

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): May 22, 2020**

**Gulf Island Fabrication, Inc.**

(Exact name of registrant as specified in its charter)

**Louisiana**  
(State or other jurisdiction  
of incorporation)

**001-34279**  
(Commission  
File Number)

**72-1147390**  
(IRS Employer  
Identification No.)

**16225 Park Ten Place, Suite 300  
Houston, Texas 77084**

(Address of principal executive offices)(Zip Code)

**(713) 714-6100**

(Registrant's telephone number, including area code)

**Not applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, no par value per share</b>	<b>GIFI</b>	<b>NASDAQ</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 3.03 Material Modification to Rights of Security Holders.**

On May 22, 2020, Gulf Island Fabrication, Inc. (the “Company”) held its 2020 annual meeting of shareholders (the “2020 annual meeting”). At the 2020 annual meeting, the results of which are set forth in Item 5.07 below, the Company’s shareholders approved an amendment to the Company’s amended and restated articles of incorporation (the “articles of incorporation”) to declassify the Company’s board of directors (the “Board”), as further described in Proposal 2 in, and Annex A to, the Company’s 2020 proxy statement, as filed with the Securities and Exchange Commission on April 7, 2020 (the “2020 Proxy Statement”).

The amendment to the articles of incorporation to declassify the Board impacts the rights of the holders of the Company’s shares of common stock. The articles of incorporation previously provided that the Board was divided into three classes, each of which serves for staggered three-year terms. In connection with the approval of the amendment to the articles of incorporation to declassify the Board, beginning with the Company’s 2022 annual meeting of shareholders, the Board will be completely declassified and all directors will be elected on an annual basis to serve one-year terms expiring at the next annual meeting. In addition, if there is a vacancy on the Board because the number of directors is increased or otherwise at or following the 2020 annual meeting, any director elected or appointed to fill such vacancy will hold office for a term expiring at the next annual meeting. In all cases, each director will hold office until his or her successor is elected and qualified, or until his or her earlier resignation or removal.

In connection with the amendment to the articles of incorporation to declassify the Board, the Board approved conforming amendments to the by-laws to reflect the phase-in of the declassification of the Board, effective only upon the acceptance of the articles of incorporation by the Secretary of State of the State of Louisiana. The articles of incorporation were filed and accepted by the Secretary of State of the State of Louisiana on May 22, 2020 giving effect to the amendments to the articles of incorporation and by-laws.

The foregoing summaries of the amendments to the articles of incorporation and by-laws do not purport to be complete and are qualified in their entirety by the full text of the articles of incorporation and by-laws, each as amended and restated and which are filed as Exhibits 3.1 and 3.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 22, 2020, at the annual meeting, the Company’s shareholders approved the amended and restated 2015 stock incentive plan (the “Plan”). The compensation committee of the Board will generally administer the Plan and has the authority to grant awards under the Plan, including setting the terms of the awards. Awards under the Plan may be granted in any one or a combination of the following forms: qualified and nonqualified stock options, restricted stock, restricted stock units, stock appreciation rights and other stock-based awards. The terms of the Plan are generally consistent with the original 2015 stock incentive plan, but include the following material revisions:

- an increase of the authorized shares under the Plan by 1,500,000 from 1,000,000 to 2,500,000;
- an increase in the number of shares that may be granted under the Plan to a single individual, other than a non-employee director, from 200,000 to 250,000;
- an increase of the number of shares that may be granted without compliance with minimum vesting requirement to 125,000, which is 5% of the new shares available under the Plan;
- extension of the term of the Plan from April 23, 2025 to May 22, 2030; and
- inclusion of a requirement that awards under the Plan include clawback provisions.

The Plan is further described under the heading “Proposal 4: Approval of Amended and Restated 2015 Stock Incentive Plan” in the 2020 Proxy Statement, which description is hereby incorporated. The foregoing description of the Plan is qualified in its entirety by reference to a copy of the Plan filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated by reference herein.

**Item. 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The disclosure set forth in this Current Report on Form 8-K under Item 3.03 (Material Modifications to Rights of Security Holders) is incorporated by reference herein.

In addition to the amendments to Sections 3.3 (Classes) and 3.6 (Filling Vacancies), the Board approved additional amendments to the by-laws designed to bring certain of the by-laws provisions better in line with the current Louisiana Business Corporation Act (LBCA) and to make certain other minor changes, including updating section references, conforming defined terms and certain other non-substantive changes. The following are the notable changes made to the by-laws:

- revise procedures for preparing and making available the list of shareholders of record to be more in line with the LBCA (Article II, Section 2.5);
  - clarify the treatment of abstentions and broker non-votes (Article II, Section 2.10);
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- revise adjournment procedures for shareholders meetings to be more in line with the LBCA (Article II, Section 2.11);
- clarify the effect of a shareholder's withdrawal from a shareholders meeting on quorum (Article II, Section 2.12);
- clarify procedures for lack of quorum (Article II, Section 2.13);
- add reference to Sections 4.7 (Withdrawal) and 4.8 (Action by Consent) to clarify that such provisions apply to meetings of the committees of the Board (Article V, Section 5.2); and
- clarify the duties of the Chairman of the Board, Secretary, Assistant Secretary and Treasurer of the Company (Article VII, Sections 7.3, 7.6, 7.7 and 7.8).

The foregoing summaries of the amendments to the articles of incorporation and by-laws do not purport to be complete and are qualified in their entirety by the full text of the articles of incorporation and by-laws, each as amended and restated and which are filed as Exhibits 3.1 and 3.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

In light of the public health impact of the COVID-19 pandemic and to prioritize the health and well-being of meeting participants, the Company held its 2020 annual meeting of shareholders on May 22, 2020 virtually via a live audio webcast. At the annual meeting, the Company's shareholders (1) elected Robert M. Averick to serve as a Class II director of the Company for a one-year term expiring at the 2021 annual meeting of shareholders; (2) approved an amendment to the articles of incorporation to declassify the Board; (3) approved, on an advisory basis, the compensation of the Company's named executive officers; (4) approved the Plan (as defined and described in Item 5.02 above); and (5) ratified the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2020 fiscal year.

Of the 15,290,417 shares of the Company's common stock outstanding as of the record date, 11,482,593 shares were represented in person or by proxy at the annual meeting. The inspector of election reported the final vote of shareholders as follows:

*Proposal No. 1: Election of one Class II director nominee.*

<u>Name</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
Robert M Averick	8,675,866	417,033	16,767	2,372,927

*Proposal No. 2: Approval of an amendment to the Company's amended and restated articles of incorporation to declassify the Board.*

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
9,068,732	36,887	4,047	2,372,927

*Proposal No. 3: Approval, on an advisory basis, of the compensation of the Company's named executive officers.*

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
6,951,720	2,146,508	11,438	2,372,927

*Proposal No. 4: Approval of the Company's amended and restated 2015 stock incentive plan.*

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
8,973,302	116,881	19,483	2,372,927

*Proposal No. 5: Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2020.*

<u>For</u>	<u>Against</u>	<u>Abstain</u>
10,956,990	523,950	1,653

**Item 9.01 Financial Statements and Exhibits.**

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(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Title</u>
3.1	<u>Amended and Restated Articles of Incorporation of Gulf Island Fabrication, Inc., effective as of May 22, 2020.</u>
3.2	<u>Amended and Restated By-laws of Gulf Island Fabrication, Inc., effective as of May 22, 2020.</u>
10.1	<u>Amended and Restated Gulf Island Fabrication, Inc. 2015 Stock Incentive Plan</u>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GULF ISLAND FABRICATION, INC.**

By: /s/ Westley S. Stockton  
Westley S. Stockton  
Executive Vice President, Chief Financial Officer, Secretary and Treasurer  
(Principal Financial Officer)

Dated: May 22, 2020

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
GULF ISLAND FABRICATION, INC.**  
(includes amendments through May 22, 2020)

**ARTICLE I  
NAME**

The name of the corporation is Gulf Island Fabrication, Inc. (the “Corporation”).

**ARTICLE II  
PURPOSE**

The purpose of the Corporation is to engage in any lawful activity for which corporations may be formed under the Louisiana Business Corporation Act, as amended.

