Services LLC, as administrative agent (filed as Exhibit 10.11 to our report on Form 10-K for the year ended December 31, 2016, filed March 8, 2017).
10.14	Sixth Amendment to Credit Agreement dated as of November 6, 2017, by and among Willbros Group, Inc., as borrower, certain subsidiary guarantors party thereto, the Lender party thereto, KKR Credit Advisors (US) LLC, as arranger, and Cortland Capital Market Services LLC, as administrative agent (filed as Exhibit 10.1 to our report on Form 10-Q for the quarter ended September 30, 2017, filed November 9, 2017).
10.15	Seventh Amendment to Credit Agreement dated as of March 27, 2018 (filed as Exhibit 10 to our current report on Form 8-K dated March 27, 2018, filed March 29, 2018).
10.16	Forbearance Agreement to Credit Agreement dated as of March 27, 2018 (filed as Exhibit 10.2 to our current report on Form 8-K dated March 26, 2018, filed March 28, 2018).
10.17*	Form of Indemnification Agreement between our directors and officers and us (filed as Exhibit 10 to our report on Form 10-Q for the quarter ended June 30, 2009, filed August 6, 2009).
10.18*	Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan (filed as Exhibit 10.19 to our report on Form 10-K for the year ended December 31, 2007, filed February 29, 2008).
10.19*	Amendment Number 1 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated March 27, 2008 (filed as Exhibit C to our Proxy Statement for Annual Meeting of Stockholders dated April 23, 2008).
10.20*	Amendment Number 2 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated January 8, 2010 (filed as Exhibit 10.28 to our report on Form 10-K for the year ended December 31, 2009, filed March 11, 2010).
10.21*	Amendment Number 3 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated August 25, 2010 (filed as Exhibit 10.4 to our report on Form 10-Q for the quarter ended September 30, 2010, filed November 9, 2010).

10.22*	Amendment Number 4 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated March 22, 2012 (filed as Exhibit C to our Proxy Statement for Annual Meeting of Stockholders dated April 20, 2012).
10.23*	Amendment Number 5 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated May 14, 2012 (filed as Exhibit 99 to our current report on Form 8-K dated May 14, 2012, filed May 14, 2012).
10.24*	Amendment Number 6 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated August 23, 2012 (filed as Exhibit 10.1 to our report on Form 10-Q for the quarter ended September 30, 2012, filed November 9, 2012).
10.25*	Amendment Number 7 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated March 20, 2014 (filed as Exhibit C to our Proxy Statement for Annual Meeting of Stockholders dated April 15, 2014).
10.26*	Amendment Number 8 to Willbros Group, Inc. Amended and Restated 2006 Director Restricted Stock Plan dated November 5, 2015 (filed as Exhibit 10.37 to the 2015 Form 10-K).
10.27*	Assumption and General Amendment of Employee Stock Plan and Directors' Stock Plans and General Amendment of Employee Benefit Programs of Willbros Group, Inc. dated March 3, 2009, between Willbros Group, Inc., a Republic of Panama corporation, and Willbros Group, Inc., a Delaware corporation (filed as Exhibit 10.2 to our current report on Form 8-K dated March 3, 2009, filed March 4, 2009).
10.28*	Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit B to our Proxy Statement for Annual Meeting of Stockholders dated April 23, 2010).
10.29*	Amendment Number 1 to Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan dated March 22, 2012 (filed as Exhibit B to our Proxy Statement for Annual Meeting of Stockholders dated April 20, 2012).
10.30*	Amendment Number 2 to Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan dated April 4, 2014 (filed as Exhibit B to our Proxy Statement for Annual Meeting of Stockholders dated April 15, 2014).
10.31*	Form of Restricted Stock Award Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.3 to our current report on Form 8-K dated September 20, 2010, filed September 22, 2010).
10.32*	Form of Restricted Stock Units Award Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.4 to our current report on Form 8-K dated September 20, 2010, filed September 22, 2010).
10.33*	Form of Phantom Stock Units Award Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.5 to our current report on Form 8-K dated September 20, 2010, filed September 22, 2010).
10.34*	Form of Non-Qualified Stock Option Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.6 to our current report on Form 8-K dated September 20, 2010, filed September 22, 2010).
10.35*	Form of Incentive Stock Option Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.7 to our current report on Form 8-K dated September 20, 2010, filed September 22, 2010).
10.36*	Form of Performance-Based Restricted Stock Units Award Agreement under the Willbros Group, Inc. 2010 Stock and Incentive Compensation Plan (filed as Exhibit 10.3 to our report on Form 10-Q for the quarter ended June 30, 2011, filed August 2, 2011).
10.37*	Willbros Group, Inc. 2017 Stock and Incentive Compensation Plan (filed as Exhibit C to our Proxy Statement for the Annual Meeting of Stockholders dated April 27, 2017).
10.38*	Form of Restricted Stock Award Agreement (time-based employees) under the 2017 Stock Plan (filed as Exhibit 10.1 to the Company's current report on Form 8-K dated June 1, 2017, filed June 1, 2017).
10.39*	Form of Restricted Stock Award Agreement (non-employee directors) under the 2017 Stock Plan (filed as Exhibit 10.2 to the Company's current report on Form 8-K dated June 1, 2017, filed June 1, 2017).
10.40*	Form of Restricted Stock Units Award Agreement (time-based employees) under the 2017 Stock Plan (filed as Exhibit 10.3 to the Company's current report on Form 8-K dated June 1, 2017, filed June 1, 2017).
10.41*	Form of Restricted Stock Units Award Agreement (performance-based employees) under the 2017 Stock Plan (filed as Exhibit 10.4 to the Company's current report on Form 8-K dated June 1, 2017, filed June 1, 2017).
10.42*	Willbros Group, Inc. 2010 Management Severance Plan for Executives (filed as Exhibit 10.40 to our report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011).
10.43*	Willbros Group, Inc. Management Severance Plan for Executives - Canada (filed as Exhibit 10.49 to our report on Form 10-K for the year ended December 31, 2014, filed March 31, 2015).

