

BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the matter of:)	
)	
John Wood Group PLC)	EPA Case No. 16-0731-02
Wood Group PSN, Inc.)	EPA Case No. 16-0731-01B
)	
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ADMINISTRATIVE AGREEMENT

I. INTRODUCTION

This Administrative Agreement ("Agreement") is made between the United States Environmental Protection Agency ("EPA"), acting as lead Federal agency, and John Wood Group PLC ("Wood Group") and Wood Group PSN, Inc. ("WGPSN") (collectively, "Respondents") as designated in Section II below. This Agreement is made in order to resolve all administrative matters relating to discretionary suspension and debarment and statutory disqualification, and any suspension and debarment matter based on affiliation or imputation arising from:

- A. WGPSN's February 23, 2017, conviction for violating the Clean Water Act, 33 U.S.C. §§ 1319(c)(1)(A) and 1321(b)(3), in the U.S. District Court for the Western District of Louisiana, *United States v. Wood Group PSN, Inc.*, No. No. 6:16-cr-00192 (W.D. La.) ("the West Delta 32 Incident"); and
- B. WGPSN's February 23, 2017, conviction for one count of 18 U.S.C. § 1001(a)(3), False Writings or Document, in the U.S. District Court for the Western District of Louisiana, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.) ("the Creole Loop Matter").

II. DEFINITIONS

- 1. **AGENT.** Any person, as defined by 2 C.F.R. § 180.985, who acts on behalf of or who is authorized to commit a Respondent in a covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) or any transaction covered under the Federal Acquisition Regulation (FAR) (48 C.F.R. Chapter 1).
- 2. **AFFILIATE.** As defined in 2 C.F.R. § 180.905, an affiliate to a Respondent is any entity that directly or indirectly, controls or is controlled, or has the power to control or be controlled, by a Respondent. In addition, an affiliate to a Respondent is any entity that is controlled by the same third person as the Respondent. Indicia of control include, but are not

limited to: (a) interlocking management or ownership; (b) identity of interests among family members; (c) shared facilities and equipment; (d) common use of employees; or (e) a business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.

3. **ARM'S LENGTH TRANSACTION.** A bona fide transaction between a purchaser and a seller, each acting independently and having no relationship to each other. Both parties in the transaction are acting in their own self-interest and are not subject to any pressure or duress from the other party. Transactions between affiliates shall not be considered to be arm's length transactions for purposes of this Agreement, regardless of how the transactions are structured.

4. **AUTHORIZED REPRESENTATIVE.** The EPA Authorized Representative is the EPA official who is the primary EPA contact for the purpose of monitoring the Agreement. That person is listed at paragraph "V. 31." herein. All matters involving the Agreement shall be coordinated through this person(s), including but not limited to questions, submittals and other communications.

The DOI Authorized Representative is the U.S. Department of the Interior ("DOI") official(s) who is the primary DOI contact, listed at paragraph "V. 31" herein.

5. **CONTRACT PERSONNEL.** An employee who works for one person (subject to that person's salary and benefits structure) whose services are sold on a project or time basis to another person.
6. **CONTRACTOR.** Any person with whom a Respondent has a contract. Contract means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate a Respondent to an expenditure of funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include nonprocurement transactions as defined in 2 C.F.R. § 180.970.
7. **COVERED JOINT VENTURE.** Any entity to which the Respondents contribute equity for the purpose of sharing the revenues, the expenses and the assets of the entity, if (1) Respondents exercise operational control over the entity subject to an agreement between the parties to the joint venture and (2) the entity operates in the U.S. or conducts substantial operations in the U.S.
8. **COVERED TRANSACTION.** A nonprocurement, procurement, or other transaction as defined in 2 C.F.R. Part 180, Subpart B, and 2 C.F.R. § 1532.220. See also Appendix to 2 C.F.R. Part 180 (illustrating primary tier and lower tier covered transactions) and 2 C.F.R. § 180.970 (defining nonprocurement transactions). Covered transactions include, but are not

limited to, assistance agreements (binding agreements between a federal agency and a Respondent which provides financial assistance to a Respondent in the form of a grant, cooperative agreement or similar instrument).

9. EFFECTIVE DATE OF THE AGREEMENT. The effective date of this Agreement is the date of endorsement by the EPA Suspending and Debaring Official.

10. EMPLOYEE. Any natural person hired directly by Respondent in an employer-employee relationship (and thus subject to the Respondent's salary and benefits structure) or in an independent contractor relationship (and provides an IRS Form 1099) to provide labor or services to Respondent. This includes, but is not limited to, any permanent, temporary, full-time, or part-time employees who meet the criteria of the preceding sentence agents; and "principals" as defined at "II. 15." below.

11. EXCLUDED TRANSACTION. A transaction in which a person is prohibited from being a participant or principal, whether the person has been suspended, debarred, or proposed for debarment under 48 C.F.R. Part 9, Subpart 9.4, , or suspended or debarred under the Nonprocurement Common Rule (2 C.F.R. Part 180) or voluntarily excluded. Excluded transactions include covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1). Excluded transactions include transactions with excluded persons.

12. FEDERAL AGENCY. As defined in 2 C.F.R. § 180.950, any United States executive department, military department, defense agency or any other agency of the executive branch and that is subject to 48 C.F.R. Part 9, Subpart 9.4 of the FAR or the Nonprocurement Common Rule at 2 C.F.R. Part 180.

13. GoM OPERATIONS. Operations of WGPSN and any affiliate within the United States' legal jurisdiction over the Gulf of Mexico ("GoM"), which is specifically defined as WGPSN and Wood Group PSN Commissioning Services, Inc. as of the effective date of the Agreement.

14. GOVERNMENTAL ENTITY. Includes all U.S. federal, state, and local government agencies or instrumentalities. State, as defined in 2 C.F.R. § 180.1005, shall include any of the states of the United States; the District of Columbia; the Commonwealth of Puerto Rico; any territory or possession of the United States; or any agency or instrumentality of a state.

15. INELIGIBLE TRANSACTION. A transaction in which a person is prohibited from being a participant or principal pursuant to the Clean Air Act and/or Clean Water Act, as applicable. If a person is convicted of any offense described in 2 C.F.R. § 1532.1105, the person is automatically disqualified from eligibility to receive any covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the Federal Acquisition Regulation (48 C.F.R. Part 9, Subpart 9.4), if the person will perform any part of the transaction or award at the facility giving rise to the person's conviction and the person owns, leases, or supervises the violating facility. See 2 C.F.R. Part 1532, Subpart J.

- 16. OFFSHORE FACILITY.** All structures floating or fixed to the seafloor, primarily used for the production of oil and gas, and may also be utilized for other operations such as drilling, well completion, well-workover or other operations. Such structures are located in the waters of the United States Outer Continental Shelf in which oil and gas drilling and production activities are regulated under OCSLA, 43 U.S.C. § 1331 *et seq.* (OCSLA).
- 17. PERIOD OF TIME.** The number of days as referenced in the Agreement shall be calculated by calendar days inclusive of weekends and holidays. Deadlines falling on a weekend or holiday shall automatically be extended to the next business day.
- 18. PERSON.** As defined in 2 C.F.R. § 180.985, any individual, corporation, partnership, association, unit of government, or legal entity, however organized.
- 19. PRINCIPAL.** As defined in 2 C.F.R. § 180.995; 2 C.F.R. § 1532.995(a)(b)(c)(e) and (g); and 48 C.F.R. § 2.101(b) this includes, but is not limited to, officers, directors, owners, partners, or other person having primary management or supervisory responsibilities within a business entity.
- 20. RESPONDENT.** A person against whom the EPA has initiated or is considering initiating a debarment and/or suspension action, or is facing a potential statutory disqualification or is statutorily disqualified.
- 21. RESPONDENT'S AUTHORIZED REPRESENTATIVE(S).** The Respondent's official(s) who is the Respondent's primary contact(s) for the purpose of the Respondent's compliance to the Agreement. That person(s) is listed at Paragraph V. 31. herein. All matters involving the Agreement shall be coordinated through this person(s), including but not limited to questions, requests and other communications.
- 22. U.S. OPERATIONS.** Wood Group and WGPSN's operations within the United States, including Offshore Facilities.

III. PREAMBLE

Overview of Wood Group and WGPSN

1. Wood Group is an international energy services business headquartered in Aberdeen, Scotland with, as of March 2016, approximately 30,333 personnel working in 50 countries. Wood Group is comprised of three primary business units, Wood Group PSN ("WGPSN Global"), Wood Group Mustang, and Wood Group Kenny, which provide a range of engineering, production support, and maintenance management services to the oil and gas industry.
2. WGPSN is a wholly owned subsidiary of WGPSN Global and is comprised of the U.S. Operations of the WGPSN Global business. WGPSN is a Nevada corporation headquartered in Houston, Texas. As of March 2016, WGPSN employed over 8,000 employees across the

United States, and operated as the largest contract labor provider in the GoM servicing 1,155 platforms and 24 deepwater facilities for 42 different clients with over 2,000 active offshore workers.

3. As the largest contract labor provider in the GoM, as well as being a provider of services in other sectors of the energy field, WGPSN regularly conducts business with companies that hold federal leases and/or contracts with the Federal Government. As part of its GoM operations, WGPSN provides skilled offshore operators to customers who directly manage the WGPSN operators' work, as well as additional manpower, mechanics, medics, management of unmanned platforms, and transportation services.

West Delta 32 Incident

4. The Plea Agreement and Factual Basis in *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.) filed in the United States District Court, Western District of Louisiana, is incorporated by reference herein. The Factual Basis is attached hereto as Attachment 1 and the Plea Agreement is attached hereto as Attachment 1A.
5. Beginning at a time unknown but no later than July 1, 2010, and continuing until on or about October 13, 2013, Black Elk Energy Offshore ("BEE") owned and operated the aforementioned oil production facility at West Delta 32, which was erected on a Federal mineral lease, OCS-00367, in the Gulf of Mexico. BEE was the lease holder of the Federal mineral lease. Attachment 1 at 1.
6. BEE contracted with WGPSN for individuals to man and conduct production operations at the West Delta 32 facility, including a person in charge ("PIC"), who was responsible for the oversight and safety of the production facility at West Delta 32. *Id.* at 2.
 - A. Beginning at a time unknown but no later than November 3, 2012, BEE initiated construction projects on the platforms of the West Delta 32 facility due to damage to pipelines that transported BEE's oil. BEE contracted with various other companies to perform the construction and maintenance activities. *Id.* at 2.
 - B. Some of the construction projects on West Delta 32 required hot work, meaning welding, grinding, and/or any other activity that may produce a spark. The PIC, a WGPSN employee, was responsible for issuing hot work permits on the West Delta 32 facility. Starting on November 10, 2012, the PIC delegated the responsibility for issuing the hot work permit to another WGPSN employee who was a C operator at the time and did not attend daily construction contractor safety meetings. *Id.* at 3-4.
 - C. Despite having received the Daily Construction Report by email before 7:00 a.m. on November 16 indicating work had been performed on the LACT unit the night before, the PIC did not inquire about the Lease Automatic Custody Transfer (LACT) work or walk the platform to make sure he knew what was happening. The "C" operator was present in the galley eating breakfast at the same time the construction contractor was there conducting its 6:00 a.m. safety meeting, but he did not understand that hot work was

intended for areas outside the floatcell (also known as the WEMCO), separator, and production header and did not ask where the construction contractor would be working on November 16, 2012. The single hot work permit the "C" operator issued for November 16 did not mention the LACT unit or sump line piping as areas that were safe for hot work and the construction contractor did not affirmatively tell the PIC that its crew would be performing hot work on the LACT. *Id.* at 6-7.

- D. On November 16, 2012, following cuts to the sump line piping, the construction workers attempted to tack weld on the cut piping with an arc welder. At that time, hydrocarbon vapors that had escaped from the wet oil tank were ignited. The ignition caused an explosion, which set off a series of additional explosions in the three oil tanks on the platform. Two of the tanks were blown into the Gulf of Mexico. The third tank was blown off its base and destroyed the platform crane. Oil was spilled into the Gulf of Mexico causing a sheen on the water. Oil rained down on the lower deck of the platform where workers had been performing construction activity and a fire broke out. As a result of the explosions, three people died and other workers were burned and injured. *Id.* at 7-8.
 - E. Hot work on the LACT was never coordinated with or communicated to WGPSN employees. WGPSN, however, admits that its employees were negligent in the way they authorized hot work on West Delta 32, and that a lack of communication between the PIC and construction contractor contributed to the events that caused oil to be discharged into the Gulf of Mexico in a harmful quantity. *Id.* at 8.
- 7. On March 10, 2016, WGPSN was charged in a Second Superseding Indictment in *United States v. Wood Group PSN, Inc.*, No. 15-197 (E.D. La.) filed in the U.S. District Court for the Eastern District for the District of Louisiana, as amended by the court's order on April 14, 2016, with one (1) count of violating the Clean Water Act, in violation of 33 U.S.C. § 1319(c)(1)(A). The Second Superseding Indictment is incorporated by reference herein and attached hereto as Attachment 2.
 - 8. On August 8, 2016, the matter was transferred to the U.S. District Court for the Western District of Louisiana pursuant to Rule 20(a) of the Federal Rules of Criminal Procedure.
 - 9. On August 10, 2016, WGPSN pleaded guilty to one count of violating the Clean Water Act, 33 U.S.C. § 1319(c)(1)(A) in the U.S. District Court for the Western District of Louisiana. *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.). Attachment 1A. As part of the plea agreement with the Federal Government, WGPSN stipulated to the facts discussed above regarding its conduct at an oil production facility located in an area of the Gulf of Mexico designated as the West Delta 32 platform.
 - 10. On February 23, 2017, a Judgment was entered in this matter convicting WGPSN of violating the Clean Water Act ("CWA"). The Judgment in *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.) filed in the United States District Court, Western District of Louisiana, is incorporated by reference herein and attached hereto as Attachment 3. As an automatic collateral consequence of conviction, effective the date of conviction, the

convicted party is disqualified from new Federal procurement and nonprocurement awards if any part of the work as related to the awards will be performed in whole or in part at the facility that gave rise to the CWA violation and if such facility is owned, leased, or supervised by the convicted party. The disqualification applies until the convicted party demonstrates to the EPA SDO that the conditions giving rise to the violation are corrected.