**ARTICLE III  
CAPITAL**

A. Authorized Stock. The Corporation shall have the authority to issue an aggregate of 35,000,000 shares of capital stock, of which 30,000,000 shares shall be common stock of the Corporation ( the “Common Stock”), no par value per share, and 5,000,000 shares shall be preferred stock of the Corporation (the “Preferred Stock”), no par value per share.

B. Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series. Authority is hereby vested in the board of directors of the Corporation (the “Board of Directors”) to amend these Articles of Incorporation from time to time to fix the preferences, limitations and relative rights as between the Preferred Stock and the Common Stock, and to fix variations in the preferences, limitations and relative rights as between different series of Preferred Stock.

**ARTICLE IV  
DIRECTORS**

A. Number of Directors. The Board of Directors shall consist of such number of persons as shall be designated from time to time in the By-laws of the Corporation, or, if not so designated, as may be designated from time to time by resolution of the Board of Directors, provided that no decrease in the number of directors shall shorten the term of any incumbent director.

B. Classification. The directors elected or appointed by the Board of Directors, other than those who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, prior to the 2020 annual meeting of stockholders are divided, with respect to the time during which they shall hold office, into three

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classes, with the directors of each class serving for a term expiring at the annual meeting of shareholders held in the third year following the year of their election and until their successors are duly elected and qualified. Commencing with the 2020 annual meeting of shareholders, the directors shall be elected as follows: (i) Class II directors whose terms expire at the 2020 annual meeting of shareholders will stand for election for one-year terms expiring at the 2021 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter; (ii) Class III directors whose terms expire at the 2021 annual meeting of shareholders will stand for election for one-year terms expiring at the 2022 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter; (iii) Class I directors whose terms expire at the 2022 annual meeting of shareholders will stand for election for one-year terms expiring at the 2023 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter. For the avoidance of doubt, beginning at the 2022 annual meeting of shareholders, all directors elected at an annual meeting of shareholders shall hold office for a term expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified. Notwithstanding anything to the contrary provided for herein, if the Board of Directors shall appoint any director to fill a vacancy on the Board of Directors prior to the 2022 annual meeting of shareholders, whether resulting from an increase in the number of directors or otherwise, such director shall hold office for a term expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified.

C. Vacancies. Except as provided under applicable law or in Article IV(E) hereof, any vacancy on the Board of Directors (including any vacancy resulting from an increase in the authorized number of directors) may, notwithstanding any resulting absence of a quorum of directors, be filled by a vote of at least two-thirds of the directors remaining in office, provided that the shareholders shall have the right to fill the vacancy at any special meeting called for such purpose prior to any such action by the Board of Directors. Vacancies on the Board of Directors may be filled only as provided in this Article IV(C).

D. Removal. Except as provided in Article IV(E) hereof, any one or more directors may be removed, at any time, only for cause, by the holders of not less than two-thirds of the Total Voting Power (as defined in Article VI(B) hereof) that is present or represented at a special meeting of shareholders called for such purpose, voting together as a single class. For purposes of this Article IV(D), "cause" shall mean (i) a conviction of a director by a court of competent jurisdiction of a felony involving moral turpitude if such conviction is no longer subject to direct appeal or (ii) an adjudication by a court of competent jurisdiction of liability for gross negligence or gross misconduct in the performance of the director's duty to the Corporation in a matter of substantial importance to the Corporation if such adjudication is no longer subject to direct appeal. At the same meeting in which the shareholders remove one or more directors, a successor or successors may be elected for the unexpired term of the director or directors removed. Except as set forth in this Article IV(D), or in any provision of these Articles of Incorporation relating to removal of directors elected by holders of Preferred Stock, directors shall not be subject to removal.

E. Directors Elected by Preferred Shareholders. Notwithstanding anything in these Articles of Incorporation to the contrary, whenever the holders of any one or more classes or

series of stock having a preference over the Common Stock as to dividends or upon liquidation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of these Articles of Incorporation (as they may be duly amended from time to time) fixing the rights and preferences of such preferred stock shall govern with respect to the nomination, election, term, removal, vacancies or other related matters with respect to such directors.

**ARTICLE V**  
**BY-LAWS**

A. Adoption, Amendment and Repeal. By-laws of the Corporation may be adopted only by a majority vote of the Board of Directors. By-laws may be amended or repealed by (i) a two-thirds vote of all directors who constitute the Board of Directors, or (ii) the affirmative vote of the holders of at least a majority of the Total Voting Power, as defined in Article VI(C) hereof, voting together as a single class, that is present or represented at any regular or special meeting of shareholders, the notice of which meeting of shareholders expressly states that the proposed amendment or repeal is to be considered at the meeting.

B. New Matters. Any purported amendment to the By-laws which would add thereto a matter not expressly covered in the By-laws prior to such purported amendment shall be deemed to constitute the adoption of a By-law provision and not an amendment to the By-laws.

**ARTICLE VI**  
**AMENDMENTS**

A. Amendments. These Articles of Incorporation may be amended by the affirmative vote of at least a majority of the Total Voting Power of the Corporation.

B. Total Voting Power. The term "Total Voting Power" means the total number of votes that shareholders are generally entitled to cast with respect to the election of directors or, if such term is used with reference to any other particular matter properly brought before the shareholders or such other holders for their consideration and vote, means the total number of such votes that are entitled to be cast with respect to such matter.

**ARTICLE VII**  
**LIMITATION OF LIABILITY AND INDEMNIFICATION**

A. Limitation of Liability. With respect to any cause of action arising on or before December 31, 2014, no director or officer of the Corporation shall be liable to the Corporation or to its shareholders for monetary damages for breach of his fiduciary duty as a director or officer, provided that the foregoing provision shall not eliminate or limit the liability of a director or officer for (1) any breach of his duty of loyalty to the Corporation or its shareholders; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) liability for unlawful distributions of the Corporation's assets to, or redemptions or repurchases of the Corporation's shares from shareholders of the Corporation, under and to the

extent provided in La.R.S. 12:92(D); or (4) any transaction from which he derived an improper personal benefit. With respect to any cause of action arising on or after January 1, 2015, no director or officer of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for breach of his fiduciary duty as a director or officer, except as otherwise provided by La. R.S. 12:1-832, as heretofore or hereafter amended. If, after the date hereof, the Louisiana Business Corporation Act is amended to authorize further elimination or limitation the personal liability of directors or officers, then the liability of a director or an officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Louisiana Business Corporation Act, as so amended.

B. Indemnification. Subject to such limitations as may be determined by the Board of Directors (provided that no change in such limitations may adversely affect any claim to indemnification that arises prior to such change), the Corporation shall indemnify each of its directors to the full extent from time to time permitted by law, and may so indemnify each of its officers, against any expenses or costs, including attorney's fees, actually or reasonably incurred by him in connection with any threatened, pending or completed claim action, suit or proceeding, whether criminal, civil, administrative or investigative against such person or as to which he is involved solely as a witness or person required to give evidence.

C. Authorization of Further Actions. The Board of Directors may (1) cause the Corporation to enter into contracts with its directors and officers providing for the limitation of liability set forth in this Article to the fullest extent permitted by law and (2) adopt By-laws or resolutions, or cause the Corporation to enter into contracts, providing for indemnification of directors and officers of the Corporation and other persons (including but not limited to directors and officers of the Corporation's direct and indirect subsidiaries) to the fullest extent permitted by law. No repeal or amendment of any such By-laws or resolutions limiting the right to indemnification thereunder shall affect the entitlement of any person to indemnification whose claim thereto results from conduct occurring prior to the date of such repeal or amendment.

D. Subsidiaries. The Board of Directors may cause the Corporation to approve for its direct and indirect subsidiaries limitation of liability and indemnification provisions comparable to the foregoing.

E. Amendment. In addition to any other votes required by law or these Articles of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law or these Articles of Incorporation), the affirmative vote of the holders of at least 80% of the Total Voting Power shall be required to repeal this Article or to amend this Article so as to reduce the limitation of liability set forth herein or the rights to indemnification or the powers of the Board of Directors provided in this Article, and any amendment or repeal of this Article shall not adversely affect any indemnification or limitation of liability of a director or officer of the Corporation under this Article with respect to any action or inaction occurring prior to the time of such amendment or repeal.