10.44*	First Amendment to Willbros Group, Inc. Management Severance Plan for Executives - Canada dated November 5, 2015 (filed as Exhibit 10.50 to the 2015 Form 10-K).
10.45*	Waiver letter dated November 5, 2015, between Willbros Group, Inc. and Michael J. Fournier (filed as Exhibit 10.51 to the 2015 Form 10-K).
10.46*	Willbros Group, Inc. 2010 Management Severance Plan for Senior Management (filed as Exhibit 10.61 to the 2015 Form 10-K).
10.47*	Willbros Group, Inc. Management Severance Plan for Senior Management - Canada (filed as Exhibit 10.52 to the 2015 Form 10-K).
10.48*	Amended and Restated Management Incentive Compensation Program (Effective May 23, 2011) (filed as Exhibit 10.1 to our report on Form 10-Q for the quarter ended June 30, 2011, filed August 2, 2011).
10.49	Subscription Agreement dated as of March 31, 2015, by and among the Company and the Subscribers listed on Schedule A thereto (filed as Exhibit 10.2 to our current report on Form 8-K dated March 31, 2015, filed April 3, 2015).
21	Subsidiaries.
23.1	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 USC. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 USC. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

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* Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

WILLBROS GROUP, INC.

Date: March 29, 2018

By: /s/ Michael J. Fournier
Michael J. Fournier
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Michael J. Fournier Michael J. Fournier	Director, President and Chief Executive Officer (Principal Executive Officer)	March 29, 2018
/s/ Jeffrey B. Kappel Jeffrey B. Kappel	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 29, 2018
/s/ S. Brett Luz S. Brett Luz	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 29, 2018
/s/ S. Miller Williams S. Miller Williams	Director and Chairman of the Board	March 29, 2018
/s/ W. Gary Gates W. Gary Gates	Director	March 29, 2018
/s/ Michael C. Lebens Michael C. Lebens	Director	March 29, 2018
/s/ Daniel E. Lonergan Daniel E. Lonergan	Director	March 29, 2018
/s/ Phil D. Wedemeyer Phil D. Wedemeyer	Director	March 29, 2018

WILLBROS GROUP, INC.
SCHEDULE II – CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Year Ended	Description	Balance at Beginning of Year	Charged (Credited) to Costs and Expense	Charge Offs and Other	Balance at End of Year
December 31, 2015	Allowance for Bad Debts	$ 2,723	$ 2,945	$ (1,186)	$ 4,482
December 31, 2015	Deferred Tax Valuation Allowance	80,794	(22,359)	—	58,435
December 31, 2016	Allowance for Bad Debts	$ 4,482	$ 284	$ (2,803)	$ 1,963
December 31, 2016	Deferred Tax Valuation Allowance	58,435	10,869	—	69,304
December 31, 2017	Allowance for Bad Debts	$ 1,963	$ 887	$ (54)	$ 2,796
December 31, 2017	Deferred Tax Valuation Allowance	69,304	(1,301)	—	68,003

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Section 2: EX-3.3 (EXHIBIT 3.3)

Exhibit 3.3

The following Amended and Restated Bylaws are compiled from the previously adopted Amended and Restated Bylaws and subsequent amendments.

AMENDED AND RESTATED BYLAWS
OF
WILLBROS GROUP, INC.

(a Delaware Corporation)

(Effective March 26, 2018)

ARTICLE I

Offices and Fiscal Year

SECTION 1.01. Registered Office. The registered office of the corporation shall be in the City of Dover, County of Kent, State of Delaware, until otherwise established by a vote of a majority of the Board of Directors in office, and a statement of such change is filed in the manner provided by law.

SECTION 1.02. Other Offices. The corporation may also have offices at such other places within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation requires.

SECTION 1.03. Fiscal Year. The fiscal year of the corporation shall be the calendar year unless otherwise fixed by resolution of the Board of Directors.

ARTICLE II

Meetings of Stockholders

SECTION 2.01. Place of Meeting. Meetings of the stockholders of the corporation may be held at such place, within or without the State of Delaware, as may be determined by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law").

