



U.S. Department of Justice

Criminal Division

July 6, 2012

Carlos F. Ortiz
LeClairRyan
One Riverfront Plaza
1037 Raymond Boulevard
Sixteenth Floor
Newark, New Jersey 07102

Re: The NORDAM Group, Inc.

Dear Mr. Ortiz:

On the understandings specified below, the United States Department of Justice, Criminal Division, Fraud Section (the "Department") will not criminally prosecute The NORDAM Group, Inc., its subsidiaries, or its affiliates (collectively, the "Company"), a corporation organized under the laws of Delaware and headquartered in Tulsa, Oklahoma, for any crimes (except for criminal tax violations, as to which the Department does not make any agreement) related to violations of the anti-bribery provisions of the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Section 78dd-2, arising from and related to the paying of bribes to employees of state-owned and -controlled customers in China, as described in Attachment A attached hereto, which is incorporated herein by reference, and any other conduct relating to corrupt payments by the Company disclosed by the Company to the Department prior to the date on which this Agreement was signed. The Department enters into this Non-Prosecution Agreement based, in part, on the following factors: (a) the Company's timely, voluntary, and complete disclosure of the conduct; (b) the Company's real-time cooperation with the Department, including conducting an internal investigation, voluntarily making employees available for interviews, and collecting and analyzing voluminous documents and information for the Department; (c) the Company's remedial efforts already undertaken, including enhancing its internal audit function, its compliance program, and its due diligence protocol for third-party agents, and to be undertaken, including enhancements to its compliance program as described in Attachment B (Corporate Compliance Program); (d) the Company's agreement to provide annual, written reports to the Department on its progress and experience in monitoring and enhancing its compliance policies and procedures, as described in Attachment C (Corporate Compliance Reporting); and (e) the Company has agreed to continue to cooperate with the Department in any ongoing investigation of the conduct of the Company and its officers, directors, employees, agents, and consultants relating to violations of the FCPA as discussed below.

It is understood that the Company admits, accepts, and acknowledges responsibility for the conduct set forth in Attachment A and agrees not to make any public statement contradicting Attachment A.

This Agreement does not provide any protection against prosecution for any crimes except as set forth above, and applies only to the Company and not to any other entities or to any individuals. The Company expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement.

This Agreement shall have a term of three (3) years from the date that this Agreement is executed, except as specifically provided in the following paragraph. It is understood that for the three-year term of this Agreement, the Company shall: (a) commit no felony under U.S. federal law; (b) truthfully and completely disclose non-privileged information with respect to the activities of the Company, its officers, directors, employees, and others concerning all matters about which the Department inquires of it, which information can be used for any purpose, except as otherwise limited in this Agreement; and (c) bring to the Department's attention all conduct by, or criminal investigations of, the Company, any of its employees, its subsidiaries, or its affiliates relating to any felony under U.S. federal law that come to the attention of the Company's senior management, as well as any administrative proceeding or civil action brought by any governmental authority that alleges fraud or corruption by or against the Company.

Until the date upon which all investigations and any prosecution arising out of the conduct described in this Agreement are concluded, whether or not they are concluded within the term of this Agreement, the Company shall, subject to applicable laws or regulations: (a) cooperate fully with the Department, the Federal Bureau of Investigation, and any other law enforcement agency designated by the Department regarding matters arising out of the conduct covered by this Agreement; (b) assist the Department in any investigation or prosecution arising out of the conduct covered by this Agreement by providing logistical and technical support for any meeting, interview, grand jury proceeding, or any trial or other court proceeding; (c) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, director, agent, or employee of the Company at any meeting or interview or before the grand jury or at any trial or other court proceeding regarding matters arising out of the conduct covered by this Agreement; and (d) provide the Department, upon request, all non-privileged information, documents, records, or other tangible evidence regarding matters arising out of the conduct covered by this Agreement about which the Department or any designated law enforcement agency inquires.