**ARTICLE VIII**  
**REVERSION**

Cash, property or share dividends, shares issuable to shareholders in connection with a reclassification of stock, and the redemption price of redeemed shares, that are not claimed by the shareholders entitled thereto within one year after the dividend or redemption price became payable or the shares became issuable, despite reasonable efforts by the Corporation to pay the dividend or redemption price or deliver the certificates for the shares to such shareholders within such time, shall at the expiration of such time, revert in full ownership to the Corporation, and the Corporation's obligation to pay such dividend or redemption price or issue such shares, as the case may be, shall thereupon cease, provided, however, that the Board of Directors may, at any time, for any reason satisfactory to it, but need not, authorize (1) payment of the amount of any cash or property dividend or redemption price or (2) issuance of any shares, ownership of which has reverted to the Corporation pursuant to this Article, to the person or entity who or which would be entitled thereto had such reversion not occurred.

**ARTICLE IX**  
**SPECIAL MEETINGS OF SHAREHOLDERS**

A. Special meetings of shareholders, for any purpose or purposes, may be called in any manner set forth in the By-laws, provided that the power of shareholders as such to call or cause to be called special meetings shall be governed exclusively by Article IX(B) hereof.

B. At any time, upon the written request of any shareholder or group of shareholders holding at least twenty percent of all the votes entitled to be cast on an issue proposed to be considered at the proposed special meeting, the Secretary of the Corporation shall call a special meeting of shareholders to be held at the registered office of the Corporation at such time as the Secretary may fix not less than 15 nor more than 60 days after the receipt of said request, and if the Secretary shall neglect or refuse to fix such time or to give notice of the meeting, the shareholder or shareholders making the request may do so. Such requests must state the specific purpose or purposes of the proposed special meeting, and the business to be conducted thereat shall be limited to such purpose or purposes.

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**BY-LAWS  
OF  
GULF ISLAND FABRICATION, INC.  
(As Amended and Restated through May 22, 2020)**

**ARTICLE I  
OFFICES**

**Section 1.1 Principal Office.** The principal office of Gulf Island Fabrication, Inc. (the “Corporation”) shall be located at 16225 Park Ten Place, Suite 280, Houston, Texas 77084, or such other office as the board of directors of the Corporation (the “Board of Directors”) may designate from time to time.

**Section 1.2 Additional Offices.** The Corporation may have such offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE II  
SHAREHOLDER MEETINGS**

**Section 2.1 Place of Meetings.** Unless otherwise required by law or these By-laws, all meetings of the shareholders shall be held at the principal office of the Corporation or at such other place, within or without the State of Louisiana, or by means of remote communication, as may be designated by the Board of Directors.

**Section 2.2 Annual Meetings of Shareholders.** An annual meeting of shareholders shall be held each year on the date and at the time as the Board of Directors shall designate, for the purpose of electing directors and of the transaction of such other business as may be properly brought before the meeting. If no annual shareholders’ meeting is held for a period of eighteen months, any shareholder may call such meeting, in accordance with applicable law, to be held at the registered office of the Corporation as shown on the records of the Secretary of State of the State of Louisiana.

**Section 2.3 Special Meetings.** Special meetings of shareholders, for any purpose or purposes, may be called by or at the direction of the Board of Directors. Shareholders may call a special meeting of shareholders in accordance with Article IX(B) of the Articles of Incorporation.

**Section 2.4 Notice of Meetings.** Except as otherwise provided by law or the Articles of Incorporation, the authorized person or persons calling a shareholders’ meeting shall cause written notice of the date, time, place (or means of remote communication, if any) and purpose of the meeting to be given to all shareholders entitled to vote at such meeting, at least 10 days and not more than 60 days prior to the day fixed for the meeting. The notice of annual meeting need not state the purpose or purposes thereof, unless action is to be taken at the meeting as to which notice is required by law or these By-laws. The notice of special meeting shall state the purpose or purposes thereof, and the business conducted at any special meeting shall be limited to the purpose or purposes stated in the notice.

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**Section 2.5 List of Shareholders.** In connection with every meeting of shareholders, a list of shareholders entitled to notice of such meeting, arranged alphabetically and certified by the Secretary, or by the agent of the Corporation having charge of transfers of shares, showing the address and number and class of shares held by each shareholder on the record date for the meeting, shall be available for inspection on the request of any shareholder beginning on the second business day after notice of the meeting for which the list was prepared is given and continuing through the meeting.

**Section 2.6 Quorum.** At all meetings of shareholders, the holders of a majority of the shares issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum; provided, however, that this subsection shall not have the effect of reducing the vote required to approve any matter that may be established by law or the Articles of Incorporation.

**Section 2.7 Voting.** When a quorum is present at any meeting of shareholders, the affirmative vote of the holders of a majority of the votes cast shall decide each matter brought before such meeting (except for the election of directors which is addressed in Section 3.4), unless the resolution of the question requires, by express provision of law or the Articles of Incorporation, a different vote or one or more separate votes by the holders of a class or series of capital stock, in which case such express provision shall apply and control the decision of such question. Each shareholder shall be entitled to cast one (1) vote for each share of stock held by such shareholder if such shareholder is entitled to vote such share on the matter being considered at the meeting.

**Section 2.8 Proxies.** A shareholder (or the shareholder's agent or attorney-in-fact) may, by signing an appointment form or by an electronic transmission of the appointment ("Appointment"), appoint another person as proxy ("Proxy") to vote or otherwise act for the shareholder. Unless (a) the Appointment states that it is irrevocable and (b) the Appointment is coupled with an interest, an Appointment shall be revocable at will by the appointing shareholder. Notwithstanding anything to the contrary therein, every revocable Appointment shall be deemed to expressly provide that the authority of the Proxy terminates, unless sooner revoked, at the completion of a single shareholders' meeting (including adjournments), which must be identified by date and hour in the Appointment. Every Proxy shall be bound by any express voting instructions in the Appointment. Unless otherwise expressly provided in an Appointment, it shall be deemed to confer on the Proxy a power to substitute by written instrument another person or persons in place of the Proxy to vote or otherwise act for the shareholder, within the limits specified in the Appointment, in the event of the inability or unwillingness for whatever reason of the Proxy to so vote or act.

**Section 2.9 Advance Notice.**

(a) At an annual meeting of shareholders, only such business shall be conducted (except for the election of directors in accordance with the procedures below in subpart (b)) as shall have been brought before the annual meeting (x) pursuant to the Corporation's notice of annual meeting (or any supplement thereto), (y) by or at the direction of the Board of Directors or any committee thereof or (z) by any shareholder of the Corporation who was a shareholder of record of the Corporation at the time the notice provided for in this Section 2.9(a) is received by the Secretary of the Corporation, who is entitled to vote at the annual meeting, and who complies

with the notice procedures set forth in this Section 2.9(a). Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of the annual meeting (and therefore included in the business of the annual meeting pursuant to the foregoing clause (x)), the foregoing clause (z) shall be the exclusive means for a shareholder to propose business to be brought before an annual meeting of shareholders. For business to be properly brought before an annual meeting by a shareholder pursuant to the foregoing clause (z), the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business must constitute a proper matter for shareholder action. To be timely, a shareholder's notice must be received by the Secretary at the principal office of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than ninety (90) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the shareholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. In no event shall an adjournment or postponement of an annual meeting, for which notice has been given (or with respect to which there has been a public announcement of the date of the annual meeting), commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. A shareholder's notice to the Secretary shall set forth:

(i) as to each matter the shareholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these By-laws, the language of the proposed amendment) and the reasons for conducting such business at the annual meeting;

(ii) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business and the Shareholder Associated Person (as defined below), if any, on whose behalf the proposal is made;

(iii) the class, series and number of shares of the Corporation which are directly or indirectly owned beneficially or of record by the shareholder, and a Shareholder Associated Person, if any;

(iv) any material interest of the shareholder and Shareholder Associated Person, if any, in such business;

(v) a description of any agreement, arrangement or understanding with respect to the proposal between or among such shareholder and such Shareholder Associated Person, if any;

(vi) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder or such Shareholder Associated Person, if any, has a right to vote, directly or indirectly, any stock of the Corporation or pursuant to which any

other person has the right to vote, directly or indirectly, any stock owned by such shareholder or Shareholder Associated Person, if any;

(vii) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of, such shareholder and such Shareholder Associated Person, if any, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such shareholder and such Shareholder Associated Person, if any, with respect to shares of stock of the Corporation;

(viii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; and

(ix) a representation that the shareholder or Shareholder Associated Person, if any, intends, or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of record of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (ii) otherwise to solicit proxies from shareholders in support of such proposal.