Creole Loop Matter

11. The Plea Agreement and Factual Basis in *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.) filed in the United States District Court, Western District of Louisiana, is incorporated by reference herein. The Factual Basis is attached hereto as Attachment 4 and the Plea Agreement is attached hereto as Attachment 4A.
12. WGPSN is a service company that operates in the Outer Continental Shelf of the Gulf of Mexico by providing operations and maintenance services, as well as safety inspection services, to offshore facilities, and WGPSN operated as such during the relevant time period, from April of 2011 until July of 2014. Specifically, WGPSN contracts with oil and gas production companies to perform operational, maintenance and safety inspection services on offshore facilities and platforms for a fee. With regards to inspection and maintenance services, WGPSN performs statutory and regulatory compliance for its customers, as well as maintenance and production reporting, on platforms and facilities designated by the customer. During the relevant time period, WGPSN was hired to perform these tasks on facilities located within the Creole Loop. The Creole Loop consisted of approximately 15 to 70 offshore platforms or facilities within the Gulf of Mexico at different times during April of 2011 to July of 2014. Attachment 4 at 1-2.
13. Evidence reveals that during the relevant time period, WGPSN operators within the Creole Loop had trouble keeping up with certain safety inspections and maintenance that became due. At points, WGPSN expanded the number of platforms serviced by the Creole Loop however; during this period of expansion, WGPSN failed to allocate sufficient labor and transportation resources, such as adequate operators, competent clerical staff and helicopter and vessel resources to address the expansion in the number of platforms serviced. WGPSN's failure to allocate such resources contributed to employees' failure to complete the inspections or maintenance timely. This expansion peaked around the time Wood Group acquired PSN in 2011. Therefore, certain employees, from operators to clerks, began to falsify reports submitted to BSEE, as early as 2011, to indicate safety inspections and maintenance had been completed as required, when in fact, they had not. A majority of the offshore platforms at issue were not in active production, were unmanned, and some were waiting to be removed from the Gulf of Mexico. Furthermore, in addition to certain employees within the Creole Loop that engaged in this conduct during the relevant period, the false reports and inconsistencies were brought to the attention of a WGPSN project manager, who failed to adequately act. *Id.* at 3-4.
14. On August 10, 2016, WGPSN was charged in a Bill of Information filed in the U.S. District Court for the Western District for the District of Louisiana with violations of False Writings or Documents. The Bill of Information in *United States v. Wood Group PSN, Inc.*, No. 6:16-

cr-00145 (W.D. La.) is incorporated by reference herein and attached hereto as Attachment 5. In addition, WGPSN pleaded guilty to one count of 18 U.S.C. § 1001(a)(3), False Writings or Document, in the U.S. District Court for the Western District of Louisiana. Attachment 4A. This administrative agreement constitutes the compliance plan referenced in the Creole Loop criminal plea agreement.

15. On February 23, 2017, a Judgment was entered in this matter convicting WGPSN of violating 18 U.S.C. § 1001(a)(3), False Writings or Document. The Judgment in *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.) filed in the United States District Court, Western District of Louisiana, is incorporated by reference herein and attached hereto as Attachment 6.

**Statement of Conditions Giving Rise to the
CWA Conviction in the West Delta 32 Incident**

16. The conditions giving rise to WGPSN's aforementioned CWA violation were based on employee misconduct and WGPSN's failure to have effective policies and procedures to ensure a safe work environment and that employees would comply with regulations.

**Measures Taken by Respondent to Correct the Conditions
Leading to the West Delta 32 CWA Violation and the Creole Loop Matter**

17. In response to the matters described above, as outlined in its September 2, 2015 letter to the Department of Interior and December 2, 2015 presentation to the EPA SDO, Wood Group and WGPSN have undertaken multiple voluntary measures to address gaps and inconsistencies in their policies and programs. The September 2, 2015 letter is incorporated by reference herein and attached hereto as Attachment 7. The December 2, 2015 presentation by Wood Group and WGPSN to the EPA SDO is incorporated by reference herein and attached hereto as Attachment 8.
18. In January 2015, WGPSN began the process of strengthening its quality management system and associated business controls by importing best practices from WGPSN Global's Operations Excellence ("OE") program to its GoM operations. OE assists with the systematic management of process safety; occupational Health, Safety, and Environment ("HSE"); reliability; and efficiency to continuously improve production and costs by providing a strong self-governance system and establishing plans and targets for business performance. The OE program will be a three-year effort to improve the operational delivery in WGPSN's GoM business. The OE program will initially focus on addressing the immediate improvements identified around the Creole Loop operations business and expand to incorporate a wider review of the GoM operation. Attachment 7 at 29.
19. In August 2015, WGPSN began developing two targeted ethics compliance training modules. The first module is designed to respond to specific concerns identified in the West Delta 32 incident and Creole Loop investigation and was distributed to all WGPSN employees in the GoM in September 2015 as a computer based training. The second module, which was rolled out in February 2016, is designed to address general concerns identified in the normal course

of operations for WGPSN employees in the United States. *Id.* at 30.

20. WGPSN also retained a third-party consultant, MJM Associates, to perform an independent safety culture survey of its employees to assess workplace safety culture, leadership, and performance with a specific focus on the GoM region. MJM Associates completed its assessment in May 2015. WGPSN has conducted roll-out safety culture workshops to address issues identified in MJM Associates' findings and will incorporate the significant findings into the OE program's ongoing continuous improvement plan. *Id.* at 29.
21. In June 2015, WGPSN also voluntarily retained a third-party consultant, Affiliated Monitors, Inc. ("AMI"), to make recommendations, confirm implementation of immediate improvements, review future improvements, suggest enhancements, and assess WGPSN's safety and ethics culture. AMI conducted its initial assessment from July 2015 to September 2015. The initial scope of AMI's assessment and recommendations was on WGPSN's remedial efforts surrounding possible problems with its "loop operations" and other programs in the GoM. In July 2015, the scope was expanded to include the sufficiency of Wood Group's ethical and safety culture as created by corporate offices and executed in its GoM operations. AMI made recommendations to improve Wood Group's ethics/integrity core values, leverage existing safety programs, messaging, accountability and training. Wood Group and WGPSN will continue to implement AMI's recommendations pursuant to the terms and conditions in Section IV of this Agreement. *Id.* at 30. AMI's Assessment of Wood Group Ethics and Safety Culture and Remedial Efforts is incorporated by reference herein and attached hereto as Attachment 9. The Wood Group Implementation Plan for AMI Recommendation dated December 21, 2015 is incorporated by reference herein and attached hereto as Attachment 10.
22. WGPSN has made HSE improvements in response to the Creole Loop investigation, such as planning and verification improvements, including hiring a permanent clerk to improve daily planning and documentation of WGPSN's loop operations. WGPSN also implemented improved tracking systems in which all tracking system data is maintained on network servers so management can review the data at any time. Attachment 7 at 31.
23. In April 2015, WGPSN made a number of additional improvements to its loop operations including: hiring a compliance administrator to audit flight and boat logs against operator logs on a daily basis to ensure that WGPSN is accurately conducting and tracking regulatory inspection; requiring a baseline HSE audit whenever a platform is added or removed from its loop operations; increasing the frequency of HSE compliance audits on the Creole Loop from annually to semi-annually; and implementing trend analyses of audit discrepancies and increasing oversight of discrepancy resolution. Attachment 8 at 39.
24. In December 2013, in response to the West Delta 32 incident, WGPSN began implementing PIC training programs. From December 2013 to February 2014, WGPSN conducted one-on-one safety conversations with each PIC in its employment to reinforce Wood Group's expectations regarding PIC responsibilities. In January 2014, WGPSN also designed and implemented enhanced PIC training for all its offshore operators using computer-based modules that focused on PIC awareness, which were added to WGPSN's annual core training

required for all GoM field personnel. In addition, from April 2014 to August 2014, WGPSN developed a two-day, in-person course that focuses on the advanced knowledge required for PICs, with a particular emphasis on leadership. This course, conducted on a regular basis, provides training in Safety and Environmental Management Systems ("SEMS"), BSEE's June 2013 Safety Culture Policy Memo, safety meetings, PIC responsibilities, operational excellence, industry change, and HSE compliance. As of April 2016, approximately 30 contract managers, 469 PIC designated operators, 124 lead operators and 210 A operators have completed this two-day in-person PIC training course. Attachment 7 at 31-32.

25. In January 2014, WGPSN also developed a recommended simultaneous operation ("SIMOPS") agreement for use with third-party contractors, which WGPSN makes available to its clients. The SIMOPS agreement details the lines of authority and communication protocol for platforms. The purpose of the SIMOPS agreement is to strengthen the installation safety procedures and contingency planning processes. Attachment 7 at 32.

NOW WHEREFORE, RESPONDENTS,

Recognizing that the convictions and their factual bases described above are grounds for suspension and/or debarment as they raise issues concerning Respondents' present responsibility as a Government contractor, contractor under a Government assistance agreement, or assistance participant;

understanding the mutual benefit of demonstrating Respondents' business integrity;

ensuring the integrity of procurement and assistance programs of the EPA and other federal agencies; and

resolving issues of discretionary suspension and debarment and statutory disqualification pursuant to 48 C.F.R. Subpart 9.4, 2 C.F.R. Parts 180 and 1532, and Section 508 of the Clean Water Act);

agree as follows:

IV. TERMS AND CONDITIONS

1. **SCOPE AND APPLICATION.** Wood Group shall be the guarantor of this Agreement and shall: a) irrevocably guarantee, that in the event of any failure of any part of Wood Group's operations, subsidiaries and/or covered joint ventures to meet its obligation to comply with the terms of this Agreement, Wood Group will cause that non-compliant party to meet such obligations; b) irrevocably commit that Wood Group will comply, and cause each part of its operations, subsidiaries and/or covered joint ventures to comply, with the terms of this Agreement, as applicable; and c) consent to the jurisdiction of the U.S. courts solely for purposes of resolving issues with this Agreement.
2. **WOOD GROUP BUSINESS COMPLIANCE AND ETHICS PROGRAM.** Wood Group shall continue to maintain its global Business Compliance and Ethics Program ("Program")

at every level of Wood Group, its operations as well as all its subsidiaries and covered joint ventures. Wood Group shall continue to implement its Program based on its Core Values, incorporated by reference and attached hereto as Attachment 12, as governed by its overarching Business Ethics Policy (“BEP”), incorporated by reference and attached hereto as Attachment 13. Wood Group shall continue to make the BEP accessible to all employees on Wood Group’s intranet site and by other reasonable means. If the Employee has a limited ability to read, write, speak or understand English, the BEP will be provided in another language in which the Employee is sufficiently fluent so that each Employee can understand the communication.

- A. Wood Group shall continue to require mandatory compliance with the BEP for Wood Group’s directors, officers, employees, and all of its subsidiaries, as well as contractors, consultants, representatives, intermediaries, and agents retained by Wood Group. Wood Group shall continue to require all directors, officers, employees, and all of its subsidiaries, as well as contractors, consultants, representatives, intermediaries, and agents to sign the Wood Group Business Ethics Policy Receipt and Acknowledgement Form, acknowledging receipt of the BEP and responsibility for knowing and adhering to the principles and standards of the BEP. A copy of each signed form shall be retained by Wood Group.
 - B. Wood Group’s Business Ethics Committee shall continue to appoint Business Ethics Responsible Officers (“ROs”) for appropriate Wood Group businesses. The Independent Monitor (IM) retained pursuant to this Agreement shall make recommendations to Wood Group’s Business Ethics Committee regarding Wood Group businesses that should appoint a Business Ethics RO. The IM shall include any such recommendations in its annual review of Wood Group’s and WGPSN’s compliance with the Agreement. The ROs shall continue to be responsible for verifying that policies and procedures in the business are consistent with the BEP and for receiving and responding to questions regarding the BEP and ethics more generally.
 - C. Wood Group shall regularly review and update the BEP and Core Values, as necessary, to adapt to evolving corporate dynamics in response to acquisitions, incidents, and personnel concerns. Wood Group shall ensure that EPA has a copy of the latest version of the BEP and Core Values by submitting any updated version of the BEP or the Core Values to the EPA Authorized Representative as an attachment to the semi-annual report covering the period in which the document(s) was updated.
3. **WOOD GROUP CORPORATE COMPLIANCE STAFFING AND CORPORATE ETHICS AND COMPLIANCE OFFICER.** Wood Group shall continue to ensure that its Corporate Compliance function is adequately staffed, as well as:
- A. Maintain a Corporate Ethics and Compliance Officer (“CECO”) position with responsibility for Program and BEP maintenance and implementation, reporting directly to a member of the Executive Leadership Team (“ELT”) with formal reporting line to the Board of Directors’ (“Board”) Safety, Assurance and Business Ethics (“SABE”) sub-committee, and bi-annual reporting to the Board; and

- B. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall introduce direct reporting by the CECO to, and oversight by, the SABE Board Committee of corporate ethics and compliance matters to ensure that the Board of Directors as well as corporate leadership is fully cognizant of ethics and fraud risks and there is a Board committee directly responsible for corporate ethics; and
 - C. No later than ninety (90) days after the effective date of this Agreement, ensure that sufficient resources are provided to the CECO function to support expanding the messaging, training and investigative process. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall provide to the EPA Authorized Representative its plan to ensure sufficient resources are provided to the CECO to expand the messaging, training and investigative process.
- 4. WOOD GROUP BUSINESS ETHICS COMMITTEE CHARTER AND OVERSIGHT.** Wood Group shall continue to maintain and implement its Business Ethics Committee Charter, incorporated by reference attached hereto as Attachment 14. The Business Ethics Committee shall continue to oversee the Program by:
- A. Monitoring and reviewing the Program's principles and procedures at least tri-annually;
 - B. Ensuring the Program tracks appropriate legislation, regulation, and best practices regarding ethics and compliance;
 - C. Reviewing and assessing key recommendations and lessons-learned from incident investigations and business transactions;
 - D. Approving the bi-annual report to the Board of Directors on the status of the Program across Wood Group;
 - E. Approving the Business and Ethics Compliance annual plan;
 - F. Designating key personnel in the corporate ethics infrastructure, including:
 - i. ROs and Business Ethics Country Officer ("COs"), who liaise with the CECO to implement the Program in their businesses; and
 - ii. Business Ethics Personnel, which consists of all personnel in HSE, Human Resources, and Finance functions, who implement the principles of the BEP as part of their everyday business responsibilities.
- 5. WOOD GROUP ETHICS & COMPLIANCE TRAINING.** Wood Group shall continue to maintain an ethics and compliance training program at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures. Wood Group shall continue to require all Business Ethics Personnel complete an introductory online business ethics training course no later than thirty (30) days after their first day of employment by Wood

Group and an annual business ethics training each year of their employment by Wood Group thereafter. Additionally, Wood Group shall require each Business Ethics Personnel employee to annually certify that they have complied with the BEP for the prior year. Wood Group shall retain a copy of each certification during the term of this Agreement. Wood Group shall also ensure that all contractors, consultants, representatives, intermediaries, and agents at every level of the Wood Group, its operations as well as its subsidiaries and covered joint ventures receive training on Wood Group's BEP.

