

# **WILLBROS GROUP, INC.**



## **AUDIT COMMITTEE CHARTER**

MARCH 21, 2012

## **1. Purpose**

The Audit Committee is appointed by the Board of Directors (the "Board") to assist the Board in monitoring (i) the integrity of the financial statements and the system of internal controls of the Company; (ii) the independent registered public accounting firm's qualifications and independence; (iii) the performance of the Company's internal audit function and independent registered public accounting firm (the "independent auditor"); and (iv) the Company's compliance with legal and regulatory requirements, including, but not limited to, the Sarbanes-Oxley Act of 2002, the Foreign Corrupt Practices Act, the Company's Code of Business Conduct and Ethics and the Company's Code of Ethics for CEO and Senior Financial Officers. The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

## **2. Membership**

The Audit Committee shall consist of no fewer than three members, each of whom shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Commission. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Nominating/Corporate Governance Committee. One member of the Audit Committee shall be appointed as Chairman of the Audit Committee by the Board. Audit Committee members may be replaced by the Board.

## **3. Authority and Responsibilities**

The Audit Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that the decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit

Committee's own performance.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

- a. Meet to review and discuss with management and the independent auditor the Company's annual audited financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the annual audited financial statements should be included in the Company's Form 10-K.
- b. Meet to review and discuss with management and the independent auditor the Company's quarterly financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
- c. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles.
- d. Review and discuss with management and the independent auditor any major issues as to the effectiveness of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- e. Review and discuss with management (including the senior internal auditing executive) and the independent auditor management's report on internal control over financial reporting and the independent auditor's report on the effectiveness of the Company's internal control over financial reporting prior to the filing of the Company's Form 10-K. Such review shall include a review of the Company's internal controls over information technology security and control.
- f. Review and discuss quarterly reports from the independent auditors on (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- g. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made). The Audit Committee need not discuss in advance each earnings release or each instance in which the

Company may provide earnings guidance.

- h. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- i. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- j. Discuss with the independent auditor the matters required to be discussed by the applicable Statement on Auditing Standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- k. Review disclosures made to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q's about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

#### Oversight of the Company's Relationship with the Independent Auditor

- l. Review and evaluate the lead partner of the independent auditor team.
- m. Obtain and review a report from the independent auditor at least annually regarding (i) the independent auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; (iii) any steps taken to deal with any such issues; and (iv) all relationships between the independent auditor and the Company. Evaluate the independent auditor's qualifications, performance, and independence, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and the internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
- n. Ensure the rotation of the audit partners at least every five years as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent registered public accounting firm on a regular basis.
- o. Set policies for the Company's hiring of employees or former employees of the independent auditor.
- p. Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.

- q. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

#### Oversight of the Company's Internal Audit Function

- r. Ensure there are no unjustified restrictions or limitations on the internal audit function, and review the appointment, replacement or dismissal of the senior internal auditing executive.
- s. At least once per year, review the performance of the senior internal auditing executive and review the effectiveness of the internal audit function.
- t. Review the significant reports to management prepared by the internal audit department and management's responses.
- u. Discuss with the independent auditor, senior internal auditing executive and management the internal audit charter, department responsibilities, budget and staffing, and any recommended changes in the planned scope of the internal audit.

#### Compliance Oversight Responsibilities

- v. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.
- w. Obtain reports from management and the Company's senior internal auditing executive that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Codes of Business Conduct and Ethics. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations, and with the Company's Codes of Business Conduct and Ethics.
- x. Review and approve or ratify any transaction between the Company and a related person, which is required to be disclosed under the rules of the Commission. For purposes of this requirement, the terms "transaction" and "related person" have the meaning contained in Item 404 of Regulation S-K. In the course of its review and approval or ratification of a transaction, the Audit Committee shall consider: (i) the nature of the related person's interest in the transaction; (ii) the material terms of the transaction; (iii) the significance of the transaction to the related person; (iv) the significance of the transaction to the Company; (v) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and (vi) any other matters the Audit Committee deems appropriate. Any Audit Committee member who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval or ratification, provided, however, that such member may be counted in determining the presence of a quorum at a meeting of the Audit Committee which considers the transaction.
- y. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the

Company of concerns regarding questionable accounting or auditing matters.

- z. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
- aa. Discuss with the Company's General Counsel legal matters that may have a material effect on the Company's financial statements or the Company's compliance policies and internal controls.

#### **4. Meetings**

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Chairman of the Audit Committee shall preside at each meeting. In the event the Chairman of the Audit Committee is not present at a meeting, the members of the Audit Committee present at that meeting shall designate one of its members as the acting chair of such meeting. The Audit Committee shall meet periodically in separate executive sessions with management (including the chief financial officer and chief accounting officer), the internal auditors and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

#### **5. Resources**

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing related work and to any advisors employed by the Audit Committee.

#### **6. Limitation of Audit Committee's Role**

While the Audit Committee has the powers and responsibilities set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.