For purposes of this Section 2.9, the term "Shareholder Associated Person" of any shareholder shall mean (A) any person controlling, directly or indirectly, or acting in concert with, such shareholder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such shareholder, (C) any person controlling, controlled by or under common control with such Shareholder Associated Person, and (D) any person acting in concert with any of the foregoing.

Notwithstanding anything in these By-laws to the contrary, no business (except for the election of directors in accordance with the procedures below in subpart (b)) shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 2.9(a). The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of these By-laws, and if he or she should so determine, he or she shall so declare to the annual meeting and any such business not properly brought before the annual meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 2.9(a), unless otherwise required by law or otherwise determined by the presiding officer of the annual meeting, if the shareholder does not appear in person or is not represented by proxy at the annual meeting to present the proposed business, such proposed business shall not be transacted.

(b) Unless provided otherwise in the Articles of Incorporation, nominations of persons for election to the Board of Directors of the Corporation may be made at an annual meeting of shareholders or a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (x) by or at the direction of the Board of Directors or any committee thereof or (y) by any shareholder of the Corporation entitled to vote for the election of directors at the meeting who was a shareholder of record of the Corporation at the time the notice provided for in this Section 2.9(b) is received by the Secretary of the Corporation, who is entitled

to vote at the meeting and who complies with the notice procedures set forth in this Section 2.9(b). For nominations to be properly made by a shareholder pursuant to this Section 2.9(b), the shareholder must have given timely notice in writing to the Secretary of the Corporation. To be timely with respect to an annual meeting, a shareholder's notice must be received by the Secretary at the principal office of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than ninety (90) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the shareholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. To be timely with respect to a special meeting at which directors are to be elected pursuant to the Corporation's notice of special meeting, a shareholder's notice must be received by the Secretary at the principal office of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement of the date of such special meeting is first made. In no event shall the public announcement of an adjournment of an annual or special meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth:

(i) as to each person whom the shareholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(ii) as to the shareholder giving the notice and the Shareholder Associated Person, if any, on whose behalf the nomination is made (i) the name and address, as they appear on the Corporation's books, of such shareholder and of such Shareholder Associated Person, if any, and (ii) the class, series and number of shares of the Corporation which are directly or indirectly owned beneficially or of record by such shareholder and Shareholder Associated Person, if any;

(iii) a description of any agreement, arrangement or understanding with respect to the nomination between or among such shareholder and such Shareholder Associated Person, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing;

(iv) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder or such Shareholder Associated Person, if any, has a right to vote, directly or indirectly, any stock of the Corporation or pursuant to which any other person has the right to vote, directly or indirectly, any stock owned by such shareholder or Shareholder Associated Person, if any;

(v) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination; and

(vi) a representation whether the shareholder or Shareholder Associated Person, if any, intends, or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of record of at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by the shareholder or the Shareholder Associated Person, as the case may be, to be sufficient to elect the nominee or nominees proposed to be nominated by the shareholder and/or (ii) otherwise to solicit proxies from shareholders in support of such nomination.

At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be provided by a shareholder nominee pursuant to this Section 2.9(b).

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.9(b). The presiding officer of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this Section 2.9(b), and if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.9(b), unless otherwise required by law or otherwise determined by the presiding officer of the meeting, if the shareholder does not appear in person or by proxy at the meeting to present the proposed nomination, such proposed nomination shall not be made or considered.

(c) In addition to the provisions of this Section 2.9, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein.

(d) Nothing in this Section 2.9 shall be deemed to affect any rights of the holders of any series of Preferred Stock of the Corporation (if and when outstanding) or the rights of a shareholder pursuant to Rule 14a-8 under the Exchange Act.

(e) In accordance with Section 2.4 of these By-laws, only such business (except for the election of directors in accordance with the procedures above in subpart (b) of this Section 2.9) shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of special meeting.

#### **Section 2.10 Treatment of Abstentions and Broker Non-Votes.**

(a) Except as otherwise required by applicable law, shares abstaining from voting shall be counted as present for purposes of determining whether a quorum is present but shall have no effect on the outcome of the vote on proposals or director nominees where the vote required is majority of the votes cast.

(b) Except as otherwise required by applicable law, a broker non-vote shall be counted as present for purposes of determining whether a quorum is present (if a discretionary

matter is to be considered at the meeting) but shall have no effect on the outcome of the vote on proposals or director nominees where the vote required is majority of the votes cast or plurality.

**Section 2.11 Adjournments.** Adjournments of any annual or special meeting of shareholders may be taken without new notice being given if the new date, time, or place (or means of remote communication, if any) is announced at the meeting before adjournment unless a new record date is fixed for the adjourned meeting.

**Section 2.12 Withdrawal.** If a quorum is present or represented at the outset of a duly organized shareholders' meeting, such meeting may continue to do business until adjournment, notwithstanding the withdrawal of any shareholders from the meeting for any reason.

**Section 2.13 Lack of Quorum.** If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such date, time and place (or means of remote communication, if any) as they may determine, subject, however, to the provisions of Section 2.11 hereof. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of that meeting and for any adjournment of that meeting unless a new record date is or must be set for that meeting.

**Section 2.14 Presiding Officer.** The Chairman of the Board or a person designated by the Chairman of the Board, or in their absence a person designated by the Board of Directors, shall preside at all shareholders' meetings.

### **ARTICLE III** **DIRECTORS**

**Section 3.1 Number.** Except as otherwise fixed by or pursuant to Article IV(B) of the Articles of Incorporation (as it may be duly amended from time to time) relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors by class vote, the number of directors constituting the entire Board of Directors shall be not less than three nor more than twelve, the exact number of directors to be fixed from time to time within such range by a duly adopted resolution of the Board of Directors. The Secretary shall have the power to certify at any time as to the number of directors authorized and, for as long as the Board of Directors continues to be classified, as to the class to which each director has been elected or assigned.

**Section 3.2 Powers.** All of the corporate powers shall be vested in, and the business and affairs of the Corporation shall be managed by, a Board of Directors, except as may be otherwise provided by law or in the Articles of Incorporation. The Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things which are not by law, the Articles of Incorporation or these By-laws directed or required to be done by the shareholders.

**Section 3.3 Classes.** The directors elected or appointed by the Board of Directors, other than those directors who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, prior to the 2020 annual meeting of shareholders are divided, with respect to the time during which they shall hold office, with the directors of each class serving for a term expiring at the annual meeting of shareholders held in the third year following the year of each such director's election and until his or her



successor has been elected and qualified, or until his or her earlier resignation or removal. Commencing with the 2020 annual meeting of shareholders, the directors shall be elected as follows: (i) Class II directors whose terms expire at the 2020 annual meeting of shareholders will stand for election for one-year terms expiring at the 2021 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter; (ii) Class III directors whose terms expire at the 2021 annual meeting of shareholders will stand for election for one-year terms expiring at the 2022 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter; (iii) Class I directors whose terms expire at the 2022 annual meeting of shareholders will stand for election for one-year terms expiring at the 2023 annual meeting of shareholders and until their successors are duly elected and qualified and at each annual meeting of shareholders thereafter. For the avoidance of doubt, beginning at the 2022 annual meeting of shareholders, all directors elected at an annual meeting of shareholders shall hold office for a term expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified. Notwithstanding anything to the contrary provided for herein, if the Board of Directors shall appoint any director to fill a vacancy on the Board of Directors prior to the 2022 annual meeting of shareholders, whether resulting from an increase in the number of directors or otherwise, or if the shareholders shall elect a director to fill an open seat not previously assigned to a class, such director shall hold office for a term expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified.