- A. **Recordkeeping of Training Materials.** Wood Group, at every level of Wood Group, its operations, subsidiaries, and covered joint ventures shall maintain a "record" of ethics and compliance training completed within that entity during the term of the Agreement. The "record" for each training shall include, at a minimum, a copy of the training materials (i.e. slides and/or the training syllabus) used in the training. Wood Group shall maintain recordkeeping of training to contractors, consultants, representatives, intermediaries, and agents.
- B. **Tracking Training.** Wood Group, at every level of Wood Group, its operations, subsidiaries, and covered joint ventures shall track its employees' completion of ethics and compliance training by retaining a documented record of the name and date of ethics and compliance training courses completed by each employee. Each part of Wood Group's operations, subsidiaries, and covered joint ventures shall track training to contractors, consultants, representatives, intermediaries, and agent by retaining a documented record of the name and date of ethics and compliance training courses completed by each contractor, consultant, representative, intermediary, and agent.
- C. **Annual Review and Updates.** Wood Group, at every level of Wood Group, its operations as well as its subsidiaries, and covered joint ventures shall annually review, and revise as appropriate, its ethics and compliance training programs in light of new approaches and lessons learned based on training feedback; employee, vendor/subcontractor, and customer feedback; industry trends; Ethics Helpline ("Helpline") reports; identified areas of compliance weaknesses; and changes in Wood Group's operations and practices. Wood Group's Corporate Compliance function shall set forth a specific timeline for implementation of any modifications or enhancements to its ethics and compliance training programs and continue to annually report to the SABE Committee on the status of any modifications or enhancements until such changes have been fully implemented. Further, Wood Group's Corporate Compliance function shall continue to prepare and distribute frequent ethics and compliance updates to ROs and COs for wider dissemination. These updates shall continue to track changes and improvements to the Program, review and set forth lessons learned from fraud, bribery, corruption, or other white collar investigations and prosecutions, and communicate expectations for senior executives. Wood Group shall continue to make the updates available on the Wood Group's intranet and require its individual business units to issue updates on an as-needed basis.
- D. **Values-Based Ethics Training.** No later than ninety (90) days after the effective date of this Agreement, Wood Group, at every level of Wood Group, its operations as well as its

subsidiaries and covered joint ventures, shall create and begin implementation of relevant Values-Based Ethics Training program to all employees on an annual basis, regardless of location or job function through implementation of on-line business ethics training courses as well as development of an enhanced on-line training program, which will include providing a number of tailored training courses to different groups, depending on job function/ethical risks faced;

- i. Wood Group shall require supervisors to refer reports of ethical misconduct to the Helpline or CECO for investigation by including a statement of such requirement in the revised BEP rollout;
- ii. Wood Group shall require each of its employees to annually certify completion of the Values-Based Ethics Training;
- iii. Wood Group shall track each of its employees' Values-Based Ethics Training and retain documentation confirming each employees' completion of such training;

E. **Ethics Training Expansion** No later than ninety (90) days after the effective date of this agreement, Wood Group shall supplement its computer-based training with live, cascading training in small groups utilizing real-life ethics scenarios. Wood Group shall include real-life ethics scenarios in the training program and continue to deliver the Aristos training, or a comparable training program, to all employees. If the Employee has a limited ability to read, write, speak or understand English, the training will be provided in another language in which the Employee is sufficiently fluent so that each Employee can understand the communication. No later than ninety (90) days after the effective date of this Agreement, Wood Group shall expand its training to include ethical decision-making.

6. **WOOD GROUP COMMUNICATIONS REGARDING ETHICS & COMPLIANCE ISSUES.** Wood Group shall continue to maintain a communications plan to apply to every level of the Wood Group, its operations as well as its subsidiaries and covered joint ventures, that promotes awareness of ethics and compliance topics and includes: communication activities to be undertaken; the status of such activities; the channel of communications; and the timing of such messaging and actions. Wood Group shall also implement the following measures:

- A. No later than sixty (60) days after the effective date of this Agreement, announce and initiate a revitalized Program that focuses on the Ethics/Integrity Core Value at every level of the company.
- B. No later than sixty (60) days after the effective date of this Agreement, supplement existing "Safety Moments" with "Ethics Moments" during employee meetings. "Ethics Moments" are short case studies involving potential integrity breaches. "Safety Moments" are short case studies involving safety incidents; and
- C. No later than thirty (30) days after the effective date of this Agreement, revise the BEP to

a more user-friendly, relevant, and actionable document that guides the entire employee workforce with emphasis on the rules and requirements around business records, including making it a separate category in the “Fraud” section of the BEP.

7. WOOD GROUP ETHICS & COMPLIANCE REPORTING SYSTEM.

- A. **Employee Reporting Requirement.** Wood Group shall continue to require employees report any breaches or potential breaches of the BEP and any violation or potential violation of criminal or civil law or a state or federal administrative action or agreement of which they become aware – whether these relate to the employee, the employee’s direct reports or others. Reports must be made to Wood Group Compliance or Legal, the employee’s Human Resources Department, the employee’s RO or to a relevant Business Ethics Country Officer. As an alternative to the above, the employee may also report confidentially via the Helpline or email to: wgbusinessethics@expolink.co.uk or any email address that may replace this email address. The email shall be received by the independent contractor who manages the Helpline.
- B. **Helpline.** Wood Group shall continue to maintain its Helpline, at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, in accordance with the policies established in a document titled “Ethics and Compliance Update: The New Wood Group Business Ethics Helpline,” which is hereto attached as Attachment 15. The Helpline shall continue to be administered by an independent contractor and provide an anonymous reporting channel that is open 24 hours a day, 7 days a week, and with reporting available in at least the primary business languages of each of the Wood Group businesses. Wood Group shall continue to widely publicize the Helpline through: revisions to the BEP that encourage its use; display of Helpline posters at all facilities; a link to the Helpline on the front page of both the intranet and internet sites; and discussion of the Helpline in ethics trainings. Wood Group shall regularly review and update the “Ethics and Compliance Update: The New Wood Group Business Helpline,” as necessary. Wood Group shall ensure that EPA and DOI has a copy of the latest version of the “Ethics and Compliance Update: The New Wood Group Business Ethics Helpline” by submitting any updated version of the document to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the document was updated.
- i. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall rebrand and message the Helpline program, re-emphasizing responsibilities for all employees to report observations of misconduct through a campaign to emphasize the existence and availability of the Helpline to all Wood Group employees; and
 - ii. Wood Group shall continue to conduct an ongoing trend analysis of Helpline reports to identify systemic risks and opportunities for improvement. Wood Group shall provide a report summarizing the results of its trend analysis to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the trend analysis report was created.

- 8. Business Ethics Register.** Wood Group's Corporate Compliance function shall continue to maintain a register of potential and actual instances of violations with the BEP, including tracking Helpline reports. The register shall include a tracking document that includes each instance of potential and actual instances of violation with the BEP, specific timelines for the implementation of the corrective actions and tracks each of those corrective actions through the use of the report until each corrective action is fully completed. A summary of all complaints from this register shall be presented to the SABE Committee on a monthly basis and to the Board of Directors as part of the bi-annual ethics report.
- 9. Ethics Investigation Process.** Wood Group, at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, shall continue to maintain, and update as necessary, its written Ethics Investigation Process (incorporated by reference and attached hereto as Attachment 15), which requires that all complaints of violations with the BEP be taken seriously and investigated promptly and appropriately. Wood Group shall ensure that EPA has a copy of the latest version of the Ethics Investigation Process by submitting any updated version of the Ethics Investigation Process to the EPA Authorized Representative as an attachment to the semi-annual report covering the period in which the document was updated.
- 10. Investigation Protocol Enhancement.** No later than ninety (90) days after the effective date of this Agreement, Wood Group shall review and enhance written procedures in the Investigation Protocol to guide the triage and professional investigation of Helpline complaints. Wood Group shall ensure that EPA and DOI have a copy of the latest version of the Investigation Protocol by submitting any updated version of the Ethics Investigation Protocol to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the document was updated.
- 11. Investigation Training.** No later than ninety (90) days after the effective date of this Agreement, Wood Group shall provide formal training on investigation procedures, through a qualified third-party provider, to anyone involved in reviewing or investigating Helpline complaints. Wood Group is responsible for ensuring that the third-party provider has the necessary qualifications (such as the necessary education, training and experience) to effectively provide formal training in investigations to anyone involved in reviewing or investigating Helpline complaints.
- 12. WOOD GROUP NON-RETALIATION POLICY.** No later than thirty (30) days after the effective date of this Agreement, Wood Group shall develop and implement a formal Non-Retaliation policy throughout every level of the Wood Group, its operations as well as its subsidiaries and covered joint ventures, which describes a "zero-tolerance" policy for implicit or explicit retaliation against whistleblowers. The Non-Retaliation policy shall be incorporated in the revised BEP. Under this policy, Wood Group shall prohibit retaliation, reprisal or harassment by any employees against any individual, including an employee, contractor, contract personnel or consultant for making any report or notification raising any good faith questions or concerns related to issues regarding: any actual or potential violation(s) of any agreement with a governmental entity; any actual or potential violation of any federal, state or local law or regulation; or any actual or potential violation of the BEP or

other Wood Group rules or policies. Wood Group shall take appropriate disciplinary action, in accordance with the BEP, against any employee who violates the Non-Retaliation Policy.

13. WOOD GROUP DISCIPLINARY ACTION FOR FAILURE TO REPORT. Wood Group, through its BEP, shall continue to maintain, at every level of the Wood Group, its operations as well as its subsidiaries and covered joint ventures, a requirement that all employees must report any potential or actual instance of a violation with applicable laws, regulations or Wood Group policies (including the BEP) to Wood Group Compliance; Legal, Human Resources; a RO; a relevant Business Ethics CO; or the Helpline. Wood Group shall also continue to include in the BEP a statement that failure to report violations or potential violations of applicable laws, regulations or Wood Group policies, including the BEP will result in disciplinary action of the offending employee, up to and including dismissal.

A. Wood Group shall also continue to ensure that if any of its contractors, consultants, representatives, intermediaries, or agents fail to comply with or violate any applicable laws, regulations or Wood Group policies, including the BEP, Wood Group will terminate its relationship with the non-compliant or violating contractor, consultant, representative, intermediary, or agent.

14. WOOD GROUP PERFORMANCE APPRAISALS. No later than one hundred and eighty (180) days after the effective date of this Agreement, Wood Group shall enhance its performance appraisal system to include ethical behavior considerations, applicable to every level of the Wood Group, its operations as well as its subsidiaries and covered joint ventures.

15. WOOD GROUP LIVING OUR VALUES AWARDS. Wood Group shall continue to include ethical behavior as part of its "Living Our Values" (or equivalent) awards program. Wood Group shall provide a summary of these annual awards to the EPA Authorized Representative as an attachment to the semi-annual report covering the period in which each award was made.

16. WOOD GROUP CONSISTENCY AND AWARENESS OF DISCIPLINARY ACTIONS. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall implement a mechanism, applicable to every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, to ensure fair and consistent treatment across business units regarding disciplinary action related to ethics violations, as well as to internally publicize appropriate cases to reinforce company commitment to ethical behavior, through reporting to the Executive Leadership Team and committee of HR Directors. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall provide to the EPA Authorized Representative its plan for implementing its disciplinary action mechanism.

17. WOOD GROUP ETHICS AND FRAUD RISK ASSESSMENTS. Wood Group shall conduct the following measures related to fraud and risk identification and evaluation:

A. No later than one hundred and eighty (180) days after the effective date of this Agreement, develop and conduct a Fraud Risk Assessment to identify and mitigate fraud

risks across the organization, at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, including risks associated with fraud relating to government reporting, particularly when the reporting is on behalf of its customers. No later than thirty (30) days after the completion of the Fraud Risk Assessment, Wood Group shall provide the EPA Authorized Representative a report of the results of the assessment; and

- B. No later than ninety (90) days after the effective date of this Agreement, expand the role and capabilities of the Internal Audit function to include annual reviews of ethics and fraud risks, including reviews of the effectiveness of corporate ethics and compliance efforts in routine audits. The Internal Audit function will receive additional training in detecting ethics/fraud risks, and incorporate such checks in their audits, as well as the effectiveness of corporate ethics and compliance efforts. No later than thirty (30) days after the effective date of this Agreement, Wood Group shall provide the EPA Authorized Representative its plan for enhancing the Internal Audit function.

18. WOOD GROUP ETHICAL CULTURE ASSESSMENT AND GLOBAL

INTEGRATION. Wood Group shall perform the following actions to strengthen its corporate ethical culture globally, as well as to ensure effective corporate ethical culture integration by acquired businesses:

- A. No later than sixty (60) days after the effective date of this Agreement, retain a qualified third-party to conduct an independent assessment of corporate ethical culture in key Wood Group geographic locations, as identified by the qualified third-party in consultation with Wood Group, to evaluate and better understand the current baseline, as well as the impact of new efforts and initiatives designed to strengthen corporate culture. One of the geographic locations in the assessment must be Wood Group's U.S. Operations and must include an assessment of Wood Group's development and implementation of policies and procedures to ensure employees within U.S. Operations understand and comply with U.S. Federal and state laws and regulations which may be more stringent than the BEP and Core Values. Wood Group shall require the third-party to provide Wood Group and the EPA Authorized Representative a report documenting its findings, with an additional separate report on Wood Group's U.S. Operations, no later than sixty (60) days after completion of the assessment. No later than thirty (30) days after Wood Group's receipt of the report, Wood Group shall provide a corrective action plan, as well as an additional separate report on Wood Group's U.S. Operations, addressing the report's findings to the EPA Authorized Representative; and
- B. No later than sixty (60) days after the effective date of this Agreement, emphasize assessment and integration of corporate ethical culture in all future acquisitions through development of a mergers and acquisition ethics assessment and business ethics plan developed in conjunction with the Wood Group Head of Strategy and the Wood Group Head of Mergers & Acquisitions. No later than thirty (30) days after development of the mergers and acquisition ethics assessment and business ethics plan, Wood Group shall provide its plan to the EPA Authorized Representative.