SECTION 2.02. Annual Meeting. An annual meeting of the stockholders of the corporation, for the purpose of the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held in each year on such date and at such time as shall be designated by the Board of Directors.

SECTION 2.03. Special Meetings. Special meetings of the stockholders of the corporation may be called at any time only by the President, Chief Executive Officer, Chairman of the Board, or a majority of the Board of Directors, for any purpose or purposes for which meetings may be lawfully called. At any time, upon written request of any person or persons who have duly called a special meeting, which written request shall state the purpose or purposes of the meeting, it shall be the duty of the President to fix the date of the meeting to be held at such date and time as the President may fix, not less than 10 nor more than 60 days after the receipt of the request, and to give due notice thereof. If the President shall neglect or refuse to fix the time and date of such meeting and give notice thereof, the person or persons calling the meeting may do so.

SECTION 2.04. Notice of Meetings. (a) Written notice of every meeting of the stockholders, stating the place, if any, date and hour of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present and vote at such meeting shall be given by the Secretary of the corporation (or the person or persons calling the meeting) to each stockholder of record having voting power with respect to the business to be transacted at such meeting not less than 10 nor more than 60 days before the date of the meeting. Each notice of a special meeting shall state the purpose or purposes for which the meeting is being called. Any meeting at which all stockholders having voting power with respect to the business to be transacted thereat are present, either in person or by proxy, shall be a valid meeting for the transaction of business, notwithstanding that notice has not been given as hereinabove provided.

(b) Without limiting the manner by which notice otherwise may be given effectively to the stockholders, any notice to stockholders given by the corporation under any provision of the Delaware General Corporation Law, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if (i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (ii) such inability becomes known to the Secretary or Assistant Secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this Section 2.04(b) shall be deemed given: (A) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (C) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of such posting and the giving of such separate notice; and (D) if by any other form of electronic transmission, when directed to the stockholder.

SECTION 2.05. Quorum, Adjournment and Action at Meeting. The holders of a majority of the stock issued and outstanding (not including treasury shares) and entitled to vote thereat, present in person, by remote communication, if applicable, or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by law, the certificate of incorporation or these bylaws. If, however, a quorum

shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the stockholders entitled to vote thereat, present in person, by remote communication, if applicable, or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At any such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record having voting power with respect to the business to be transacted at such meeting. When a quorum is present at any meeting, in all matters other than the election of directors, the affirmative vote of the holders of the majority of the stock having voting power present in person, by remote communication, if applicable, or represented by proxy and entitled to vote shall be the act of the stockholders, except where a different vote is expressly required by law, applicable stock exchange rules, the certificate of incorporation or these bylaws, in which case such express provision shall govern and control. A nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; *provided, however*, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 2.10 of these bylaws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the day next preceding the date the corporation first mails its notice of meeting for such meeting to the stockholders. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

SECTION 2.06. Organization. (a) At every meeting of the stockholders, the Chairman of the Board or the President or, in the absence of the Chairman of the Board and the President, one of the following persons present in the order stated: a chairman designated by the Board of Directors or a chairman chosen by the stockholders, shall act as chairman, and the Secretary, or, in his or her absence, an Assistant Secretary or a person appointed by the chairman of the meeting, shall act as secretary of the meeting.

(b) The Board of Directors shall be entitled to make such rules and regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations, if any, the chairman of any meeting of stockholders shall have the right and authority to determine the order of business and the procedure at the meeting, including, without limitation, such regulation of the time and manner of voting, limitations on participation in such meeting to stockholders of record and their duly appointed proxies and such other persons as the chairman shall permit, and limitations on the time allotted to questions or comments by participants, as, in his or her judgment, are necessary, appropriate or convenient for the conduct of the meeting.

SECTION 2.07. Voting; Proxies. Except as provided in the certificate of incorporation and subject to Section 5.06 of these bylaws, each stockholder shall be entitled to one vote for each share of capital stock entitled to vote held by such stockholder of record according to the records

of the corporation. Every stockholder entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with the Delaware General Corporation Law. No proxy shall be voted after three years from its date, unless the proxy provides for a longer period. A written proxy shall be deemed executed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. An electronic proxy (which may be transmitted via telephone, electronic mail, the Internet or such other electronic means as the Board of Directors may determine from time to time) shall be deemed executed if the corporation receives an appropriate electronic transmission from the stockholder or the stockholder's attorney-in-fact along with a pass code or other identifier which reasonably establishes the stockholder or the stockholder's attorney-in-fact as the sender of such transmission. The validity and enforceability of any proxy shall be determined in accordance with Section 212 of the Delaware General Corporation Law. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation.

SECTION 2.08. Action by Consent. (a) Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary by law, the certificate of incorporation or these bylaws to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

(b) Notwithstanding the foregoing, no such action by written consent may be taken by stockholders following the effective time of the of the merger (the "Merger") of Willbros Merger, Inc., a Delaware corporation and wholly-owned subsidiary of the corporation, with and into Willbros Group, Inc., a Republic of Panama corporation.