**Section 3.4 Election of Directors.**

(a) At each annual meeting of shareholders, directors shall be elected to succeed those directors whose terms then expire. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) Except as otherwise provided in this Section 3.4 or Section 3.5 of this Article III, each director shall be elected by the affirmative vote of a majority of the votes cast with respect to such director nominee at any meeting of shareholders held for the election of directors at which a quorum is present; provided, however, that if the number of nominees for director exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the votes cast at any such meeting. For purposes of this Section 3.4, “a majority of the votes cast” means that (i) the number of shares voted for a director exceeds the number of shares voted against that director and (ii) as provided in Section 2.10, abstentions and broker non-votes are not counted as votes cast.

(c) The Corporation's Corporate Governance and Nominating Committee (the “CGNC”) shall maintain procedures pursuant to which any incumbent director nominee who is not re-elected shall offer to tender his or her resignation to the Board of Directors. The CGNC shall then make a recommendation to the Board of Directors as to whether to accept or reject the offer of resignation, or whether other action should be taken. The Board of Directors shall act on the CGNC’s recommendation promptly after it has been received and will publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results.

**Section 3.5 Vacancies.** Except as otherwise provided in the Articles of Incorporation or these By-laws, the office of a director shall become vacant if he or she dies, resigns, retires, is disqualified, or is duly removed from office. A vacancy also occurs in the Board of Directors if any new directorship is created by an increase in the authorized number of directors.

**Section 3.6 Filling Vacancies.** Except as otherwise provided in the Articles of Incorporation or Section 3.10 of these By-laws, any vacancy on the Board of Directors (including any vacancy resulting from an increase in the authorized number of directors) may, notwithstanding any resulting absence of a quorum of directors, be filled by a vote of at least two-thirds of the directors remaining in office, provided that the shareholders shall have the right to fill the vacancy at any special meeting called for such purpose prior to such action by the Board of Directors.

**Section 3.7 Resignation.** Any director may resign at any time by delivering a written resignation to the Chairman of the Board or the Secretary (including by electronic transmission). Any such resignation is effective when delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events.

**Section 3.8 Removal.** Directors may be removed in accordance with the applicable provisions of the Articles of Incorporation and applicable law.

**Section 3.9 Notice of Shareholder Nominees.** Except as otherwise provided in Section 3.10 of these By-laws, only persons who are nominated in accordance with the procedures set forth in Section 2.9 of these By-laws shall be eligible for election as directors.

**Section 3.10 Directors Elected by Preferred Shareholders.** Notwithstanding anything in these By-laws to the contrary, whenever the holders of any one or more classes or series of stock having a preference over the Common Stock as to dividends or upon liquidation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of the Articles of Incorporation (as they may be duly amended from time to time) fixing the rights and preferences of such Preferred Stock shall govern with respect to the nomination, election, term, removal or other related matters with respect to such directors. If a vacant office was held by a director elected by a voting group consisting of holders of such Preferred Stock, only the shareholders of that voting group are entitled to fill the vacancy if it is filled by shareholders, and only the directors elected by that voting group are entitled to fill the vacancy if it is filled by the directors.

**Section 3.11 Compensation of Directors.** Directors shall receive such compensation for their services, in their capacity as directors, as may be fixed by resolution of the Board of Directors; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

#### **ARTICLE IV**

#### **MEETINGS OF THE BOARD OF DIRECTORS**

**Section 4.1 Place of Meetings.** The meetings of the Board of Directors may be held at such place within or without the State of Louisiana, or by means of remote communication, as a majority of the directors may from time to time appoint.

**Section 4.2 Initial Meetings.** Except as otherwise determined by the Board of Directors, the first meeting of each newly-elected Board of Directors shall be held immediately following the shareholders' meeting at which the Board of Directors, or any class thereof, is elected and at the same place as such meeting, and no notice of such first meeting shall be necessary for the newly-elected directors in order legally to constitute the meeting.

**Section 4.3 Regular Meetings; Notice.** Regular meetings of the Board of Directors may be held at such times as the Board of Directors may from time to time determine. Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting (provided that a schedule including such regular meeting shall have been provided to the Board of Directors at least three business days prior to such regular meeting).

**Section 4.4 Special Meetings; Notice.** Special meetings of the Board of Directors may be called by or at the direction of the Chairman of the Board or the President on reasonable notice given to each director, either by personal hand delivery or by telephone, mail, e-mail or any other comparable form of electronic communication. Special meetings shall be called by the Secretary in like manner and on like notice on the written request of a majority of the directors and if such officer fails or refuses, or is unable within 24 hours to call a meeting when requested, then the directors making the request may call the meeting on 48 hours' written notice given to each director. The notice of a special meeting of directors shall state the date, time, place, if applicable, and purpose of the special meeting.

**Section 4.5 Waiver of Notice.** Directors present at any regular or special meeting shall be deemed to have received, or to have waived, due notice thereof, provided that a director shall not be deemed to have received or waived due notice if (a) at the beginning of the meeting, he or she objects to holding the meeting or the transaction of any business at the meeting or (b) the objection is to the consideration of an item of business outside the scope of the purposes stated in the notice of the meeting and the director objects to the consideration of that item promptly after the item is first raised for consideration at the meeting. A director who objects to the holding of a meeting or the transaction of certain business at a meeting but who thereafter participates in the meeting does not waive notice except with respect to those items the director votes to approve.

**Section 4.6 Quorum; Voting.** A majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of business. Except as otherwise provided by law, the Articles of Incorporation or these By-laws, if a quorum is present when the vote is taken, the affirmative vote of a majority of the directors present is the act of the Board of Directors. If a quorum is not present at any meeting of the Board of Directors, the directors present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum is present.

**Section 4.7 Withdrawal.** If a quorum was present when the meeting convened, the directors present may continue to do business, taking action by vote of a majority of a quorum as fixed in Section 4.6 hereof, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum as fixed in Section 4.6 hereof or the refusal of any director present to vote.

**Section 4.8 Action by Consent.** Any action required or permitted to be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and if the writings or electronic transmissions are filed with the records of proceedings of the Board of Directors or committee, as applicable.

**Section 4.9 Meetings by Telephone or Similar Communication.** Members of the Board of Directors may participate and be present at any meeting of the Board of Directors or any committee thereof by means of conference telephone or similar remote communication if all persons participating in such meeting can simultaneously hear and communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

**ARTICLE V**  
**COMMITTEES OF THE BOARD**

**Section 5.1 General.** The Board of Directors may designate one or more committees, each committee to consist of three or more of the directors of the Corporation (and one or more directors may be named as alternate members to replace any absent or disqualified regular members), which, to the extent provided by resolution of the Board of Directors or these By-laws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to documents, but no such committee shall have power or authority to amend the Articles of Incorporation, adopt an agreement of merger, consolidation or share exchange, adopt or recommend to the shareholders the sale, lease or exchange of all or substantially all of the Corporation's assets, recommend to the shareholders a dissolution of the Corporation or a revocation of dissolution, remove directors, fill a vacancy on the Board of Directors, declare a dividend or adopt, amend or repeal any of these By-laws. Such committee or committees shall have such name or names as may be determined, from time to time, by the Board of Directors. Any vacancy occurring in any such committee shall be filled by the Board of Directors. Each such member of a committee shall hold office during the term designated by the Board of Directors.

**Section 5.2 Meetings of Committees.** All meetings of committees shall be called by their respective chairmen upon the notice specified in Section 4.4 and shall be considered special meetings. A majority of the total number of members of a committee shall constitute a quorum. If a quorum is present when action is taken, the affirmative vote of committee members present constituting not less than a majority of the entire committee shall be the act of the committee. The provisions of Sections 4.5, 4.7, 4.8 and 4.9 shall apply, *mutatis mutandis*, to proceedings of committees of the Board of Directors.