- 19. WOOD GROUP HSSE PROGRAM AND MANAGEMENT SYSTEM.** Wood Group shall continue to maintain its HSSE program through its HSSE Management System Standard (also known as the “Blue Book” or “HSE standards”), incorporated by reference and attached hereto as Attachment 16, at every level of Wood Group, its operations, as well as its subsidiaries and covered joint ventures. Wood Group shall ensure that EPA and DOI has a copy of the latest version of the “Blue Book” by submitting an updated version of the “Blue Book” to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the document was updated.
- 20. WOOD GROUP CORPORATE ANALYSIS AND INCIDENT REPORTING SYSTEM.** Wood Group shall continue to maintain its Corporate Analysis and Incident Reporting System (“CAIRS”) – a worldwide database maintained by Wood Group that reports incidents and tracks investigations from start to close. Wood Group shall continue to mandate use of CAIRS at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, to record any incident that may or will result in any loss or injury; incidents must be reported to management as soon as possible and recorded in CAIRS within 24 hours. Wood Group shall provide a summary of incident reports to the SABE Committee of the Board of Directors on a bi-annual basis.
- 21. WOOD GROUP HSE STANDARDS FOR THIRD-PARTIES.** Wood Group shall ensure through its individual business units that third-party contractors and appropriate third parties who are under the direction and control of Wood Group meet the same HSE standards as the Wood Group HSE program and trainings. Wood Group shall continue to at least annually review and audit the HSE performance of third-party contractors and appropriate third parties who are under the direction and control of Wood Group and ensure that these third parties can demonstrate compliance with Wood Group’s HSE performance expectations. Wood Group shall provide a report summarizing its audit activities, as described herein, to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the audit activities occurred.
- 22. WOOD GROUP SAFETY ASSURANCE & BUSINESS ETHICS COMMITTEE.** Wood Group shall continue to ensure a SABE Committee exists at the Wood Group Board level populated by both HSE function management and non-executive directors. The SABE Committee shall continue to review Wood Group performance and compliance with Wood Group standards. The SABE Committee shall continue to focus on risk management and assurance and, at least annually, review each of Wood Group’s business units’ individual HSE assurance and improvement plans, objectives, and other key documents. Wood Group shall provide a copy of the annual review to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the review occurred.
- 23. WOOD GROUP HSE MANAGEMENT AND STRATEGIC PLAN.** Wood Group shall also continue to staff a Corporate Head of Health, Safety, Security, and Environment (“CHSSE”) who is responsible for managing its HSE program and implementation of its HSE Strategic Plan. A copy of its HSE Strategic Plan for 2015-2017 is incorporated by reference and attached hereto as Attachment 18.

24. WOOD GROUP HSE TRAINING. Wood Group shall continue to implement global HSE compliance training through the Safety Cocoon, or comparable training program.

A. **Recordkeeping of Training Materials.** Wood Group, at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, shall maintain a “record” of HSE training completed within that entity during the term of the Agreement. The “record” for each training shall include, at a minimum, a copy of the training materials (i.e. slides and/or the training syllabus) used in the training.

B. **Tracking Training.** Wood Group, at every level of Wood Group, its operations as well as its subsidiaries and covered joint ventures, shall track employee completion of HSE training by retaining a documented record of the name and date of HSE training courses completed by each employee.

C. **Review of Training Programs.** Wood Group shall annually review, and revise as appropriate, its HSE training programs in light of new approaches and lessons learned based on training feedback; employee, vendor/subcontractor, and customer feedback; industry trends; Helpline reports; identified areas of compliance weaknesses; and changes in Wood Group’s operations and practices. Wood Group shall provide an annual report to the Wood Group Board Safety & Assurance Committee summarizing this review and any identified revisions. Wood Group, as needed, shall make revisions available on Wood Group’s intranet site or through other appropriate communications channels.

25. WGPSN GoM HSE MANAGEMENT SYSTEM. WGPSN shall continue to comply with Wood Group’s HSE Management System Standard, as well as implement its full suite of GoM management system requirements with respect to the GoM operations. WGPSN shall continue to maintain a full suite of locally specific applicable HSE controls, also known as Safe Work Practices. These formal procedures should continue to include such topics as behavioral based safety, stop work authority, hot work safety, job safety analysis, management of change, and SEMS, and shall be reviewed and updated as necessary. A copy of WGPSN’s current Safe Work Practices are incorporated by reference and attached hereto as Attachment 19. WGPSN shall ensure that EPA and DOI have a copy of the latest version of each Safe Work Practice by submitting any new or updated Safe Work Practice(s) to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the Safe Work Practice(s) was updated.

A. **Accessibility.** WGPSN shall continue to ensure that HSE documents based on Wood Group’s HSE Management System Standard policies are accessible to WGPSN employees in an employee resource center and linked to Wood Group’s training program content.

B. **Resources.** WGPSN shall continue to maintain employees dedicated to:

- i. conducting HSE compliance audits of offshore oil and gas platforms of WGPSN customers based on BSEE’s Potential Incident of Noncompliance checklist;

- ii. be responsible for front-line safety leadership and ensuring a robust safety culture by conducting normal and routine HSE checks, such as safety tours, customer field safety audits to evaluate overall the safety of customer facilities and competence of personnel (both WGPSN and otherwise), and facility inspections; and
 - iii. to participate in safety meetings and crew-change updates, and serve as a general resource to both the client and to WGPSN employees.
- C. **Audits.** WGPSN shall provide a report summarizing the audit work of its HSE employees described above, to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the audit activities occurred.
- D. **HSE Compliance and Safety Initiatives.** WGPSN shall continue to implement the following initiatives related to HSE Compliance and Safety with respect to GoM Operations:
 - i. Competency Assurance Program – a program to ensure personnel are knowledgeable and experienced in the work practices necessary to perform their job in a safe and environmentally sound manner;
 - ii. Safety Observation Cards & Awards – a program that allows employees to share potential or actual safety or compliance violations. Employees are awarded for informative submissions;
 - iii. Advanced Safety Conversation Trackers – a system for tracking one-on-one safety conversations in addition to safety meetings at each crew change;
- E. **WGPSN HSE Standards for Third-Parties.** WGPSN shall also ensure, with respect to its GoM Operations, that third-party contractors and appropriate third parties involved in activities on Offshore Facilities, and who are under the direction and control of WGPSN, are aware of and meet WGPSN's HSE standards or equivalent. WGPSN shall at least annually review and audit the HSE performance of such contractors and appropriate third parties as well as ensure that such contractors and appropriate third parties can demonstrate compliance with Wood Group's HSE performance expectations. WGPSN shall provide a report summarizing its audit activities, as described herein, to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report covering the period in which the audit activities occurred.
- F. **SIMOPS Agreement.** WGPSN shall provide its SIMOPS agreement form to customers in its GoM operations for use with third-party contractors that provide productions services on offshore platforms. A copy of the current version of WGPSN's SIMOPS agreement is incorporated by reference and attached hereto as Attachment 18. Wood Group shall also ensure that EPA and DOI have a copy of the latest version of the SIMOPS agreement by submitting any updated version of the SIMOPS agreement to the EPA and DOI Authorized Representatives as an attachment to the semi-annual report

covering the period in which the document was updated.

G. **WGPSN Global Operations Excellence Program.** WGPSN shall continue implementation of best practices from WGPSN Global's Operations Excellence program, or equivalent practices/processes to its GoM operations as follows:

- i. Health & Safety: Deliver a roadmap and plan to improve the safety culture and embed the WGPSN HSE fundamental practices.
- ii. Assurance: Put in place a formalized suite of processes, practices, and procedures to ensure service consistency and robustness.
- iii. Management Information System: Deliver an integrated "systems of work" that ensure operational efficiency, streamlining and integration with the greater Wood Group business.
- iv. Relationships: Cultivate a regime of formal and semi-formal reviews with WGPSN clients to assess current performance.
- v. Communications: Engage WGPSN staff with better feedback on business performance and change programs.
- vi. People: Build capacity and capability in WGPSN teams to assure business improvements both short-term and long-term.
- vii. Planning and Performance Measurement: Define and deploy a regime of activity planning, monitoring, control and reporting to improve work efficiency and effectiveness.
- viii. Risk Management: Develop formal practices to better define and manage risks in WGPSN operations.

H. **WGPSN Loop Operations.** WGPSN shall continue to:

- i. Retain an adequate number of qualified permanent clerk(s) or similar personnel to improve daily planning and documentation of WGPSN's loop operations. The clerk(s) shall continue to: 1) assist lead operators with daily flight plans and vendor visits; 2) serve as a communications coordinator with field operations; and 3) prepare all related inspection paperwork (e.g. supplying inspection worksheets for operators, inputting inspection data into various electronic databases, and updating compliance tracking spreadsheets).
- ii. Implement WGPSN's loop tracking systems which shall include the following, or equivalent methods or technologies:

- a. daily operator logs;
 - b. a platform tracker;
 - c. a monthly Loop platform visitation tracker; and
 - d. a helicopter and boat platform time tracker.
- iii. Maintain all tracking system data referenced above in an electronic system accessible to WGPSN management.
- iv. Conduct semi-annual audits of the offshore facilities in WGPSN's loop operations, and provide a report summarizing audit activities, as described herein, to the EPA and DOI Authorized Representatives as an attachment to each semi-annual report covering the period in which the audit activities occurred.

26. WGPSN GoM COMPLIANCE AWARENESS AND TRAINING. WGPSN shall continue to provide HSE training to its personnel through an in-house training department that shall continue to offer in-person training modules covering topics such as behavioral-based safety; drug and alcohol prohibition; electrical safety; fire analysis; management of change; PIC responsibilities; SEMS; stop work authority; first aid; WGPSN's Safety Cocoon or comparable training program; and fundamentals of leadership.

- A. **Recordkeeping of Training Materials.** WGPSN shall maintain a "record" of the HSE training completed during the term of the Agreement. The "record" for each training shall include, at a minimum, a copy of the training materials (i.e. slides and/or the training syllabus).
- B. **Tracking Training.** WGPSN shall track its employees' completion of HSE training by retaining a documented record of the name and date of training courses completed by each employee.
- C. **Review of Training Programs.** WGPSN's training department shall continue to create and update all training modules, which are approved by its GoM management. The training programs should be regularly audited by either WGPSN's clients or an independent third-party auditor. WGPSN shall annually review and revise as appropriate its training programs in light of new approaches and lessons learned based on training feedback through the audits; employee, vendor/subcontractor, and customer feedback; industry trends; Helpline reports; identified areas of compliance weaknesses; and changes in WGPSN operations and practices. WGPSN shall set forth a specific timeline for implementation of any modifications or enhancements to its HSE training programs.

27. WGPSN GoM OFFSHORE PROCESS SAFETY. WGPSN will improve its process safety policy development, training, and operations on Offshore Facilities by implementing the following:

- A. No later than sixty (60) days after the effective date of this Agreement, Wood Group must designate the CHSSE and a WGPSN senior corporate officer ("WGPSN Officer") to manage WGPSN's full implementation of the processes, programs, and policies

referenced within Paragraph 27. The CHSSE and the WGPSN Officer must provide an annual report on implementation of the processes, programs, and policies referenced within Paragraph 27, including recommended process safety improvements ("Process Safety Annual Report"), to the SABE Committee, and the EPA and DOI Authorized Representatives.

- B. Improve and promote safety culture on Offshore Facilities, specifically regarding each WGPSN employee's responsibility and duty to exercise Stop Work Authority (as described in 30 C.F.R. § 250.1930) and to refuse to obey without recrimination any order from a supervisor, third-party contractor or WGPSN employee, manager, or superintendent when that order would create an unsafe condition and/or does not fully comply with Wood Group's HSE Management System Standard, WGPSN's Safe Work Practices, applicable policies under the relevant bridging agreement for the Offshore Facility, applicable OCSLA regulations, permits, or other applicable environmental laws. WGPSN must develop and implement an effective system to track all instances in which Stop Work Authority/refusal to obey an unsafe work order is invoked by one of its employees, and annually analyze those instances in the Process Safety Annual Report, and make safety performance improvements in WGPSN's policies and training where necessary.
- C. Improve and promote safety culture on Offshore Facilities, specifically regarding each WGPSN employee's responsibilities for development and/or participation in and compliance with Job Safety Analyses, Hot Work Permits, the Simultaneous Operations Plan, daily safety meetings, Wood Group's HSE Management System Standard, WGPSN's Safe Work Practices, and applicable OCSLA regulations, permits, and other applicable environmental laws, as applicable to the specific job duties of the WGPSN employees on an Offshore Facility. WGPSN must develop and implement an effective system to sample and analyze the sufficiency of WGPSN employee development and/or participation in and compliance with these requirements, annually analyze compliance in the Process Safety Annual Report, and make safety performance improvements in WGPSN's policies and training where necessary.
- D. Improve and promote safety culture on Offshore Facilities, by specifically training WGPSN employees on:
 - i. Job Safety Analyses that identify and focus on individual tasks, clearly and specifically describe the task to be performed, the steps of that task, the safety hazards associated with each step, and the control measures necessary to eliminate or minimize the safety hazards;
 - ii. Hot Work Permits that identify and focus on individual tasks, ensure that a fire watch has been assigned when required by law, and that an individual has been assigned to ensure that the gas detector(s) are present and in working order;
 - iii. PICs duties including that a PIC or an approved qualified alternate PIC attend all WGPSN and contractor safety meetings to assist in identifying hazards and the control measures necessary to eliminate or minimize the safety hazards, review and

approve all Job Safety Analyses and Hot Work Permits, physically observe task sites prior to reviewing and approving Job Safety Analyses and Hot Work Permits, and physically observe the task sites while the work is ongoing to verify compliance with the Job Safety Analyses and Hot Work Permits;