SECTION 2.09. Voting Lists. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting. The list shall be arranged in alphabetical order and show the address of each stockholder and the number of shares registered in the name of each stockholder. The list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) during ordinary business hours, at the principal place of business of the corporation, or (b) on a reasonably accessible electronic network as permitted by law (provided that the information required to gain access to the list is provided with the notice of the meeting). If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, then the list shall be open to the examination of any stockholder during the

whole time of the meeting on a reasonably accessible electronic network, and the information required to access the list shall be provided with the notice of the meeting.

SECTION 2.10. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the corporation's notice of such meeting, (B) by or at the direction of the Board of Directors or (C) by any stockholder of the corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 2.10, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.10.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.10(a)(i)(C) above, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. Such stockholder's notice (whether provided pursuant to this Section 2.10(a)(ii) or Section 2.10(b)) must set forth: (A) as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director (1) all information relating to such person as would be required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected and (3) a statement whether such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board of Directors, in accordance with the Board of Director's policies or guidelines on director elections; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal

is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class and number of shares of capital stock of the corporation that are owned beneficially and held of record by such stockholder and such beneficial owner, and (3) the disclosure of any short positions or other derivative positions relating to the corporation's shares of such stockholder and such beneficial owner, such information to be updated to reflect any material change in such positions through the time of the annual meeting. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(iii) Notwithstanding anything in the second sentence of Section 2.10(a)(ii) to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement by the corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting (or, if the annual meeting is held more than thirty 30 days before or 60 days after such anniversary date, at least 100 days prior to such annual meeting), a stockholder's notice required by this Section 2.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the corporation at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of such meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of such meeting (i) by or at the direction of the Board of Directors or (ii) *provided* that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.10. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by Section 2.10(a)(ii) shall be delivered to the Secretary of the corporation at the principal executive offices of the corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or, if the first public announcement of the date of the special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.10 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.10. Except as otherwise provided by law, the certificate of incorporation or these bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.10 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this Section 2.10, the term "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) Notwithstanding the foregoing provisions of this Section 2.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.10 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act. In order to include information with respect to a stockholder proposal in the proxy statement for a meeting of stockholders, stockholders must provide notice as required by Rule 14a-8 under the Exchange Act and otherwise satisfy its requirements.

ARTICLE III

Board of Directors

SECTION 3.01. Powers. The Board of Directors shall have full power to manage the business and affairs of the corporation; and all powers of the corporation, except those specifically reserved or granted to the stockholders by law, the certificate of incorporation or these bylaws, are hereby granted to and vested in the Board of Directors.

SECTION 3.02. Number and Term of Office. The authorized number of directors shall be fixed in accordance with the certificate of incorporation. Directors of the corporation need not be stockholders of the corporation. Immediately following the effective time of the Merger and until the 2019 annual meeting of stockholders, the Board of Directors shall be divided into three classes, designated as Class I, Class II and Class III. All classes shall be as nearly equal in number as possible, and no class shall include less than one (1) director. Commencing with the 2017 annual meeting of stockholders, directors to replace those whose terms expire at each annual meeting shall

be elected to hold office for a term expiring at the next annual meeting of stockholders. The division of directors into classes shall terminate at the 2019 annual meeting of stockholders. Each director shall hold office until the expiration of that director's term and until that director's successor is elected and qualifies or until that director's earlier death, resignation or removal. If the number of directors is changed in accordance with the terms of the certificate of incorporation prior to the 2019 annual meeting of stockholders, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal in number as possible, but in no case will a decrease in the number of directors have the effect of shortening the term of any director at that time in office.

SECTION 3.03. Resignations. Any director of the corporation may resign at any time upon notice given in writing or by electronic transmission to the President or the Secretary of the corporation. Resignations shall become effective upon receipt or at such later time as shall be specified therein and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

SECTION 3.04. Vacancies and Newly-Created Directorships. Any vacancies in the Board of Directors for any reason, and any directorships resulting from any increase in the number of directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum. Any director chosen in accordance with the preceding sentence shall hold office until such director's successor is elected and qualifies, and if the Board of Directors at such time is classified, until the next election of the class for which such director shall have been chosen, or until such director's earlier death, resignation or removal.

SECTION 3.05. Organization. At every meeting of the Board of Directors, the Chairman of the Board, if any, or, in the case of a vacancy in the office or absence of the Chairman of the Board, the President or, in his or her absence, a chairman chosen by a majority of the directors present, shall preside, and the Secretary or, in his or her absence, an Assistant Secretary or any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

SECTION 3.06. Place of Meeting. The Board of Directors may hold its meetings, both regular and special, at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine, or as may be designated in the notice calling the meeting.

SECTION 3.07. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be designated from time to time by the Board of Directors. If the date fixed for any regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the Board of Directors. At such meetings, the directors shall transact such business as may properly be brought before the meeting.

SECTION 3.08. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, if any, the President or by two or more of the directors. Notice of the time and place, if any, of all special meetings of the Board of Directors

shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least 48 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, charges prepaid, at least five (5) days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A notice or waiver of notice of a meeting of the Board of Directors need not specify the business to be transacted at or the purpose of the meeting.