**ARTICLE VI**  
**NOTICES**

**Section 6.1 Form of Delivery.** Whenever under the provisions of law, the Articles of Incorporation or these By-laws notice is required to be given to any shareholder or director, it shall not be construed to mean notice by personal hand delivery unless otherwise specifically provided

in the Articles of Incorporation or these By-laws, but such notice may be given by mail, addressed to such shareholder or director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, or in such other manner as may be permitted by law or specified in these By-laws. Notices given by mail shall be deemed to have been given at the time they are deposited in the United States mail.

**Section 6.2 Waiver.** Whenever any notice is required to be given by law, the Articles of Incorporation or these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the date and time stated therein, and delivered to the Corporation for inclusion in the minutes or filing in the records of the Company shall be deemed equivalent thereto. A shareholder's attendance at a meeting does both of the following: (a) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented. Notice shall be deemed to have been waived by any director as provided in Section 4.5 of these By-laws.

## **ARTICLE VII** **OFFICERS**

**Section 7.1 Designations.** The officers of the Corporation shall be appointed by the directors and shall be the President, Secretary and Treasurer. The Board of Directors may appoint a Chief Executive Officer, a Chief Operating Officer, a Chief Financial Officer, a Chief Accounting Officer, one or more Executive Vice Presidents and such other officers as it shall deem necessary. The same individual may simultaneously hold more than one office in the Corporation. Officers shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. To the extent permitted by law, more than one office may be held by a single person.

**Section 7.2 Term of Office.** The officers of the Corporation shall hold office at the pleasure of the Board of Directors. Any officer may resign at any time upon notice to the Corporation. Such resignation shall take effect at the time specified therein and acceptance of such resignation shall not be necessary to make it effective. The Board of Directors may remove any officer with or without cause at any time. Any such removal shall be without prejudice to the contractual rights of such officers, if any, with the Corporation, but the appointment of an officer shall not in and of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board of Directors at any regular or special meeting or by the officer, including any successor to that officer, who appointed the officer whose office is being vacated.

**Section 7.3 The Chairman of the Board.** The Board of Directors may appoint a Chairman of the Board who shall preside at meetings of the Board of Directors and perform such other duties as may be designated by the Board of Directors or these By-laws. The Chairman of the Board shall not, solely by virtue of such position, be an officer of the Corporation but may be designated an officer by the Board of Directors.

**Section 7.4 The President.** The President shall, unless otherwise provided by the Board of Directors, have general and active responsibility for the management of the business of the Corporation, shall be the chief executive officer of the Corporation, shall supervise the daily operations of the business of the Corporation and shall ensure that all orders, policies and resolutions of the Board of Directors are carried out.

**Section 7.5 The Executive Vice Presidents.** The Executive Vice Presidents (if any) shall have such designations and perform such duties as the President or the Board of Directors shall prescribe.

**Section 7.6 The Secretary.** The Secretary, or his or her designee, shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the shareholders and regular and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President. He or she shall keep in safe custody the seal of the Corporation, if any, and affix such seal to any instrument requiring it.

**Section 7.7 The Assistant Secretary.** The Assistant Secretary shall have the same powers and duties as the Secretary and shall perform such other duties as may be prescribed by the Board of Directors or President. In the absence or disability of the Secretary or at the request of the Secretary or the Chairman of the Board or relevant committee of the Board of Directors, the Assistant Secretary shall perform the duties and exercise the powers of the Secretary. In the absence or disability of both the Secretary and Assistant Secretary, the Chairman of the Board or relevant committee of the Board of Directors may delegate such powers and duties of the Secretary for a period of time to be determined by the Chairman of the Board or relevant committee of the Board of Directors.

**Section 7.8 The Treasurer.** The Treasurer shall have the custody of the corporate funds and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He or she shall keep a proper accounting of all receipts and disbursements and shall disburse the funds of the Corporation only for proper corporate purposes or as may be ordered by the Board of Directors and shall render to the President and the Board of Directors whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition and results of operations of the Corporation.

## **ARTICLE VIII** **STOCK**

**Section 8.1 Certificates.** Every holder of stock in the Corporation shall be entitled to have a certificate signed by the President or an Executive Vice President and the Secretary or an Assistant Secretary evidencing the number and class (and series, if any) of shares owned by him or her, containing such information as required by law and bearing the seal of the Corporation. As provided in the Articles of Incorporation, the Board of Directors may approve the use of dual forms of stock certificates, one for issuance to U.S. citizen shareholders, and one for issuance to

non-U.S. citizen shareholders. If any stock certificate is manually signed by a transfer agent or registrar other than the Corporation itself or an employee of the Corporation, the signature of any such officer may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be an officer, transfer agent or registrar of the Corporation before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were an officer, transfer agent or registrar of the Corporation on the date of issue.

**Section 8.2 Missing Certificates.** The President or any Executive Vice President may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the Corporation's receipt of an affidavit of that fact from the person claiming the certificate of stock to be lost, stolen or destroyed. As a condition precedent to the issuance of a new certificate or certificates, the officers of the Corporation shall, unless dispensed with by the President, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to (a) give the Corporation a bond or (b) enter into a written indemnity agreement, in each case in an amount appropriate to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

**Section 8.3 Transfers.** The shares of stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation, subject to any restrictions on transfer of shares of the Corporation provided in the Articles of Incorporation, these By-laws, any agreement among shareholders, or any agreement between shareholders and the Corporation, to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books, provided that as a condition precedent to the transfer of shares on the records of the Corporation, the Corporation may require representations or other proof of the identity and citizenship of any prospective shareholder and may restrict transfers to non-U.S. citizens as provided in the Articles of Incorporation.

## **ARTICLE IX**

### **RECORD DATE; DETERMINATION OF SHAREHOLDERS**

For the purpose of determining shareholders entitled to notice of and to vote at a meeting, or to receive a dividend, or to receive or exercise subscription or other rights, or to participate in a reclassification of stock, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for determination of shareholders for such purpose, such date to be not more than 70 days and, if fixed for the purpose of determining shareholders entitled to notice of and to vote at a meeting, not less than 10 days, prior to the date on which the action requiring the determination of shareholders is to be taken. If no record date is fixed: (a) the record date for determining shareholders entitled to notice of and to vote at an annual or special meeting of shareholders shall be the day before the notice to shareholders is given, and

(b) the record date for determining shareholders for any other purpose shall be the close of business on the day on which the Board of Directors authorizes the action.

## **ARTICLE X**

### **INDEMNIFICATION**

**Section 10.1 Permissible Indemnification of Directors.** Except as otherwise provided in this Article X, the Corporation may, to the maximum extent and in the manner permitted by law, indemnify an individual against liability incurred in a proceeding because such individual is a director after a determination has been made that indemnification is permissible because the director (a) conducted himself or herself in good faith and (i) in the case of conduct in an official capacity, reasonably believed that his or her conduct was in the best interest of the Corporation, or (ii) in other cases, reasonably believed that the director's conduct was at least not opposed to the best interest of the Corporation, or (iii) with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, or (b) engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the Articles of Incorporation for which liability has been eliminated in accordance with law (specifically, La. R.S. 12:1-832). Any such determination shall be made by a Determining Body, which shall be one of the following: (1) if there are two or more qualified directors (as defined in La. R.S. 12:1-143(A)(2)), by the Board of Directors by a majority vote of all qualified directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such vote, or (2) by special legal counsel selected either in the manner prescribed in subclause (1) or, if there are fewer than two qualified directors, by the Board of Directors, in which selection directors who are not qualified directors may participate, or (3) by the shareholders, except that shares owned by or voted under the control of a director who at the time is not a qualified director may not be voted on the determination. Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible except that if there are fewer than two qualified directors, or if the determination is made by special legal counsel, authorization of indemnification shall be made by those entitled to select special legal counsel under the latter part of subclause (2). The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the director did not meet the relevant standard of conduct described in this Section 10.1.

**Section 10.2 Mandatory Indemnification of Directors.** The Corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he or she was a director of the Corporation against expenses incurred by the director in connection with the proceeding.