- iv. Position descriptions for WGPSN employees accurately define the position's roles, accountabilities, and requirements for safe conduct on Offshore Facilities and are reviewed and updated every two years.
- E. Prior to the initial commencement of operations for a customer on an Offshore Facility on which WGPSN has been retained to perform work, WGPSN must work with such offshore lessee customer/operator to develop a bridging agreement, and/or other contractual means as required by the SEMS program (30 C.F.R. Part 250, Subpart S), that includes the following: Stop Work Authority (as described in 30 C.F.R. § 250.1930), Ultimate Work Authority (as described in 30 C.F.R. § 250.1931), oil spill response, and the Simultaneous Operations Plan (a plan that defines roles, accountabilities and requirements to safely conduct simultaneous operations). For all existing WGPSN offshore lessee customers/operators, within 6 months of the execution of this Agreement, WGPSN will review the existing bridging agreements and confirm that the above listed concepts are addressed. If the concepts are not addressed, WGPSN will ask the offshore lessee customers/operators to agree to an amended bridging agreement addressing those concepts. WGPSN will report on the results of its efforts regarding the existing WGPSN offshore lessee customers/operators bridging agreements in the first Process Safety Annual Report. WGPSN agrees to upload all SEMS bridging documents to the WGPSN Employee Resource Center to enable access by all WGPSN field personnel. WGPSN must develop an audit program to monitor its compliance with the bridging agreements, other contractual documents, and other relevant SEMS requirements to the extent allowable under its contractual rights with offshore lessee customer/operator, annually analyze the audit results in the Process Safety Annual Report, and make safety performance improvements in WGPSN's policies and training where necessary.
- F. Train all WGPSN operators that are qualified to be designated as PICs on Offshore Facilities on leadership, SEMS (30 C.F.R. Part 250, Subpart S), BSEE's June 2013 Safety Culture Policy Memorandum or any updated issuance, safety meetings, PIC responsibilities, operational excellence, industry change, and HSE compliance. Each WGPSN operator that is qualified to be a PIC on Offshore Facilities must take an in-person PIC training every two years. The PIC training must be reviewed and improved annually based on the recommendations in the Process Safety Annual Report.
- G. Train all WGPSN employees on Offshore Facilities on hazard recognition (including process safety hazards from working around hydrocarbons and from sources of stored energy such as mechanical equipment under tension), Job Safety Analysis, Hot Work processes ("Hot Work" is any process that can be a source of ignition when flammable material is present or can be a fire hazard, e.g., welding), Stop Work Authority (as described in 30 C.F.R. § 250.1930), Ultimate Work Authority (as described in 30 C.F.R. § 250.1931), the role and importance of the Simultaneous Operations Plan, and all other issues important to protecting worker safety and the environment, as applicable to

the specific job duties of the WGPSN employees on an Offshore Facility. Each WGPSN employee on Offshore Facilities must take this training every two years. This training must be reviewed and improved annually based on the Process Safety Annual Report.

- H. Explain, in writing, WGPSN's obligations under this Agreement and the consequences to WGPSN and its employees for failure to comply with the requirements of this Agreement and all applicable federal regulatory requirements pursuant to notice obligations set forth in Paragraph V.2.
- I. In the event that WGPSN identifies a threat of immediate, serious, or irreparable harm to human health or the environment based on the conduct of its offshore lessee customers/operators, employees, or contractors, WGPSN must promptly alert its offshore lessee customers/operators, employees, and contractors and WGPSN will direct its employees and contractors to take specific actions to address the issue to the extent allowable under its contracts with offshore lessees.

28. INDEPENDENT MONITOR. Wood Group, at its sole expense, shall retain an Independent Monitor for the duration of this Agreement who meets the qualifications identified below to perform oversight of this Agreement.

Wood Group shall provide the EPA Authorized Representative with the Independent Monitor's name, telephone number, email address, current position, resume, certification of independence, and a summary of the Independent Monitor's qualifications no later than fourteen (14) calendar days after the effective date of this Agreement. If there is a change in Independent Monitor during the term of this Agreement, Wood Group shall provide the EPA Authorized Representative with the new Independent Monitor's name, telephone number, email address, current position, resume, and a summary of the new Independent Monitor's qualifications fourteen (14) calendar days after obtaining the services of the new Independent Monitor or fourteen (14) calendar days after the prior Independent Monitor's last day, whichever occurs earlier.

Wood Group is responsible for ensuring that the Independent Monitor retained pursuant to this Agreement meets the qualifications below. Wood Group's failure to retain the services of an Independent Monitor who meets the qualifications identified below will be considered a material breach of this Agreement.

The qualifications of the Independent Monitor shall include sufficient education, training and experience in the regulatory and industry standards applicable to the systems and procedures referenced in this Agreement and attachments necessary to determine Wood Group's compliance with this Agreement. The Independent Monitor shall communicate with both the EPA and DOI Authorized Representatives with respect to SEMS compliance and will review SEMS audit reports. The Independent Monitor shall be qualified to evaluate compliance with the terms of this Agreement, including any agreements or programs incorporated herein. The Independent Monitor may consult with outside experts in furtherance of the monitoring.

Wood Group shall require the Independent Monitor to review this Agreement, its attachments, and any other documentation Wood Group or the Independent Monitor believes necessary, in order to develop a monitoring work plan or program to be performed by the Independent Monitor, in accordance with the scope and provisions of this Agreement, as soon as possible, but no later than (14) calendar days after retaining the services of the Independent Monitor. Wood Group shall provide the EPA Authorized Representative with a copy of the Independent Monitor's work plan and methodology for developing the work plan no later than thirty (30) calendar days after the effective date of this Agreement.

Although it is Wood Group's responsibility to obtain the services of a qualified Independent Monitor meeting the requirements established above in order to perform the responsibilities discussed herein, if the EPA has any concerns with the qualifications or performance of the Independent Monitor, the EPA will raise those concerns to Wood Group in writing. It is Wood Group's responsibility to take appropriate corrective action to address the EPA's written concerns. Wood Group's failure to adequately address the EPA's written concerns within thirty (30) days of the EPA providing notification of such concerns to Wood Group may be considered a material breach of this Agreement.

Note: The EPA has no contractual or other relationship with the Independent Monitor nor any privity of contract with the Independent Monitor. The contractual relationship is solely between the Independent Monitor and Wood Group.

- A. **Nature of Employment.** Wood Group shall retain the Independent Monitor as an independent check upon Wood Group's and WGPSN's compliance with this Agreement. Wood Group shall ensure that the Independent Monitor is not an agent of Wood Group or WGPSN or the EPA, and his or her work pursuant to this Agreement is not subject to Wood Group's or WGPSN's assertion of the attorney-client or work product privilege doctrines. Wood Group shall ensure that the Independent Monitor is an independent party who is appropriately certified, licensed and qualified to perform the responsibilities discussed herein and who has had no previous business relationship with Wood Group or WGPSN. Wood Group shall require the Independent Monitor to make available to the EPA, upon request, information and supporting documentation related to the Independent Monitor's performance under this Agreement. Wood Group shall require the Independent Monitor to provide the EPA with the requested information and documentation within fourteen (14) days of the EPA's request.
- B. **Annual Certification of Independence.** Wood Group shall require the Independent Monitor to provide an affidavit to Wood Group, upon initial selection of the Independent Monitor and upon each anniversary of the effective date of this Agreement, certifying that the Independent Monitor has no financial, professional, personal, familial or other interest that would create an actual or apparent conflict of interest with Wood Group or WGPSN, Wood Group's or WGPSN's employees, or affiliates, other than that arising from the appointment as the Independent Monitor. The affidavit must also certify that his or her representation of any other client will not create an actual or apparent conflict of interest in fulfilling his or her responsibilities as Independent Monitor. Wood Group shall provide a copy of the certification to the EPA at the time of providing initial notification

to the EPA Authorized Representative of Wood Group's selection of an Independent Monitor as discussed above, and within fourteen (14) days of each anniversary of the effective date of this Agreement during the Independent Monitor's tenure.

- C. **Particular Duties.** Wood Group shall require the Independent Monitor to review Wood Group's and WGPSN's reports required under this Agreement and certify Wood Group's and WGPSN's compliance with the terms of this Agreement during the reporting period. Wood Group and WGPSN shall provide the Independent Monitor with the same access to materials and employees as Wood Group and WGPSN provide the EPA Authorized Representative pursuant to "V.7." of this Agreement. In addition, Wood Group and WGPSN will use its best efforts to have its managers and employees cooperate fully and meet with the Independent Monitor. The employee may be represented personally by his own counsel, a union representative, or other representative not associated with a Respondent if requested by the employee. The employee may also decline to be interviewed. The Independent Monitor will be empowered to offer anonymity to all persons he or she interviews, absent a concern for injury to persons, threats against life or property, or the receipt of information that cannot be otherwise independently verified or developed. Wood Group and WGPSN shall also provide to the Independent Monitor all materials required by this Agreement to be provided to the EPA Authorized Representative in section "IV." Wood Group shall require the Independent Monitor to provide its certification to Wood Group and WGPSN, and simultaneously provide a copy to the EPA, no later than thirty (30) calendar days after receipt of Wood Group's and WGPSN's report.

In addition, during the term of this Agreement, Wood Group shall require the Independent Monitor to perform an annual review of Wood Group's and WGPSN's compliance with the Agreement and submit its findings to Wood Group, WGPSN, EPA, and DOI in an annual report within thirty (30) calendar days of each anniversary of the effective date of this Agreement. Wood Group and WGPSN shall ensure that the Independent Monitor receives a copy of any document submitted to EPA pursuant to this Agreement. Wood Group shall require the Independent Monitor to annually review Wood Group's and WGPSN's reports, any supporting documentation, and any other documentation required pursuant to this Agreement, in order to prepare the annual report for Wood Group and WGPSN evaluating Wood Group's and WGPSN's compliance with this Agreement and recommending any changes that seem appropriate. Wood Group shall direct the Independent Monitor to simultaneously issue the annual report to Wood Group and WGPSN, as well as the EPA and DOI Authorized Representatives without first discussing its proposed conclusions with Wood Group or WGPSN. After review of the annual report, EPA or DOI, at its discretion, may provide additional recommendations from the report to Wood Group and/or WGPSN for implementation. If no such recommendations are provided by EPA or DOI, Wood Group and WGPSN have the discretion to implement the recommendations from the report and shall provide an action plan for implementing any recommended changes to EPA, DOI, and the Independent Monitor within sixty (60) calendar days of receipt of such recommendations.

Wood Group shall require the Independent Monitor to perform an on-site audit of this Agreement and simultaneously submit its findings and any recommendations to Wood Group, WGPSN, EPA, and DOI in a report within thirty (30) calendar days of the nine (9) month anniversary of the effective date of this Agreement. Wood Group shall direct the Independent Monitor to submit the results of its audit within twenty-one (21) calendar days from completion of the on-site audit. Wood Group and WGPSN will address any recommendations with a corrective action plan in its next quarterly report and will provide updates on its progress on each outstanding item in subsequent quarterly reports until all such recommendations have been implemented.

Wood Group shall require the Independent Monitor to conduct a follow-up review, limited to Wood Group's and WGPSN's completion of the items on the corrective action plan based on AMI's recommendations (Attachments 9 and 10), and issue a final report no later than sixty (60) calendar days prior to the end of the Agreement. Wood Group shall require the Independent Monitor to include in the final report a detailed description of the methodology used to create the final report and Wood Group shall require the Independent Monitor to issue the final report simultaneously to Wood Group and WGPSN, as well as the EPA and DOI Authorized Representatives. Wood Group shall require the Independent Monitor to certify whether or not Wood Group and WGPSN have fully implemented the corrective action plan in the final report.

- 29. REPORTS.** Semi-annually, beginning from the effective date of this Agreement, Respondents' Authorized Representative(s) shall prepare and submit a written report to the EPA and DOI Authorized Representatives describing the measures taken by Respondents during the previous six (6) month period to ensure compliance with this Agreement. The initial report shall be received by the EPA and DOI Authorized Representatives within fourteen (14) calendar days of the six (6) month anniversary of the execution of this agreement. Subsequent reports shall be received within fourteen (14) calendar days of each six (6) month anniversary up to the final report. The final report shall be received by the EPA and DOI Authorized Representatives no earlier than sixty (60) and no later than thirty (30) days prior to the end of the Agreement. Respondents' failure to meet these requirements on or before the dates agreed to may constitute a breach of this Agreement.

This reporting requirement does not in any way waive Respondents' obligations to submit reports pursuant to any other section in this Agreement or requirements of the Federal Acquisition Regulation (FAR) 9.406-2 (b)(1)(vi) and 9.407-2 (a)(8), if applicable, or any other statutory, regulatory, and government agreement reporting requirement.

Respondents understand that DOI may occasionally request records that the Respondents are required to submit to EPA pursuant to this agreement. Respondents authorize EPA to share such records with DOI. This consent to disclose records to DOI includes the disclosure to DOI of records that Respondent(s), as an affected business, may claim as Confidential Business Information, in accordance with 40 C.F.R. § 2.209(f).