SECTION 3.09. Conference Telephone Meetings. Any member of the Board of Directors may participate in a meeting of the Board, or of a committee of the Board, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear or otherwise communicate with each other. Participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 3.10. Quorum, Manner of Acting and Adjournment. At all meetings of the Board a majority of the directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except on additions, amendments, repeal or any changes whatsoever in the bylaws or the adoption of new bylaws with respect to any of which the affirmative votes of at least a majority of the members of the Board of Directors shall be necessary for the adoption of such changes and except as may be otherwise specifically provided by law or by the certificate of incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be obtained.

SECTION 3.11. Committees. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate an executive committee, an audit committee, a compensation committee, a nominating/corporate governance committee and/or one or more other committees, each committee to consist of one or more directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member, and the alternate or alternates, if any, designated for such member, of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. A majority of the members of any committee, as at the time constituted, shall be necessary to constitute a quorum thereof, and the act of a majority of the members of any committee who are present at any meeting thereof at which a quorum is present shall be the act of such committee. Any vacancy in any committee shall be filled by vote of a majority of the directors at the time in office.

Any such committee, to the extent provided in the resolution establishing such committee, shall have and may exercise all the power and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it, except that no such committee shall have the power or authority of the Board of Directors (a) to approve, adopt or recommend to the stockholders any action or matter expressly required by the Delaware General Corporation Law to be submitted to the stockholders for approval, or (b) to adopt, amend, or repeal any bylaw of the corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee so formed shall fix the time and place of its meetings and its own rules of procedure and shall keep regular minutes of its meetings and report from time to time to the Board of Directors.

SECTION 3.12. Consent of Directors in Lieu of Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or the committee, as the case may be, consent thereto in writing or by electronic transmission (including electronic mail), and such writing or writings or electronic transmission or transmissions (including electronic mail) are filed with the minutes of proceedings of the Board or the committee.

SECTION 3.13. Presumption of Assent. A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless such director’s dissent shall be entered in the minutes of the meeting or unless such director shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or unless such director shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 3.14. Compensation of Directors. Unless otherwise restricted by the certificate of incorporation, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and/or a stated retainer as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

SECTION 3.15. Removal of Directors. Prior to the 2019 annual meeting of stockholders, any director may be removed at any time by the affirmative vote of the holders of a majority of the voting power of the then-outstanding shares of voting stock entitled to generally vote at any election of directors, but only for cause, and from and after the 2019 annual meeting of stockholders, any director may be removed at any time by the affirmative vote of the holders of a majority of the voting power of the then-outstanding shares of voting stock entitled to generally vote at any election of directors, with or without cause.

ARTICLE IV

Officers

SECTION 4.01. Number, Qualifications and Designation. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or President, Secretary, Treasurer and such other officers as may be elected in accordance with the provisions of Section 4.03 of this Article. One person may hold more than one office. Officers may be, but need not be, directors or stockholders of the corporation.

SECTION 4.02. Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 4.03 of this Article, shall be elected annually by the Board of Directors, and each such officer shall hold his or her office until such officer's successor shall have been elected and shall qualify, or until his or her earlier death, resignation or removal. Any officer may resign at any time upon written notice to the corporation or may be removed, with or without cause, by the Board of Directors.

SECTION 4.03. Other Officers, Committees and Agents. The Board of Directors may from time to time elect such other officers, including without limitation a Chairman of the Board, a Vice Chairman of the Board, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, and appoint such committees, employees and other agents as it deems necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

SECTION 4.04. Chairman of the Board and Vice Chairman. The Chairman of the Board, if any, shall preside at all meetings of the stockholders and the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time. He or she may sign and deliver on behalf of the corporation any deeds, mortgages, bonds, contracts, certificates, powers of attorney and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. The Vice Chairman, if any, shall, at the request of the Chairman or in his or her absence or disability, perform the duties and exercise the powers of the Chairman, and shall perform such other duties as the Board of Directors shall prescribe.

SECTION 4.05. Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the control and powers of the Board of Directors, shall have the general charge of the business, properties, activities and policies of the corporation. The Chief Executive Officer shall, if there is no Chairman or Vice Chairman of the Board, or in their absence, preside at all meetings of the stockholders and, if he or she is also a director, at all meetings of the Board of Directors. He or she may sign and deliver on behalf of the corporation

any deeds, mortgages, bonds, contracts, certificates, powers of attorney and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. The Chief Executive Officer may employ all agents and employees of the corporation and may discharge any such agent or employee, and, in general, shall perform all duties incident to the office of Chief Executive Officer, and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 4.06. President. If there is no Chief Executive Officer then in office, the President shall perform the duties of, and shall be subject to all other restrictions of, the Chief Executive Officer. The President shall, in the absence or disability of the Chief Executive Officer, act with all powers and be subject to all other restrictions of the Chief Executive Officer. The President shall have such other powers and perform such other duties as the Board of Directors may prescribe.

SECTION 4.07. Chief Operating Officer. The Board of Directors may assign the duties of the Chief Operating Officer of the corporation to any officer of the corporation. Such duties shall include the authority necessary for the active management and general supervision of the everyday business of the corporation and the duty to see that all orders and policies of the Chief Executive Officer and the Board of Directors are carried into effect.