**Section 10.3 Advance for Expenses.** The Corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse expenses incurred in connection with the proceeding by an individual who is a party to the proceeding because that individual was or is a member of the Board of Directors if the director delivers to the Corporation (a) a written affirmation of the director's good faith belief that the relevant standard of conduct as set forth in Section 10.1 has been met by the director or that the proceeding involves conduct for which liability has been eliminated under the law (specifically, La. R.S. 12:1-832), and (b) a written undertaking of the director as required by law to repay any funds advanced if the director is not



entitled to mandatory indemnification under Section 10.2 and it is ultimately determined that the director has not met the relevant standard of conduct under Section 10.1. Authorizations for expense advancement under this Section 10.3 shall be made by (i) the Board of Directors in accordance with law (specifically, La. R.S. 12:1-853(C)(1)) or (ii) the shareholders, except that shares owned or voted under the control of a director who at the time is not a qualified director may not be voted on the authorization.

**Section 10.4 Court-Ordered Indemnification and Advance for Expenses.** A director who is a party to a proceeding because he or she is a director may petition the court conducting the proceeding for indemnification or an advance for expenses or, if the indemnification or advance for expenses is beyond the scope of the proceeding or of the jurisdiction of the court or other forum for the proceeding, may petition another court of competent jurisdiction.

**Section 10.5 Indemnification Procedure.**

(a) Promptly upon becoming aware of the existence of any proceeding as to which he or she may be indemnified hereunder, a director (the “Indemnitee”) shall notify the President of the Corporation of the proceeding and whether he or she intends to seek indemnification hereunder. If such notice indicates that Indemnitee does so intend, the President shall promptly advise the Board of Directors thereof and notify the Board of Directors that the establishment, in accordance with La. R.S. 12:1-855, of a determining body (the “Determining Body”) with respect to the proceeding will be a matter presented at the next regularly scheduled meeting of the Board of Directors. Such a meeting is to be held within 90 calendar days of the date of the director’s request. If a meeting of the Board of Directors is not regularly scheduled within 120 calendar days of such request, the President shall cause a special meeting of the Board of Directors to be called within such period in accordance with these By-laws. After the Determining Body has been established the President shall inform the Indemnitee thereof and Indemnitee shall immediately provide the Determining Body with all facts relevant to the proceeding known to him or her. No later than the 60th day (the “Determination Date”) after its receipt of such information, together with such additional information as the Determining Body may request of Indemnitee, the Determining Body shall determine, and shall advise Indemnitee of its determination, whether indemnification is permissible.

(b) During such 60-day period, Indemnitee shall promptly inform the Determining Body upon his or her becoming aware of any relevant facts not theretofore provided by him or her to the Determining Body, unless the Determining Body has obtained such facts by other means. The providing of such facts to the Determining Body shall not begin a new 60-day period.

(c) The Determining Body shall have no authority to revoke a determination that indemnification is permissible unless Indemnitee (i) submits fraudulent information to the Determining Body at any time during the 60 days prior to the Determination Date or (ii) fails to comply with the provisions of subsections (a) or (b) hereof, including without limitation Indemnitee’s obligation to submit information or documents relevant to the proceeding reasonably requested by the Determining Body prior to the Determination Date.

(d) In the case of any proceeding other than a proposed, threatened or pending criminal proceeding,

(i) if indemnification is permissible, in the good faith judgment of the Determining Body, the Corporation may, in its sole discretion after notice to Indemnitee, assume all responsibility for the defense of the proceeding, and, in any event, the Corporation and the Indemnitee each shall keep the other informed as to the progress of the defense, including prompt disclosure of any proposals for settlement; provided that if the Corporation is a party to the proceeding and Indemnitee reasonably determines that there is a conflict between the positions of the Corporation and Indemnitee with respect to the proceeding, then Indemnitee shall be entitled to conduct his or her defense, with counsel of his or her choice; and provided further that Indemnitee shall in any event be entitled at his or her expense to employ counsel chosen by him or her to participate in the proceeding; and

(ii) the Corporation shall fairly consider any proposals by Indemnitee for settlement of the proceeding. If the Corporation (A) proposes a settlement acceptable to the person bringing the proceeding, or (B) believes a settlement proposed by the person bringing the proceeding should be accepted, it shall inform Indemnitee of the terms thereof and shall fix a reasonable date by which Indemnitee shall respond. If Indemnitee agrees to such terms, he or she shall execute such documents as shall be necessary to effect the settlement. If he or she does not agree he or she may proceed in the defense of the proceeding in any manner he or she chooses, but if he or she is not successful on the merits or otherwise, the Corporation's obligation to indemnify him or her for any liability incurred following his or her disagreement shall be limited to the lesser of (1) the total liability incurred by him or her following his or her decision not to agree to such proposed settlement or (2) the amount the Corporation would have paid pursuant to the terms of the proposed settlement. If, however, the proposed settlement would impose upon Indemnitee any requirement to act or refrain from acting that would materially interfere with the conduct of his or her affairs, Indemnitee may refuse such settlement and proceed in the proceeding, if he or she so desires, at the Corporation's expense without regard to the limitations imposed by the preceding sentence. In no event, however, shall the Corporation be obligated to indemnify Indemnitee for any amount paid in a settlement that the Corporation has not approved.

(e) In the case of a proceeding involving a proposed, threatened or pending criminal proceeding, Indemnitee shall be entitled to conduct the defense of the claim, and to make all decisions with respect thereto, with counsel of his or her choice; provided, however, that the Corporation shall not be obligated to indemnify Indemnitee for an amount paid in settlement that the Corporation has not approved.

(f) Any determination by the Corporation with respect to settlements of a proceeding shall be made by one of the following: (i) if there are two or more qualified directors, by the Board of Directors by a majority vote of all qualified directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such vote, or (ii) by special legal counsel selected either in the manner prescribed in subclause (i) or, if there are fewer than two qualified directors, by the Board of Directors, in which selection directors who are not qualified directors may participate.

(g) The Corporation and Indemnitee shall keep confidential, to the extent permitted by law and their fiduciary obligations, all facts and determinations provided or made pursuant to or arising out of the operation of this Article X, and the Corporation and Indemnitee shall instruct its or his or her agents and employees to do likewise.

**Section 10.6 Expedited Indemnification for Exculpated Claims.** A director or officer of the Corporation shall be deemed to have met the relevant standard of conduct set forth in La. R.S. 12:1-851(A), and therefore entitled to automatic indemnification, upon a determination by special legal counsel pursuant to La. R.S. 12:1-855(B)(2) that, with respect to the proceeding for which indemnification has been requested (or with respect to any claim, issue, or matter therein) the director or officer engaged in conduct for which liability has been eliminated under La. R.S. 12:1-832.

**Section 10.7 Enforcement.**

(a) The rights provided by this Article X shall be enforceable by Indemnitee in any court of competent jurisdiction.

(b) In any judicial proceeding described in this subsection, the Corporation shall bear the burden of proving that Indemnitee is not entitled to any Expenses sought with respect to any Claim.

**Section 10.8 Saving Clause.** If any provision of this Article X is determined by a court having jurisdiction over the matter to require the Corporation to do or refrain from doing any act that is in violation of applicable law, the court shall be empowered to modify or reform such provision so that, as modified or reformed, such provision provides the maximum indemnification permitted by law, and such provision, as so modified or reformed, and the balance of this Article X, shall be applied in accordance with their terms. Without limiting the generality of the foregoing, if any portion of this Article X shall be invalidated on any ground, the Corporation shall nevertheless indemnify an Indemnitee to the full extent permitted by any applicable portion of this Article X that shall not have been invalidated and to the full extent permitted by law with respect to that portion that has been invalidated.

**Section 10.9 Non-Exclusivity.**

(a) The indemnification and advancement of Expenses provided by or granted pursuant to this Article X shall not be deemed exclusive of any other rights to which Indemnitee is or may become entitled under any statute, article of incorporation, by-law, authorization of shareholders or directors, agreement, or otherwise.

(b) It is the intent of the Corporation by this Article X to indemnify and hold harmless Indemnitee to the fullest extent permitted by law, so that if applicable law would permit the Corporation to provide broader indemnification rights than are currently permitted, the Corporation shall indemnify and hold harmless Indemnitee to the fullest extent permitted by applicable law notwithstanding that the other terms of this Article X would provide for lesser indemnification.