The semi-annual reports shall include but not be limited to the following information covering the period of time since the submission of the last semi-annual report, or for the

initial semi-annual report, since the effective date of the Agreement;

- A. A copy of the latest version of the BEP and Core Values covering the period in which the document(s) was updated, pursuant to Paragraph IV.2.C;
- B. A copy of the latest version of the “Ethics and Compliance Update: The New Wood Group Business Ethics Helpline,” pursuant to Paragraph IV.7.A;
- C. A summary of the results of Wood Group’s Helpline trend analysis covering the period in which the trend analysis report was created, pursuant to Paragraph IV.7.A.ii;
- D. A copy of the latest version of the Ethics Investigation Process covering the period in which the document was updated, pursuant to Paragraph IV.7.C;
- E. A copy of Wood Group’s performance appraisal standard covering the period in which each enhancement was made, pursuant to Paragraph IV.10;
- F. A copy of the latest version of the “Blue Book” covering the period in which the document was updated, pursuant to Paragraph IV.15;
- G. A summary of Wood Group’s annual review and audit of the HSE performance of third-party contractors and appropriate third parties who are under the direction and control of WGPSN covering the period in which the audit activities occurred, pursuant to Paragraph IV.17;
- H. A copy of the annual review of the SABE Committee’s business units’ individual HSE assurance and improvement plans, including a statement of any problems or weaknesses, corrective action proposed or initiated, and the status of any corrective action covering the period in which the annual review occurred, pursuant to Paragraph IV.18;
- I. A copy of the latest version of the SIMOPS agreement covering the period in which the document was updated, pursuant to Paragraph IV.21.F;
- J. A copy of the latest version of each Safe Work Practice covering the period in which the Safe Work Practice(s) was updated, pursuant to Paragraph IV.21;
- K. A report summarizing the audit work of its HSE employees described in Paragraph IV.21.B covering the period in which the audit activities occurred, pursuant to Paragraph IV.21.C;
- L. A summary of WGPSN’s review and audit of the HSE performance of contractors and appropriate third parties covering the period in which the audit activities occurred, pursuant to Paragraph VI.21.E;
- M. The initiation of and status of any ongoing investigation of, legal proceedings, or non-routine Federal audits involving a Respondent, including times, places, and subject matter

of search warrants, subpoenas, criminal charges, criminal or civil agreements, etc. as defined in Paragraph V.4;

- N. Entries in the Business Ethics Register relating to suspected misconduct during the reporting period. Any other records relating to suspected misconduct which there are reasonable grounds to believe may constitute a violation of criminal or civil law or a state or federal administrative action or agreement during the reporting period must also be included. This does not affect any other reports or records, which are required to be disclosed pursuant to Federal laws and/or regulations. For purposes of this clause, Respondents' semi-annual report may summarize the misconduct reported as long as the summary includes the facts of each matter, stating the date and source (generically identified only as employee, consultant, outsider, etc.), medium of the report, the date and nature of the reported conduct, an overview of the type and results of any internal investigation, corrective and/or disciplinary action and date of feedback to the source of the information. Matters pending resolution at the time of a reporting period shall continue to be reported until final resolution of the matter is reported. If the company has received no reports, Respondents shall report that fact. Respondents' complete files on each case shall be made available to the EPA and DOI Authorized Representatives upon request; and
- O. A summary and supporting documentation, if applicable, to demonstrate compliance with each term of this Agreement for the period of time covered by the report.

30. ACKNOWLEDGEMENT. By its endorsement of this Agreement, Wood Group and WGPSN acknowledge the facts related to the actions of WGPSN and its employees as stated in the Preamble herein, are true and constitute grounds for suspension, debarment and/or statutory disqualification of the company.

31. COMPLIANCE WITH TERMS OF JUDGMENTS. On February 23, 2017, the U.S. District Court for the Western District of Louisiana entered Judgments against WGPSN at the sentencing in the matter of *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.) and in the matter of *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.). The Judgments, and all attachments (hereinafter "Judgments") in each of the criminal cases have been previously marked as Attachments 3 and 6 and, as stated above, are incorporated by reference.

- A. Violation of the Terms and Conditions of Judgments. Wood Group and WGPSN shall notify the EPA Authorized Representative and the Independent Monitor within ten (10) days of Wood Group's and/or WGPSN's discovery of any violation of the Terms of Probation.
- B. WGPSN's violation of the terms and conditions of the Judgments, as determined by the United District Court for the Western District of Louisiana, may constitute a breach of this Agreement. Revocation of WGPSN's probation by the United District Court for the Western District of Louisiana shall constitute material breach of this Agreement.

- C. WGPSN shall submit to the EPA Authorized Representative and the Independent Monitor any correspondence WGPSN is required to submit to the United States government (e.g. U.S. Attorney, U.S. Probation Office, U.S. EPA, etc.) pursuant to the terms and conditions of the Judgments, which have been incorporated into this Administrative Agreement with EPA.

No terms of this Agreement are meant to conflict with the terms of the Plea Agreements and/or Judgments. To the extent that any requirements of this Agreement conflict with the Terms of the Plea Agreements and/or Judgments, Wood Group and/or WGPSN shall provide notice to the EPA Authorized Representative and the Independent Monitor of such conflict, and the Terms of Probation shall take precedence over and preempt the requirements of this Agreement.

32. COMPLIANCE WITH OTHER AGREEMENTS. Wood Group and WGPSN shall comply with all terms and conditions of any agreement to resolve a state, local, or federal civil or administrative matter (e.g. Consent Decree, Consent Agreement and Final Order, Administrative Order, etc.) related to the facts and circumstances of the West Delta 32 Incident and Creole Loop Matter as set forth in the Preamble. Wood Group and WGPSN shall notify the EPA Authorized Representative within ten (10) days of finalizing such an agreement. Wood Group and WGPSN shall provide the EPA Authorized Representative a copy of any such agreement at the time of notification, which shall be incorporated into this Agreement

- A. The Parties agree that any violation of the terms or conditions of an agreement to resolve a state, local, or federal civil or administrative matter related to the facts and circumstances of the West Delta 32 Incident and Creole Loop Matter as set forth in the Preamble, which has been incorporated into this Agreement, may be reviewed by the EPA to determine whether such violation rises to the level of a material breach of this Agreement.
- B. Wood Group and WGPSN shall notify the EPA Authorized Representative of any violation of the terms or conditions of an agreement to resolve a state, local, or federal civil or administrative matter related to the facts and circumstances of the West Delta 32 Incident and Creole Loop Matter as set forth in the Preamble, which has been incorporated into this Agreement, within ten (10) calendar days of discovery of such violation or compliance failure by Respondent's management.
- C. Wood Group and WGPSN shall submit to the EPA Authorized Representative and the Independent Monitor any correspondence Respondent is required to submit to the United States government (e.g. U.S. Attorney, U.S. Probation Office, U.S. EPA, etc.) pursuant to the terms of any agreement to resolve a state, local, or federal civil or administrative matter related to the facts and circumstances of the West Delta 32 Incident and Creole Loop Matter as set forth in the Preamble, which has been incorporated into this Agreement.

V. GENERAL PROVISIONS

1. **LEP EMPLOYEES.** Respondents will reduce language barriers for its employees that are limited English proficient (who do not speak English as their primary language and who have a limited ability to read, speak, write or understand English) by providing the LEP employees with language assistance services for the written materials, notices, and/or training required under this Agreement. Language assistance services may include, but are not limited to, translation of documents, oral interpretation services, bilingual staff, or written language services.
2. **NOTIFICATIONS.** Respondents will notify all employees involved in its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403 of the fact and substance of this Agreement, the nature of the wrongdoing leading to this Agreement, and the importance of each employee abiding by the terms and conditions of this Agreement and all requirements of law, regulations, and Respondent's policies and procedures during the term of the Agreement via email with a link to the Agreement on Respondents' intranet sites (or any other effective method where internet access is not available) and posting notification and the Agreement on Respondents' intranet sites. New employees shall be notified via Respondents' intranet site as part of the new employee training provided upon employment prior to commencement of any offshore work, within ten (10) calendar days of their employment with any Respondent.

Respondents may also provide employees involved in its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403 such notification of this Agreement by posting the Agreement in the Respondents' employee break areas or other similar common areas normally used to post notices for employees, if such areas exists.

If posting this Agreement on the Respondents' intranet and common areas as set forth herein does not ensure access to all employees involved in its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403, Respondents shall send this Agreement to all employees and principals involved in its GoM Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403 and obtain written and signed documentation from each of these employees certifying that each employee reviewed and understands the Agreement.

As an alternative to the above, Respondents may also incorporate notice of this Agreement into training to employees involved in its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or

“principal” within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be “contractors” as defined at FAR 9.403 and obtain written and signed documentation from each employee certifying that each employee reviewed and understands the Agreement.

3. **CORPORATE OFFICIALS’ CERTIFICATION.** WGPSN’s President shall certify annually that WGPSN is in compliance with all terms and conditions of this Agreement. Wood Group’s CEO shall certify annually that Wood Group is in compliance with all terms and conditions of this Agreement.

4. **REPORTS OF LEGAL PROCEEDINGS AND GOVERNMENT INVESTIGATIONS.** Respondents represent to the EPA that, to the best of their knowledge, with the exception of the matters described herein or otherwise disclosed to the EPA, neither they nor any of their principals or affiliates is currently under criminal, civil investigation, or non-routine audit by any governmental entity.

In addition to any periodic written reports, Respondents shall notify the EPA Authorized Representative as soon as possible, and no later than ten (10) calendar days after Respondents become aware of:

- A. The initiation or continued development of any criminal or civil investigation by any U.S. governmental entity involving allegations of any violation(s) of state or federal environmental laws, Foreign Corrupt Practices Act, OCSLA, false statements, false claims, corruption, conflict of interest or antitrust violations, if Respondents have reason to believe that it or any of its principals, affiliates, employees, or agents is a target or subject of such investigation. “Initiation or continued development” in a criminal matter includes, but is not limited to, the issuance of a subpoena, the execution of a search warrant, or formal charges. “Initiation or continued development” in a civil matter includes, but is not limited to, the commencement of discovery, depositions, the issuance of administrative subpoenas, administrative adjudication, and the issuance of show cause orders;
- B. Initiation of any legal action in the courts of the U.S including, but not limited to, qui tam actions or citizen suits against Respondents or any of their principals, affiliates, employees, or agents by any entity alleging violations of any state or federal environmental laws, the Foreign Corrupt Practices Act, OCSLA, false statements to government authorities or public filings, including filings required by U.S. security laws, false claims for government reimbursement, corruption, conflict of interest, or anti-trust violations;
- C. Criminal charges, civil law suits, or administrative proceedings, including suspension or debarment actions, brought by any governmental entity against Respondents or any of their principals, affiliates, employees, or agents, in a matter relating to the business of Respondents; or
- D. Any conviction or guilty plea, nolo contendere plea, deferred prosecution agreement, pre-trial diversion agreement, civil judgment or civil consent decree with a governmental

entity in which the Respondents or any of their principals, affiliates, employees, or agents are parties in a matter relating to the business of Respondents.

- 5. REPORTS OF NONCOMPLIANCE OR MISCONDUCT.** Respondents shall report to the EPA Authorized Representative, as soon as possible and no later than ten (10) calendar days after a new entry is placed on Wood Group's Business Ethics Register relating to Respondents' business with a governmental entity. For all other noncompliance with this Agreement (including HSE requirements) or suspected misconduct which there are reasonable grounds to believe may constitute a violation of criminal or civil law or a state or federal administrative action or agreement when such misconduct is in any way related to the Respondents' business with a governmental entity, Respondent will report to the EPA Authorized Representative as soon as possible and no later than ten (10) calendar days after discovery. The misconduct to be reported pursuant to this provision includes misconduct by Respondents' employees, affiliates, agents or contractors, as related in any manner to Respondents' business with a governmental entity.

Respondents will investigate all reports of such misconduct that come to its attention and will notify the EPA Authorized Representative of the outcome of such investigations and any potential or actual impact of the misconduct on any aspect of Respondents' business with a governmental entity. Respondents will take corrective action, including prompt restitution when established by a court or a tribunal with competent jurisdiction or agreed upon between the parties for any harm to the governmental entity. Respondents will include summary reports of the status of each such investigation to the EPA Authorized Representative in the reports submitted pursuant to this Agreement until each matter is finally resolved. This requirement does not in any way waive Respondents' obligations to submit reports pursuant to any other section in this Agreement or requirements of the Federal Acquisition Regulation (FAR) 9.406-2 (b)(1)(vi) and 9.407-2 (a)(8), if applicable, or any other statutory or regulatory reporting requirement.

- 6. SCHEDULE OF AUDIT REPORTS.** Respondents agrees to semi-annually, beginning from 30 days of the effective date of this Agreement, provide the EPA and DOI Authorized Representatives with a schedule of all internal and independent outside audit reports, relating to: (a) environmental compliance; (b) health and safety compliance; and (c) corporate integrity and business ethics. The semi-annual schedule of audit reports shall include a description of the audit, the name and contact information of the auditor and, when applicable, dates or proposed dates of the audits.

- 7. GOVERNMENT AUDITS AND ACCESS TO RECORDS AND INFORMATION.** In addition to any other right the Federal Government may have by statute, regulation, agreement, or contract, upon reasonable notice (minimum five (5) business days), the EPA Authorized Representative may examine Respondents' books, records, and other company documents and supporting materials for the purpose of verifying and evaluating Respondents' compliance with the terms and conditions of this Agreement, including:

- A. Respondents' business conduct in its dealings with all of its customers, including the Federal Government;

- B. Respondents' compliance with federal laws, regulations, and procurement policies and with accepted business practices; and
- C. Respondents' compliance with the requirements of covered transactions under the Nonprocurement Common Rule (2 CFR Part 180) or any transaction covered under the Federal Acquisition Regulation (48 CFR Chapter 1), as applicable.

The materials described above shall be made available by Respondents at all reasonable times for inspection, audit, or reproduction. Further, for purposes of this provision, the EPA Authorized Representative may interview any of Respondents' employees at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed between the employee and the EPA Authorized Representative. Respondent will use its best efforts to have its managers and employees cooperate fully and meet with the EPA Authorized Representative, without representatives of Respondent or its counsel present. Employees will be interviewed without a representative of Respondent or Respondent's principals being present. The employee may be represented personally by his own counsel, a union representative, or other representative not associated with a Respondent if requested by the employee. The employee may also decline to be interviewed.

As an alternative to an on-site audit of Respondents' compliance with the terms and conditions of this Agreement, the EPA may, at its sole election, conduct an audit electronically or by mail in which instance Respondents shall provide documentation of its compliance with this Agreement including but not limited to providing copies of documentation maintained as required in this Agreement and such additional documentation and/or certifications as may be requested by the EPA.

- 8. SALE OF THE RESPONDENTS' BUSINESSES.** The sale or transfer of ownership of Respondent's business or any divisions, subsidiaries, covered joint ventures, affiliates, business units, facilities, offices or other corporate components shall not be executed as an artifice to avoid being subject to the Agreement. The terms, conditions and obligations of this Agreement shall survive a merger or acquisition of the Respondents' business or other reorganization of Respondent's corporate structure and shall be fully binding upon any organization which is successor in interest. However, this Agreement is not intended to restrict the lawful and legitimate sale of assets through an arm's length transaction and would not bind an asset purchaser who purchases substantially less than all of Respondent's assets through an arm's length transaction.

In the event that all or a substantial portion of Respondent's business or any divisions, subsidiaries, covered joint ventures, affiliates, business units, facilities, offices, or other corporate components are purchased by an asset purchaser through an arm's length transaction, Respondent shall send notification to the EPA Authorized Representative no less than fourteen (14) calendar days prior to the proposed date of sale. The notification, which the EPA Authorized Representative will provide to the EPA Suspension and Debarment Official (SDO), shall be signed and dated, and shall state in writing: the date of the planned sale; the name(s), address(es), and contact person(s) representing the purchaser(s) on the sale;

and a specific description of subject business or property being sold.