SECTION 4.08. Chief Financial Officer. The Board of Directors may assign the duties of Chief Financial Officer of the corporation to any officer of the corporation. Such duties shall include the active management and supervision of the financial and accounting affairs of the corporation.

SECTION 4.09. Vice Presidents. The Vice Presidents, in the order determined by the Board of Directors or the Chief Executive Officer, shall, at the request of the President or in his absence or disability, perform the duties and exercise the powers of the President and such other duties as may from time to time be assigned by the Board of Directors or by the President. At the discretion of the Board of Directors, one or more Vice Presidents may be designated as an Executive Vice President or Senior Vice President.

SECTION 4.10. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record the proceedings of the stockholders and of the directors and of committees of the Board in a book or books to be kept for that purpose; see that notices are given and records and reports properly kept and filed by the corporation as required by law; be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, perform all duties incident to the office of Secretary, and such other duties as may from time to time be prescribed by the Board of Directors or the Chief Executive Officer. Any Assistant Secretary shall, at the request of the Secretary or in his or her absence or disability, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the Secretary shall prescribe.

SECTION 4.11. Treasurer and Assistant Treasurers. The Treasurer shall have or provide for the custody of the funds or other property of the corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all moneys, and other valuable effects, in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors. Whenever so required by the Board of Directors or the Chief Executive Officer, the Treasurer shall render an account showing his or her transactions as Treasurer and the financial condition of the corporation. In general, the Treasurer shall discharge such other duties as may from time to time be assigned to him or her by the Board of Directors or the Chief Executive Officer. Any Assistant Treasurer shall, at the request of the Treasurer or in his or her absence or disability, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the Treasurer shall prescribe.

SECTION 4.12. Officers’ Bonds. No officer of the corporation need provide a bond to guarantee the faithful discharge of his or her duties unless the Board of Directors shall by resolution so require a bond, in which event such officer shall give the corporation a bond (which shall be renewed if and as required) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office.

SECTION 4.13. Compensation. The compensation of the officers and agents of the corporation elected by the Board of Directors shall be fixed from time to time by the Board of Directors. Any employment contract, whether for an officer, agent or employee, if expressly approved or specifically authorized by the Board of Directors, may fix a term of employment, and any such contract, but only if so approved or authorized, shall be valid and binding upon the corporation in accordance with the terms thereof; provided, however, this provision shall not limit or restrict in any way the right of the corporation at any time in its discretion (which right is hereby expressly reserved) to remove from office, discharge or terminate the employment or otherwise dispense with the services of any such officer, agent or employee, as provided in these bylaws, prior to the expiration of the term of employment under any such contract, provided only that the corporation shall not thereby be relieved of any continuing liability for salary or other compensation provided for in such contract.

SECTION 4.14. Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the Chairman of the Board, if any, the Chief Executive Officer and/or President, or any Vice President of the corporation , together with the Secretary, the Deputy Corporate Secretary or any Assistant Secretary of the corporation, shall have power to vote and otherwise act on behalf of the corporation, in person or by proxy, at any meeting of security holders, or with respect to any action of security holders, of any other corporation in which the corporation may hold securities and shall have power to exercise any and all rights and powers which the corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V

Capital Stock

SECTION 5.01. Issuance. The directors may, at any time and from time to time, if all of the shares of capital stock which the corporation is authorized by its certificate of incorporation to issue have not been issued, subscribed for, or otherwise committed to be issued, issue or take subscriptions for additional shares of its capital stock up to the amount authorized in its certificate of incorporation. Unless otherwise provided by the certificate of incorporation or these bylaws, the Board of Directors may provide by resolution that some or all of any or all classes and series of the shares of capital stock of the corporation shall be uncertificated shares, provided that such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. The stock certificates of the corporation shall be numbered and registered in the stock ledger and transfer books of the corporation as they are issued. The Board of Directors may also appoint one or more transfer agents and/or registrars for its stock of any class or classes and for the transfer and registration of certificates representing the same and may require stock certificates to be countersigned by one or more of them. They shall be signed by the Chairman or Vice Chairman of the Board or the Chief Executive Officer, President or a Vice President and attested by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall bear the corporate seal, which may be a facsimile, engraved or printed signature. Any or all of the signatures upon such certificate may be a facsimile, engraved or printed. In case any officer, transfer agent or registrar who has signed, or whose facsimile, engraved or printed signature has been placed upon, any share certificate shall have ceased to be such officer, transfer agent or registrar, before the certificate is issued, it may be issued with the same effect as if he or she were such officer, transfer agent or registrar at the date of its issue.

SECTION 5.02. Regulations Regarding Certificates. Except as otherwise provided by law, the Board of Directors shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issuance, transfer and registration or the replacement of certificates for shares of capital stock of the corporation.

SECTION 5.03. Stock Certificates. Stock certificates of the corporation shall be in such form as is provided by law and approved by the Board of Directors. The stock record books and the blank stock certificate books shall be kept by the Secretary of the corporation or by any agency designated by the Board of Directors for that purpose.

