

## BACKGROUNDER

### Louis Berger's \$25M+ global restructuring and reform investments since 2010.

Following the company's 2010 settlement with the U.S. Department of Justice for improper billing on U.S. Government overhead accounts, Louis Berger began a massive \$25+ million reform effort aimed at implementing new internal controls, developing new policies and procedures, and making comprehensive systems investments, including a new global accounting system. In addition, Louis Berger conducted a thorough review of the past practices of former managers, including improper overseas business activities in 2010 and prior.

#### Organizational changes

1. In addition to separating the former managers associated with the pre-2010 era activities from the company, the firm has added new managers to key positions, including chief financial officer and controller, and regional management teams throughout Asia and the Middle East.
2. The company also implemented a new corporate operational model to ensure greater centralized oversight and control of overseas business activities.
3. The company also has reformed its ownership structure by implementing an Employee Stock Ownership Program.

#### Systems investments

1. A new accounting system
2. A centralized information management system
3. A new procurement system
4. A new budgeting and forecasting system

#### Process improvements

1. Development and rollout of new automated systems for revenue recognition
2. Procurement and field cash reporting
3. Establishment of a Delegation of Responsibility and Authority Manual
4. Development of a Finance, Accounting and Operations Administration Manual

#### Compliance and Ethics

1. Establishment of an independent Compliance and Ethics department under the oversight of an independent audit committee
2. Introduction of new global employee ethics helpline
3. Implementation of a global Code of Business Conduct
4. Annual world-wide compliance, ethics, and anti-corruption training for all employees

#### Training investments

1. Annual worldwide compliance training and onboarding compliance training
2. Annual anti-corruption training for all employees