- 9. THE RESPONDENTS' PURCHASE OF BUSINESSES.** In the event that Respondents purchase or establish new business units after the effective date of this Agreement, Respondents shall implement all provisions of this Agreement to the new business units, including any training or education requirements, within ninety (90) calendar days following such purchase or establishment. Should Respondents be unable to implement fully such provisions, training or education requirements within ninety (90) calendar days, Respondents shall notify the EPA Authorized Representative in writing, and shall propose a timeline for the complete implementation of the provisions of this Agreement to the new business units, which will be subject to the EPA SDO's approval. The Respondents shall be notified of the EPA SDO's decision on the implementation plan within thirty (30) calendar days of their receipt of the plan.

If, during the period covered by this Agreement, Respondents acquire or gain control of any business concern, which performs or may perform work on projects funded under covered transactions under 2 C.F.R. Part 180 or transactions governed by the FAR, the EPA Authorized Representative shall be notified within ten (10) calendar days of the acquisition. Such notice shall state the name, address, nature of the business concern, and any work it has done for any government entities over the last year.

- 10. RESTRUCTURING OR ACQUISITION OF NEW BUSINESSES.** Respondents shall not, through a change of name, business reorganization, restructuring or realignment, sale or purchase of assets, or similar action, seek to avoid the obligations and conditions set forth in this Agreement.

- 11. HIRING NEW EMPLOYEES.** Prior to hiring any new employees with respect to its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403, Respondents shall make reasonable inquiry into the status of that employee which, at a minimum, shall include a review of the System for Award Management (SAM) or any successor system as maintained by the General Services Administration (GSA) on the internet (<https://www.sam.gov/>) for federal procurement and nonprocurement programs. The results from all SAM searches shall be kept in Respondents' records. Respondents are not, however, required to decline to employ prospective employees who are suspended, debarred, proposed for debarment, or otherwise ineligible as prescribed by any governmental entity debarment program. However, Respondents will ensure that such employees have no responsibility for, or involvement with, Respondents' business affairs related in any manner whatsoever with federal procurement and nonprocurement programs, as applicable, until the final resolution of such suspension, proposed debarment, debarment, or statutory disqualification.

- 12. EXISTING EMPLOYEES.** Respondents shall conduct a SAM search on all existing employees in its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR

9.403 within ninety (90) calendar days of the effective date of this Agreement. Respondent is not, however, required to terminate the employment of employees who are or become suspended, debarred, proposed for debarment, or otherwise ineligible as prescribed by any governmental entity debarment program during their employment with Respondents. However, Respondents will remove such employees from responsibility for, or involvement with, Respondents' business affairs related in any manner whatsoever with federal procurement and nonprocurement programs, as applicable, until the conclusion of such suspension, proposed debarment, debarment, or statutory disqualification.

In addition, if Respondents become aware that any employee with respect to its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403 of Respondent is charged with a criminal offense relating to business or otherwise relating to honesty or integrity, Respondents will remove that employee immediately from responsibility for, or involvement with Respondents' business affairs as related in any manner to a governmental entity.

If Respondents become aware that an employee with respect to its U.S. Operations as well as any employees outside of its U.S. Operations who may be contractors or representatives to a "participant" or "principal" within the meaning of 2 C.F.R. §§ 180.980 and 180.995 or may be "contractors" as defined at FAR 9.403 is suspended, debarred, and/or statutorily disqualified, Respondents shall notify the EPA and DOI Authorized Representatives of such action and the reasons therefore, and whatever personnel action Respondents may have taken against the employee, within ten (10) calendar days of the Respondents' knowledge of the suspension, debarment, and/or disqualification action.

13. TRANSACTIONS WITH SUSPENDED, DEBARRED, OR DISQUALIFIED

PERSONS. Prior to entering into a new covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180), any transaction covered under the FAR (48 C.F.R. Chapter 1), or renewing/exercising options to extend or otherwise extending such a transaction, Respondents shall review the SAM (www.sam.gov) to identify any person that would be a participant, contractor, or principal in that transaction that may be currently excluded or disqualified from participation in such transaction as defined at II.14. Unless otherwise stated herein, Respondents shall not knowingly enter into any new covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180), any transaction under the FAR (48 C.F.R. Chapter 1), or renew/exercise options to extend or otherwise extend such a transaction with a person listed on the SAM as debarred, suspended, proposed for debarment, or otherwise ineligible (as defined at II.14).

In addition, if a possible match is identified, Respondents shall require the person to certify in writing as to its status on the SAM. Respondents shall keep a paper copy of all search results and certifications that are required pursuant to this provision.

A. Exceptions for Covered Transactions.

- (1) **EPA Covered Transactions.** Respondents may enter into an EPA covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) with a suspended or debarred person if: 1) Respondents submit to the EPA Authorized Representative in writing the compelling reasons that justify entering into a business transaction with a person listed on the SAM as soon as possible, but not later than sixty (60) calendar days prior to the date that the Respondents propose to enter into such transaction; and 2) the EPA SDO approves the request for an exception to enter into the transaction. The EPA Authorized Representative shall notify the EPA SDO of the request. The EPA SDO shall respond to the request within forty-five (45) calendar days of receipt of the request from the EPA Authorized Representative. Unless otherwise indicated in writing by the EPA Authorized Representative, each request must be made on a transaction by transaction basis. If the EPA SDO does not approve the exception request and Respondents enter into an EPA covered transaction, the EPA may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend Respondents, or take other remedies as appropriate.
- (2) **Other Federal Agency Covered Transactions.** Respondents may not enter into a covered transaction with an excluded person unless the Federal Agency responsible for the transaction grants an exception under 2 C.F.R. § 180.135. Respondents shall notify the EPA Authorized Representative of any such exception requests within (30) calendar days of the request to the Federal Agency and shall provide the EPA Authorized Representative with a copy of the exception approval, if granted, within ten (10) calendar days of receipt of the exception approval.

B. Requirements for Transactions Covered Under the FAR. Respondents with federal contracts covered under the FAR and subject to FAR 9.405-2 and FAR 52.209 shall provide the EPA Authorized Representative with a copy of the written notification provided to the applicable Contracting Officer within ten (10) calendar days of the notification to the Contracting Officer.

14. FUTURE MISCONDUCT DURING AGREEMENT. In matters unrelated to the misconduct stipulated herein, the EPA may find that the Respondents have materially breached this Agreement based on any misconduct which occurs during the period of the Agreement that leads to any action taken pursuant to 2 C.F.R. § 180.700, 2 C.F.R. § 180.800, or 48 C.F.R. Part 9, Subpart 9.4.

15. RESPONDENTS' LEGAL OBLIGATIONS. Nothing in this Agreement shall be deemed to limit or affect Respondents' obligations under any federal, state or local law or regulation, nor does this Agreement limit in any manner the EPA's ability to enforce any law or regulation within the EPA's jurisdiction.

16. UNALLOWABLE COSTS. Respondents agree that costs, as defined in FAR 31.205-47 or described at 2 C.F.R. § 200.402, that arise from or are related to this Agreement, and that are incurred by, for, or on behalf of Respondents or any of Respondents' current or former officer(s), director(s), agent(s), employee(s), consultant(s), or affiliate(s), shall be expressly unallowable costs for covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1). Unallowable costs include, but are not limited to, costs arising from, related to, or in connection with:

- A. The matters at issue herein;
- B. The Government's criminal and civil investigations regarding the matters at issue herein; and
- C. The EPA's review of Respondents' present responsibility, including but not limited to the costs of the Respondents' submissions, presentations, and appearances before the EPA Suspension and Debarment Program offices.

Respondents' costs of performing, implementing, and administering the terms and conditions of this Agreement, the costs incurred by the Independent Monitor, and any fines or penalties levied or to be levied in or arising out of this Agreement, are agreed to be expressly unallowable costs. Also unallowable are Respondents' costs of bringing Respondents' self-governance, compliance, and/or ethics programs to a level acceptable to the EPA. Respondents agree to account separately for such costs. Respondents' costs of maintaining, operating, and improving Respondents' corporate self-governance/compliance/ethics programs that are incurred after expiration of this Agreement, may be allowable costs.

Respondents agree to treat as unallowable costs the full salary and benefits of any officer, employee, or consultant terminated from Respondents' employ or removed from participation in covered transactions (2 C.F.R. Part 180) or transactions covered under the FAR (48 C.F.R. Chapter 1) as a result of the wrongdoing at issue here and the cost of any severance payments or early retirement incentive payments paid to employees released from the Respondents' employ as a result of the wrongdoing at issue here. For purposes of the preceding sentence, the salary and benefits costs shall include all such costs from the first instance of participation of each individual in the matters at issue here, as determined by the EPA Authorized Representative.

Respondents recognize that in order to comply with the terms and conditions of this paragraph, certain costs may need to be reclassified. Respondents shall proceed immediately to identify and reclassify such costs and, within ninety (90) calendar days of the effective date of this Agreement, Respondents shall adjust any bid rate, billing rate, or unsettled final indirect cost rate pools to eliminate any costs made unallowable by this Agreement, and shall advise the EPA Authorized Representative, the cognizant administrative contracting officer or award official, and the cognizant Government auditor of the amount and nature of the reclassified costs within one hundred and twenty (120) calendar days of the date of this Agreement. The EPA Authorized Representative or a designated representative shall have the right to audit Respondents' books and records to verify compliance with this paragraph. Such

audit rights shall be in addition to any audit rights the Government may have under the terms of any covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1) with Respondents.

17. ADVERSE ACTIONS. Respondents aver that adverse actions taken, or to be taken by it against any employee or other individual associated with Respondents arising out of or related to the wrongdoing at issue herein were solely the result of Respondents' initiatives and decisions and were not the result of any action by, or on behalf of, agents or employees of the United States.

18. BREACH OF AGREEMENT/SURVIVAL OF CAUSE FOR DEBARMENT.

Respondents' failure to meet any of its obligations pursuant to the terms and conditions of this Agreement or any agreement specifically incorporated herein, if determined by the SDO to be a material breach of this Agreement, shall constitute a separate cause for suspension and/or debarment. Repeated violations of non-material provisions of this Agreement may cumulatively constitute a material breach of the Agreement. The underlying causes for debarment survive the execution of this Agreement and the EPA may initiate suspension or debarment proceedings against the Respondents or statutorily disqualify the Respondents on these grounds if there is a breach of this Agreement. Nothing in this provision or this Agreement shall be construed as a waiver of any legal rights of Respondents to contest the SDO's determination of materiality.

19. RESOLUTION OF DEBARMENT, SUSPENSION, OR STATUTORY

DISQUALIFICATION. Provided that the terms and conditions of this Agreement are fulfilled, EPA will not suspend, debar, or statutorily disqualify the Respondents and will lift any existing suspension, debarment or statutory disqualification, as applicable, based on the facts and circumstances set forth in the Preamble herein. The EPA SDO's decision, which is based upon the facts at issue here, shall not restrict the EPA or any other Federal Agency from instituting administrative actions, including, without limitation, suspension, debarment or statutory disqualification should:

- A. Other information indicating the propriety of such action come to the attention of the EPA or such other Federal Agency; or
- B. Additional information concerning the facts at issue here is discovered by the EPA or such other Federal Agency and was not disclosed by Respondents.

The EPA SDO will lift the existing statutory disqualification and resolve any discretionary suspension and debarment matter arising from the facts and circumstances set forth in the Preamble herein. This Agreement relates solely to suspension, debarment and statutory disqualification issues, pursuant to 48 C.F.R. Part 9, Subpart 9.4 and 2 C.F.R. Part 180 as implemented by 2 C.F.R. § 1532 and 1400, in conjunction with the circumstances recited herein and in no way waives any criminal, civil, contractual, or administrative remedy or right which the Government may have for the circumstances so described in this Agreement.

- 20. NOTICE OF DEBARMENT PROCEEDINGS.** Respondents hereby waive all further notice and opportunity for hearing to which it may otherwise be entitled to except that Respondents shall receive such notice(s) as it would otherwise be entitled if provisions "V. 18" or "V. 19" are invoked or if a subsequent suspension or debarment action is initiated pursuant to 48 C.F.R. Subpart 9.4 and 2 C.F.R. Part 180 as implemented by 2 C.F.R. Part 1532 or by any other agency or department.
- 21. RELEASE OF LIABILITY.** Respondents hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims arising out of or related to the investigations, criminal prosecution, or the suspension, proposed debarment, or debarment of Respondents or the discussions leading to this Agreement.
- 22. PRESENT RESPONSIBILITY.** By entering into this Agreement, the EPA is not determining that Respondents are presently responsible for any specific covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) or transactions covered under the FAR (48 C.F.R. Chapter 1). Respondents' compliance with the terms and conditions of this Agreement may be a relevant factor to be considered by an award official when rendering a responsibility determination for purposes of these transactions.
- 23. RESTRICTION ON USE.** Respondents shall not use any term or condition of this Agreement, or the fact of the existence of this Agreement, for any purpose related to the defense of, or in mitigation of, any criminal, civil, or administrative investigation or action by any element of the Federal Government. However, the existence of this Agreement may be used in any action or proceeding initiated by any Federal Agency to suspend, debar or otherwise render ineligible Respondents based on the events giving rise to this Agreement. Except that this agreement may be produced by Respondents for consideration by any contracting officer or award official pursuant to their authority to consider information contained in FAPIIS in making a decision on an individual contract or non-procurement award.
- 24. BANKRUPTCY.** Respondents shall not use bankruptcy proceedings to affect the enforcement of this Agreement in the interests of the Federal Government.
- 25. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.
- 26. COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together, shall constitute one and the same agreement.
- 27. SEVERABILITY.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any

respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement.

28. PARAGRAPH HEADINGS. The paragraph headings in this Agreement are inserted for convenient reference only and shall not affect the meaning or interpretation of this Agreement.

29. PROPOSED CHANGES. Respondents shall notify the EPA and DOI Authorized Representatives at least forty-five (45) calendar days prior to instituting any proposed changes in the directives, instructions, procedures, or programs governed by this Agreement. The EPA will verify, approve, or disapprove any such changes within thirty (30) calendar days of receipt of notification by Respondents. The proposed changes are effectively approved if no response is issued by the EPA within forty-five (45) calendar days of receipt of the proposed changes. The EPA reserves the right to require additional time to review proposed changes.