SECTION 5.04. Lost, Stolen, Destroyed or Mutilated Certificates. The Board of Directors may direct a new certificate or certificates of stock or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or such owner’s legal representative, to give the corporation a bond in such sum as it

may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

SECTION 5.05. Record Holder of Shares. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

SECTION 5.06. Determination of Stockholders of Record for Voting at Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5.07. Determination of Stockholders of Record for Dividends and Distributions. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

Indemnification of Officers, Directors, Employees and Agents

SECTION 6.01. Indemnification in Third Party Proceedings. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any "third party proceeding" (which shall include, for purposes of this Article VI, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including without limitation attorneys' fees, judgments, fines, and

amounts paid in settlement, actually and reasonably incurred by such person in connection with such third party proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal third party proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal third party proceeding, had reasonable cause to believe that such conduct was unlawful.

SECTION 6.02. Indemnification in Corporate Proceedings. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any "corporate proceeding" (which shall mean, for purposes of this Article VI, any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including without limitation attorneys' fees, actually and reasonably incurred by such person in connection with the defense or settlement of a corporate proceeding if the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which the corporate proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

SECTION 6.03. Mandatory Indemnification. To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any third party or corporate proceeding referred to in Section 6.01 or 6.02 above or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses, including without limitation attorneys' fees, actually and reasonably incurred by such person in connection therewith.

SECTION 6.04. Determination of Entitlement to Indemnification. Any indemnification under Section 6.01, 6.02 or 6.03 of this Article VI (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of a present or former director or officer of the corporation is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 6.01, 6.02 or 6.03 of this Article VI. This determination shall be made, with respect to a person who is a director or officer at the time of the determination:

(a) By a majority vote of the directors who are not parties to the third party or corporate proceeding, even though less than a quorum;

(b) By a committee of directors designated by a majority vote of directors, even though less than a quorum;

(c) If there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or

(d) By the stockholders.

SECTION 6.05. Burden of Proof. In the event a claim for indemnification by any person who was or is a party or is threatened to be made a party to any third party or corporate proceeding is denied by the corporation (except for a claim by a person described in Section 6.08 hereof), the corporation shall, in any subsequent legal proceedings relating to such denial, have the burden of proving that indemnification was not required under Section 6.01, 6.02 or 6.03 of this Article VI, without regard to Section 6.04 hereof, or under any other agreement or undertaking between the corporation and such person, or was not permitted under applicable law.

SECTION 6.06. Advancing Expenses. Expenses (including, without limitation, attorneys' fees) incurred by a director or officer or former director or officer in defending a third party or corporate proceeding shall be paid by the corporation in advance of the final disposition of such third party or corporate proceeding upon receipt of an undertaking by or on behalf of the director or officer or former director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this Article VI. Expenses (including, without limitation, attorneys' fees) incurred by other employees and agents may be so paid upon the terms and conditions, if any, as the corporation deems appropriate.

SECTION 6.07. Employee Benefit Plans. For purposes of this Article VI, references to "other enterprises" shall include, but are not limited to, employee benefit plans; references to "fines" shall include, but are not limited to, any excise taxes assessed on a person with respect to an employee benefit plan; references to "serving at the request of the corporation" shall include, but are not limited to, any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves service by, the director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation."

SECTION 6.08. Employees and Agents. The corporation may, but is not required to, indemnify any employee or agent of the corporation who is not also a director or officer of the corporation if the determining group as specified in Section 6.04 determines that indemnification is proper in the specific case.

SECTION 6.09. Scope of Article. The indemnification and advancement of expenses, as authorized by this Article VI, shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement,

vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding an office.

SECTION 6.10. Reliance on Provisions. Each person who shall act as a director or officer of the corporation, or a person serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be deemed to be doing so in reliance upon rights of indemnification provided by this Article VI, and the provisions of this Article VI shall be deemed a contract between the corporation and such person.

SECTION 6.11. Insurance. The corporation shall have the power to, but shall not be obligated to, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article VI.

SECTION 6.12. Rights Continue. The indemnification and advancement of expenses provided by or granted pursuant to this Article VI, unless otherwise provided when authorized or ratified, shall continue as to a person who has ceased to be a director, officer, employee or agent of the corporation, or a person serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VII

General Provisions

SECTION 7.01. Dividends. Subject to the provisions of the certificate of incorporation, if any, dividends upon the capital stock of the corporation may be declared by the Board of Directors at any regular or special meeting in accordance with law. Dividends may be paid in cash, in property, or in shares of the capital stock of the corporation, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 7.02. Checks. All checks, notes, drafts or other instruments for the payment of money drawn or endorsed in the name of the corporation may be signed by the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or by such person or persons as authorized from time to time by the Board of Directors to do so.

SECTION 7.03. Corporate Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the state of its incorporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

SECTION 7.04. Amendment of Bylaws. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation, at any regular or special meeting of the stockholders or of the Board of Directors, as the case may be, if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting.