It is understood that the Company has agreed to pay a monetary penalty of \$2,000,000. The Company agrees to pay this sum to the United States Treasury within ten (10) days of executing this Agreement. The Company acknowledges that no tax deduction may be sought in connection with this payment. In addition to the factors already identified above, pursuant to United States Sentencing Guidelines § 8C3.3, the parties agree to a fine substantially below the standard range under the United States Sentencing Guidelines because the Company has fully demonstrated to the Department that a fine exceeding \$2,000,000 will substantially jeopardize

the Company's continued viability. This discount recognizes that, over a period of months, the Company fully cooperated with the Department and with an independent accounting expert that the Department retained to review the Company's financial condition. Following that review, the Department and its independent expert both concluded that this discount was appropriate under the Sentencing Guidelines.

It is understood that the Company will strengthen its compliance, bookkeeping, and internal control standards and procedures, as set forth in Attachment B. It is further understood that the Company will report to the Department periodically regarding remediation and implementation of the compliance program and internal controls, policies, and procedures, as described in Attachment C.

It is understood that, if the Department in its sole discretion determines that the Company has committed any felony under U.S. federal law after signing this Agreement, that the Company has deliberately given false, incomplete, or misleading testimony or information at any time in connection with this Agreement, or the Company otherwise has violated any provision of this Agreement, the Company shall thereafter be subject to prosecution for any violation of federal law which the Department has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date that this Agreement is executed may be commenced against the Company, notwithstanding the expiration of the statute of limitations during the term of this Agreement plus one year. Thus, by signing this agreement, the Company agrees that the statute of limitations with respect to any prosecution that is not time-barred as of the date this Agreement is executed shall be tolled for the term of this Agreement plus one year.

It is understood that, if the Department in its sole discretion determines that the Company has committed any felony under U.S. federal law after signing this Agreement, that the Company has given false, incomplete, or misleading testimony or information in connection with this Agreement, or that the Company otherwise has violated any provision of this Agreement: (a) all statements made by the Company to the Department or other designated law enforcement agents, including Attachment A hereto, and any testimony given by the Company before a grand jury or other tribunal, whether before or after the execution of this Agreement, and any leads from such statements or testimony, shall be admissible in evidence in any criminal proceeding brought against the Company; and (b) the Company shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom are inadmissible or should be suppressed. By signing this Agreement, the Company waives all rights in the foregoing respects.

In the event that the Department determines that the Company has breached this Agreement, the Department agrees to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. the Company shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Department shall consider in determining whether to institute a prosecution.

It is further understood that this Agreement does not bind any federal, state, local, or foreign prosecuting authority other than the Department. The Department will, however, bring the cooperation of the Company to the attention of other prosecuting and investigative offices, if requested by the Company.

It is further understood that the Company and the Department may disclose this Agreement to the public.

With respect to this matter, from the date of execution of this Agreement forward, this Agreement supersedes all prior, if any, understandings, promises and/or conditions between the Department and the Company. No additional promises, agreements, or conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

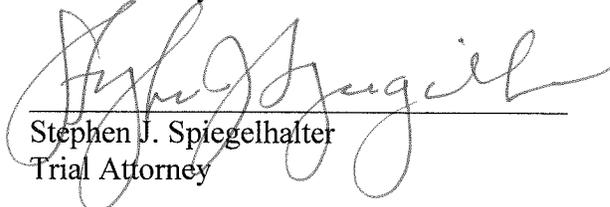
Sincerely,

DENIS J. McINERNEY
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 7/16/12

BY: 
Daniel S. Kahn
Trial Attorney

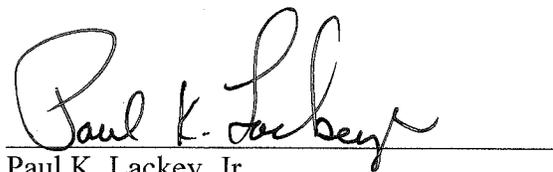
Date: 7/10/12

BY: 
Stephen J. Spiegelhalter
Trial Attorney

AGREED AND CONSENTED TO:

The NORDAM Group, Inc.

Date: 7/5/2012

BY: 
Paul K. Lackey, Jr.
Chairman of the Board
The NORDAM Group, Inc.

Date: 7/9/12

BY: 
Carlos F. Ortiz
LeClairRyan