30. MODIFICATION. This Agreement may be amended or modified only by a written document signed by all parties, and shall become effective only upon endorsement by the EPA SDO. Any such request for modification by the Respondents shall be submitted to the EPA SDO through the EPA Authorized Representative, with a copy to the DOI Authorized Representative. Requests shall be denied, endorsed, or endorsed as modified by the EPA SDO within thirty (30) calendar days of the EPA SDO's receipt of said request from the EPA Authorized Representative.

31. NOTICES. Any notices, reports, or information required hereunder shall be in writing and delivered electronically or mailed by registered or certified mail, postage prepaid as follows:

To Respondents' Authorized Representative:

Ken Merry
Corporate Ethics and Compliance Officer
Wood Group
15 Justice Mill Lane
Aberdeen, UK
AB11 6EQ
Tel: +44 (0) 1224 373868
ken.merry@woodgroup.com

To Respondents' Counsel:

Martin McIntyre
General Counsel
Wood Group
17325 Park Row, Suite 500
Houston, TX 77084
Tel: (281) 828-3510

Fax: (281) 828-3525
martin.mcintyre@woodgroup.com

To EPA (EPA Authorized Representative):

Peggy Anthony (Mail Code 3902R)
Lead Coordinator, Audits, Oversight and Reviews
Suspension and Debarment Division
Office of Grants and Debarment
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460
(202) 564-5364
anthony.peggy@epa.gov

Via Overnight Mail:

Peggy Anthony (Room 51235)
Lead Coordinator, Audits, Oversight and Reviews
Suspension and Debarment Division
Office of Grants and Debarment
U.S. Environmental Protection Agency
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

To DOI OIG (DOI Authorized Representative):

Stanley Stocker
Debarment Program Manager
Administrative Remedies Division
Office of Inspector General
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

or such other address as either party shall have designated by notice in writing to the other party. Additionally, any such aforementioned submission to EPA sent by registered or certified mail must also be accompanied by a digital copy either by email, disc, or flash drive. Submissions to EPA and DOI may be electronic only.

- 32. PUBLIC DOCUMENT.** This Agreement, including all attachments and reports submitted pursuant to this Agreement, subject to the restrictions under the Privacy Act, exemptions under the Freedom of Information Act, or other applicable limitations, is a public document and may be distributed by the EPA throughout the Government and entered into Government data base systems as appropriate, and provided to other interested persons upon request. It is Respondents' responsibility to claim as Confidential Business Information (CBI) any and all

documents attached to and submitted pursuant to the requirements of this Agreement. If CBI is not claimed at the time such documentation is submitted to the EPA, Respondents hereby agree it has waived such claim and has no objection to the EPA releasing such information to the public as appropriate.

This Agreement without attachments will be posted by EPA on the Federal Awardee Performance and Integrity Information System and any other public website as required by law.

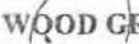
- 33. EPA RELIANCE.** Respondents' signatories hereto represent that subject to criminal penalties pursuant to 18 U.S.C. § 1001 all written materials and other information supplied to the EPA by its authorized representative(s) during the course of discussions with the EPA and the DOI preceding this Agreement, and during the term of this Agreement, are true, current, complete, and accurate, to the best of their information and belief. Respondents also represents that they have provided to the EPA all material information in their possession relating to the facts at issue. Respondents understand that this Agreement is executed on behalf of the EPA in reliance upon the truth, accuracy, and completeness of all such representations.
- 34. TIME IS OF THE ESSENCE.** Time is of the essence with respect to the performance of, compliance with, and receipt of the benefit of all rights, duties, and obligations herein. If EPA should provide additional time for the Respondents to comply with any specific deadline hereunder, such tolerance by EPA shall not be construed as a waiver or modification for any future deadlines as required herein.
- 35. WOOD GROUP'S SIGNATORY(IES).** Robin Watson, CEO, is fully authorized to execute this Agreement and represents that he or she has authority to bind Wood Group.
- 36. WGPSN's SIGNATORY(IES).** Andrew Stewart, President, is fully authorized to execute this Agreement and represents that he or she has authority to bind WGPSN.
- 37. ENDORSEMENT BY SUSPENSION AND DEBARMENT OFFICIAL.** This Agreement shall become effective only upon its endorsement by the EPA Suspension and Debarment Official.
- 38. TERM.** The period of this Agreement shall be three (3) years from the date of endorsement by the EPA Suspension and Debarment Official.

VI. PARTIES' ENDORSEMENTS

FOR JOHN WOOD GROUP PLC

Robin Watson
CEO

DATE


WOOD GROUP PSN, INC.

Andrew Stewart
President

2-22-2017
DATE

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Jennifer W. Lin
Debarment Counsel
EPA Suspension and Debarment Division

2/22/2017
DATE

I. PARTIES' ENDORSEMENTS

FOR JOHN WOOD GROUP PLC

Robin Watson
CEO

2-22-17
DATE

WOOD GROUP PSN, INC.

Andrew Stewart
President

DATE

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Jennifer W. Lin
Debarment Counsel
EPA Suspension and Debarment Division

DATE

**VII. COORDINATING AGENCY CONCURRENCE FOR DISCRETIONARY
SUSPENSION AND DEBARMENT PURPOSES**

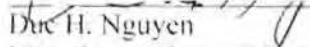
FOR THE UNITED STATES DEPARTMENT OF THE INTERIOR

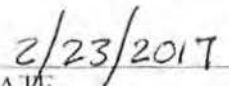
Debra E. Sonderman
Director
Office of Acquisition and Property Management

February 23, 2017
DATE

VIII. SUSPENSION AND DEBARMENT OFFICIAL'S ENDORSEMENT

Having reviewed the terms and conditions of the above Administrative Agreement between the Environmental Protection Agency and John Wood Group PLC and Wood Group PSN, Inc. and in reliance on the representations, covenants, and terms herein, I hereby approve the said terms and conditions as an appropriate resolution of this matter. This Agreement resolves discretionary suspension and debarment concerns and the statutory disqualification of Wood Group PSN, Inc. under Section 508 of the Clean Water Act and constitutes certification that the condition(s) giving rise to the violations have been corrected. Accordingly, I have directed that Wood Group PSN, Inc. be reinstated and that the active exclusion record on the System for Award Management (SAM) exclusion list maintained by the General Services Administration be rendered inactive. This approval is conditioned upon full compliance with all the terms and conditions of this Agreement. Any material breach or failure to comply with all the terms and conditions of this Agreement may result in a discretionary suspension or debarment or a statutory disqualification of Respondents, as appropriate.


Duc H. Nguyen
EPA Suspension and Debarment Official


DATE:

ATTACHMENTS

1. Factual Basis, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.).
- 1A. Plea Agreement *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.).
2. Second Superseding Indictment, *United States v. Wood Group PSN, Inc.*, No. 15-197 (E.D. La.).
3. Judgment, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00192 (W.D. La.).
4. Factual Basis, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.).
- 4A. Plea Agreement, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.).
5. Bill of Information, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.).
6. Judgment, *United States v. Wood Group PSN, Inc.*, No. 6:16-cr-00145 (W.D. La.).
7. Letter from Wood Group and WGPSN to the Department of Interior, dated September 2, 2015.
8. Presentation by Wood Group and WGPSN to the EPA SDO, dated December 2, 2015.
9. AMI's Assessment of Wood Group Ethics and Safety Culture and Remedial Efforts, dated December 2, 2015.
10. Wood Group Implementation Plan for AMI Recommendation, dated December 21, 2015.
11. Wood Group Core Values.
12. Wood Group Business Ethics Policy, dated May 2016.
13. Wood Group Business Ethics Committee Charter, dated May 2016.
14. Ethics and Compliance Update: The New Wood Group Business Ethics Helpline, dated September 2013.
15. Wood Group Ethics Investigation Process, dated May 2016.
16. Wood Group HSE Management System Standard ("Blue Book"), dated July 2016.
17. Wood Group HSE Strategic Plan for 2015-2017, dated January 2015.
18. WGPSN SIMOPs agreement, revised August 24, 2016.
19. WGPSN's Safe Work Practices.
 - 19.01 Aerial Work Platform, issued for use September 29, 2016.
 - 19.02 Asbestos Awareness, issued for use August 22, 2016.
 - 19.03 Bloodborne Pathogens, issued for use September 29, 2016.
 - 19.04 Cranes and Lifting Equipment, issued for use June 29, 2016.
 - 19.05 Driving, issued for use January 7, 2016.
 - 19.06 Eating and Sanitation, issued for use June 29, 2016.
 - 19.07 Electrical, issued for use September 29, 2016.
 - 19.08 Emergency Action Guidelines, issued for use April 14, 2016.
 - 19.09 Fatigue, issued for use February 12, 2016.
 - 19.10 Fire Prevention/Protection, issued for use June 29, 2016.
 - 19.11 Flammable and Combustible Liquids, issued for use September 29, 2016.
 - 19.12 Guidance for Regulatory Inspections in the GoM, issued for use February 26, 2016.
 - 19.13 Hand Arm Vibration Syndrome, issued for use April 14, 2016.
 - 19.14 Hazardous Material Evaluation, issued for use October 20, 2016.
 - 19.15 Hearing Conservation, issued for use June 20, 2016.
 - 19.16 Helicopter Safety, issued for use April 14, 2016.

- 19.17 High Pressure Water Cleaning, issued for use September 29, 2016.
- 19.18 High Bolting, issued for use August 22, 2016.
- 19.19 Hot Work, issued for use October 20, 2016.
- 19.20 GOM – SWP – Adverse Weather Procedure, issued for use June 1, 2016.
- 19.21 GOM – SWP – Behavior Based Safety Observation Procedure, issued for use June 1, 2016.
- 19.22 GOM – SWP – Behavior Safety Procedure, approved September 20, 2016.
- 19.23 GOM – SWP – Incident Reporting, Treatment, and Investigations Procedure, issued for use June 1, 2016.
- 19.24 GOM – Local Emergency Response Procedure, issued for use July 28, 2016.
- 19.25 GOM – SWP – Flame Resistant Clothing Procedure, approved October 10, 2016.
- 19.26 GOM – SWP – Expectant Mothers Procedure, approved September 1, 2016.
- 19.27 GOM – SWP – Stop Work & Work Intervention Procedure, approved September 23, 2016.
- 19.28 GOM – SWP – Abrasive Blasting Standard, issued for use June 1, 2016.
- 19.29 GOM – SWP – Barricades and Barriers Standard, issued for use June 1, 2016.
- 19.30 GOM – SWP – Benzene Safety Standard, issued July 12, 2016.
- 19.31 GOM – SWP – Compressed Gas and Oxygen Cylinders Standard, issued August 9, 2016.
- 19.32 GOM – SWP – Confined Space Standard, issued August 9, 2016.
- 19.33 GOM – SWP Equipment Guarding Standard, approved September 20, 2016.
- 19.34 GOM – SWP Evacuation and Trenching Standard, approved August 24, 2016.
- 19.35 GOM – SWP – Fall Protection Standard, approved August 25, 2016.
- 19.36 GOM – SWP – Falling/Dropped Object Safety Standard, approved September 23, 2016.
- 19.37 GOM – SWP – Forklift and Industrial Operations Standard, approved October 10, 2016.
- 19.38 GOM – SWP – Hand and Power Tool Use Standard, issued for use June 1, 2016.
- 19.39 GOM – SWP – Gas Hazards – Gas Monitors Standard, approved October 10, 2016.
- 19.40 GOM – SWP – Hazard Communications Standard, approved October 10, 2016.
- 19.41 GOM – SWP – Housekeeping Standard, approved approved October 31, 2016.
- 19.42 GOM – SWP – Hydrogen Sulfide (H₂S) Standard, approved October 31, 2016.
- 19.43 GOM – SWP – Job Safety Analysis (JSA) Standard, issued for use June 1, 2016.
- 19.44 GOM – SWP – Ladder Safety Standard, approved November 29, 2016.
- 19.45 GOM – SWP – Manual Handling Standard, approved November 29, 2016.
- 19.46 GOM – SWP – Marine Trash and Debris Awareness Standard, approved November 29, 2016.
- 19.47 GOM – SWP – Motor Vessel/Marine Transportation Safety Standard, approved November 29, 2016.
- 19.48 GOM – SWP – No Knives in the Workplace Standard, approved November 29, 2016.
- 19.49 GOM – SWP – Heat Illness Prevention Standard, approved October 31, 2016.
- 19.50 GOM – SWP – Hurricane Action Plan, issued for use May 27, 2016.

- 19.51 Lead Exposure Control, issued for use October 20, 2016.
- 19.52 Lockout/Tagout, issued for use November 10, 2016.
- 19.53 Lone Worker, issued for use February 19, 2016.
- 19.54 Management of Change, issued for use June 22, 2016.
- 19.55 Marine Transfer Operations, issued for use October 20, 2016
- 19.56 Naturally Occurring Radioactive Materials, issued for use February 12, 2016.
- 19.57 Permit to Work, issued for use April 14, 2016.
- 19.58 Personal Protective Equipment, issued for use June 24, 2016.
- 19.59 Process Safety Management, issued for use November 4, 2016.
- 19.60 Respiratory Protection, issued for use October 20, 2016.
- 19.61 Rigging Equipment, issued for use March 3, 2016.
- 19.62 Safety Awareness Meetings, issued for use March 3, 2016.
- 19.63 Safety Inspections, issued for use August 22, 2016.
- 19.64 Scaffolding, issued for use February 23, 2016.
- 19.65 Shop Equipment and Facilities, issued for use August 22, 2016.
- 19.66 Short Service Employee Policy, issued for use July 12, 2016.
- 19.67 Spill Prevention Control and Counter Measures, issued for use February 12, 2016.
- 19.68 Temporarily Out of Service Safety Devices/ Flag, Bypass, and Monitoring (FBM), issued for use February 26, 2016.
- 19.69 Tuberculosis (TB) Program, issued for use October 20, 2016.
- 19.70 Unsafe Acts Accountability, issued for use September 12, 2011.
- 19.71 Walking and Working Surfaces, issued for use March 3, 2016.
- 19.72 Waste Management, issued for use June 29, 2016.
- 19.73 Pressurized Systems – Isolations – Containment Breaks – Purging, issued for use December 13, 2016.
- 19.74 Workstation Ergonomics, issued for use April 14, 2016.