ARTICLE VIII

EXCLUSIVE JURISDICTION

Unless the corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery (or, if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (a) any derivative action or proceeding brought on behalf of the corporation, (b) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the corporation to the corporation or the stockholders, (c) any action or proceeding asserting a claim against the corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law, the certificate of incorporation, as amended, or these bylaws, (d) any action or proceeding to interpret, apply, enforce or determine the validity of these bylaws or any provision of these bylaws, or (e) any action or proceeding asserting a claim against the corporation, its directors, officers or employees governed by the internal affairs doctrine, in all cases subject to the court having personal jurisdiction over all indispensible parties named as defendants, and except for, as to each of "(a)" through "(e)" above, any claim which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, another state court located within the State of Delaware, or the federal district court for the District of Delaware. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Article VIII. Failure to enforce the foregoing provisions would cause the corporation irreparable harm and the corporation shall be entitled to equitable relief, including injunction and specific performance, to enforce the foregoing provisions.

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Section 3: EX-21 (EXHIBIT 21)

Exhibit 21

SUBSIDIARIES OF WILLBROS GROUP, INC.	
Company Name and Name Under Which it is Doing	
Business (if applicable)	**Jurisdiction of Incorporation or Organization**
0795781 B.C. Ltd	Canada (British Columbia)
Chapman Construction Co., L.P.	Texas, USA
Chapman Construction Management Co., Inc.	Texas, USA

Construction Tank Services LLC	Delaware, USA
Forward Company for Energy & Infrastructure PSC	Iraq
Lineal Industries, Inc.	Pennsylvania, USA
P/L Equipment LP	Canada (Alberta)
PT Willbros Indonesia	Indonesia
Skibeck PLC, Inc.	New York, USA
WG Global Holdings Dutch C.V.	The Netherlands
Willbros Al-Rushaid Limited	Saudi Arabia
Willbros Canada Holdings ULC	Canada (British Columbia)
Willbros (Canada) GP I Limited	Canada (British Columbia)
Willbros (Canada) GP IV Limited	Canada (British Columbia)
Willbros (Canada) GP V Limited	Canada (British Columbia)
Willbros (Canada) GP VI Limited	Canada (British Columbia)
Willbros (Canada) GP VII Limited	Canada (British Columbia)
Willbros (Canada) GP VIII Limited	Canada (British Columbia)
Willbros Construction (U.S.), LLC	Delaware, USA
Willbros Dutch GP LLC	Delaware, USA
Willbros Energy Services Company	Delaware, USA
Willbros Engineering & Services, LLC	Texas
Willbros Fabrication (Canada) L.P.	Canada (Alberta)
Willbros Facilities & Tanks (Canada) LP	Canada (Alberta)
Willbros Global Holdings S. de R.L.	Panama
Willbros Global Infrastructure Limited	Cayman Islands
Willbros Industrial de Mexico, S. de R.L. de C.V.	Mexico
Willbros International Dutch B.V.	The Netherlands
Willbros International, Inc.	Panama
Willbros International Pty Limited	Australia
Willbros Maintenance (Canada) L.P.	Canada (Alberta)
Willbros Management (Canada) L.P.	Canada (Alberta)
Willbros Middle East, Inc.	Panama
Willbros Mine Services, L.P.	Canada (Alberta)
Willbros Panama LLC	Delaware, USA
Willbros PSS Midstream (Canada) L.P.	Canada (Alberta)
Willbros T&D Services, LLC	Delaware, USA
Willbros Transandina S.A.	Bolivia
Willbros United States Holdings, Inc.	Delaware, USA
Willbros Utility T&D Group Common Paymaster, LLC	Delaware, USA
Willbros Utility T&D Holdings, LLC	Delaware, USA
Willbros Utility T&D of New York, LLC	New York, USA
Willbros West Coast Services, Inc.	Oklahoma

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Section 4: EX-23.1 (EXHIBIT 23.1)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-18421-01, 333-53748-01, 333-74290-01, 333-135543-01, 333-139353-01, 333-151795-01, 333-151796-01, 333-167940, 333-182431, 333-182432, 333-196416, 333-196417 and 333-218405) of Willbros Group, Inc. of our report dated March 29, 2018 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
March 29, 2018

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Section 5: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

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

I, **Michael J. Fournier**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Willbros 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 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 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: March 29, 2018

/s/ Michael J. Fournier
Michael J. Fournier
President and Chief Executive Officer

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Section 6: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

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

I, **Jeffrey B. Kappel**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Willbros 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 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 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: March 29, 2018

/s/ Jeffrey B. Kappel

Jeffrey B. Kappel
Chief Financial Officer

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Section 7: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 USC. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Willbros Group, Inc. (the "Company") on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Fournier, President and Chief Executive Officer of the Company, hereby certify pursuant to 18 USC. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report 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: March 29, 2018

/s/ Michael J. Fournier

Michael J. Fournier
President and Chief Executive Officer

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Section 8: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 USC. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Willbros Group, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey B. Kappel, Chief Financial Officer of the Company, hereby certify pursuant to 18 USC. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report 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: March 29, 2018

/s/ Jeffrey B. Kappel
Jeffrey B. Kappel
Chief Financial Officer

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