**Section 10.10 Successors and Assigns.** This Article X shall be binding upon the Corporation, its successors and assigns, and shall inure to the benefit of the Indemnitee's heirs,

personal representatives, and assigns and to the benefit of the Corporation, its successors and assigns.

**Section 10.11 Indemnification of Officers.** The Corporation may indemnify and advance expenses to an individual who is a party to a proceeding because he or she was or is an officer of the Corporation or a subsidiary of the Corporation to the same extent as a director.

**Section 10.12 Indemnification of Other Persons.** The Corporation may indemnify any person not covered by Sections 10.1 through 10.9 to the extent provided in a resolution of the Board of Directors or a separate section of these By-laws.

**Section 10.13 Insurance.** The Corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the Corporation, or who, while a director or officer of the Corporation, serves at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by the individual in that capacity or arising from his or her status as a director or officer, whether or not the individual could be protected against the same liability under the law (specifically, La. R.S. 12:1-832) and whether or not the Corporation would have power to indemnify or advance expenses to the individual against liability under this Article X.

**Section 10.14 Certain Definitions.** For purposes of this Article X, the definitions set forth in La. R.S. 12:1-143 and 12:1-850 shall apply.

## **ARTICLE XI** **ADOPTION AND AMENDMENT OF BY-LAWS**

By-laws of the Corporation may be adopted and amended as provided in the Articles of Incorporation.

## **ARTICLE XII** **MISCELLANEOUS**

**Section 12.1 Dividends.** Except as otherwise provided by law, the Articles of Incorporation or these By-laws, dividends upon the stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, property, or shares of stock, subject to the limitations specified in the Articles of Incorporation.

**Section 12.2 Voting of Shares Owned by Corporation.** Unless otherwise directed by the Board of Directors, any shares of capital stock issued by a wholly-owned subsidiary of the Corporation may be voted by the President of the Corporation, or by any person authorized to do so by the President, at any shareholders' meeting of the subsidiary (or in connection with any written consent in lieu thereof).

**Section 12.3 Fiscal Year.** The Board of Directors may adopt for and on behalf of the Corporation a fiscal year, which may or may not be a calendar year.

**Section 12.4 Facsimile and Other Electronic Signatures.** In addition to the provisions for use of facsimile and other electronic signatures elsewhere specifically authorized in these By-laws, facsimile and other electronic signatures of any officer of the Corporation may be used whenever and however authorized by the Board of Directors or by a committee of the Board of Directors.

**Section 12.5 Seal.** The Board of Directors may adopt a corporate seal, which shall have inscribed thereon the name of the Corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Failure to affix the seal shall not, however, affect the validity of any instrument.

## GULF ISLAND FABRICATION, INC.

AMENDED AND RESTATED  
2015 STOCK INCENTIVE PLAN

1. **Purpose.** The purpose of the Gulf Island Fabrication, Inc. Amended and Restated 2015 Stock Incentive Plan (the “Plan”) is to increase shareholder value and to advance the interests of Gulf Island Fabrication, Inc. (“Gulf Island”) and its subsidiaries (collectively with Gulf Island, the “Company”) by furnishing stock-based economic incentives (the “Incentives”) designed to attract, retain, reward and motivate key employees, officers and directors of the Company and consultants and advisors to the Company and to strengthen the mutuality of interests between service providers and Gulf Island’s shareholders. Incentives consist of opportunities to purchase or receive shares of Common Stock, no par value per share, of Gulf Island (“Common Stock”) or cash valued in relation to Common Stock, on terms determined under the Plan. As used in the Plan, the term “subsidiary” means any corporation, limited liability company or other entity, of which Gulf Island owns (directly or indirectly) within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended (the “Code”), 50% or more of the total combined voting power of all classes of stock, membership interests, or other equity interests issued thereby.

2. **Administration.**

2.1. **Composition.** The Plan shall generally be administered by the Compensation Committee (the “Committee”) of the Board of Directors of Gulf Island (the “Board”). The Committee shall consist of not fewer than two members of the Board, each of whom shall qualify as a “non-employee director” under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”) or any successor rule.

2.2. **Authority.** The Committee shall have plenary authority to administer the Plan, including awarding Incentives under the Plan and entering into agreements with, or providing notices to, participants as to the terms of the Incentives (the “Incentive Agreements”). Specifically, the Committee shall have full and final authority and discretion over the Plan and any Incentives granted under it, including, but not limited to, the right, power, and authority to: (a) determine the persons to whom Incentives will be granted under Section 3 and the time at which such Incentives will be granted; (b) subject to Section 6.6, determine the terms, provisions, and conditions of Incentives (including, if applicable, the number of shares of Common Stock covered by an Incentive), which need not be identical and need not match any default terms set forth in the Plan, and amend or modify any outstanding Incentives; (c) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Incentive in the manner and to the extent it deems necessary or desirable to further the Plan’s objectives; (d) establish, amend, and rescind any rules or regulations relating to the administration of the Plan that it determines to be appropriate; (e) resolve all questions of interpretation or application of the Plan or Incentives granted under the Plan; and (f) make any other determination that it believes necessary or advisable for the proper administration of the Plan. Committee

decisions in matters relating to the Plan shall be final, binding, and conclusive on all persons, including, but not limited to, the Company, its shareholders, and Plan participants. The Committee may delegate its authority hereunder to the extent provided in Section 3.

**3. Eligible Participants.** Key employees, officers and directors of the Company and persons providing services as consultants or advisors to the Company shall become eligible to receive Incentives under the Plan when designated by the Committee. With respect to participants not subject to Section 16 of the 1934 Act, the Committee may delegate to appropriate officers of the Company its authority to designate participants, to determine the size and type of Incentives to be received by those participants and to set and modify the terms of such Incentives; provided, however, that the resolution so authorizing any such officer shall specify the total number of Incentives such officer may so award and such actions shall be treated for all purposes as if taken by the Committee, and provided further that the per share exercise price of any options granted by an officer, rather than by the Committee, shall be equal to the Fair Market Value (as defined in Section 12.11) of a share of Common Stock on the later of the date of grant or the date the participant's employment with or service to the Company commences.

**4. Types of Incentives.** Incentives may be granted under the Plan to eligible participants in the forms of (a) incentive stock options, (b) non-qualified stock options, (c) restricted stock, (d) restricted stock units ("RSUs"), (e) stock appreciation rights ("SARs") and (f) Other Stock-Based Awards (as defined in Section 10).

**5. Shares Subject to the Plan.**

**5.1. Number of Shares.** Subject to adjustment as provided in Section 12.5, the maximum number of shares of Common Stock that may be delivered to participants and their permitted transferees under the Plan shall be 2,500,000 million shares, representing 1,000,000 shares initially authorized under the Plan, plus an additional 1,500,000 shares authorized in connection with the amendment and restatement of the Plan. .

**5.2. Share Counting.** Any shares of Common Stock subject to an Incentive that is subsequently canceled, forfeited, or expires prior to exercise or realization, whether in full or in part, shall be available again for issuance or delivery under the Plan. Notwithstanding the foregoing, shares subject to an Incentive under the Plan shall not be available again for issuance or delivery under the Plan if such shares were (a) tendered in payment of the exercise price of a stock option; (b) covered by, but not issued upon settlement of, stock-settled SARs; (c) delivered to, or withheld by, the Company to satisfy any tax withholding obligation, or (d) purchased on the open market with option proceeds. If an Incentive, by its terms, may only be settled in cash, then the grant, vesting, payout, settlement, or forfeiture of such Incentive shall have no impact on the number of shares available for grant under the Plan.

**5.3. Limitations on Awards.** Subject to adjustment as provided in Section 12.5, the following additional limitations are imposed under the Plan:

(a) The maximum number of shares of Common Stock that may be issued upon exercise of stock options intended to qualify as incentive stock options under Section 422 of the Code shall be 2,500,000 shares.

(b) The maximum number of shares of Common Stock (including stock options and SARs) that may be granted to any one officer, employee, consultant, or advisor during any one calendar year shall be 250,000, not including any Incentives covered by the limitations of Section 5.3(e).

(c) Incentives with respect to an aggregate of 50,000 shares of Common Stock may be granted under the Plan to officers, directors, employees, consultants, or advisors without compliance with the minimum vesting periods or exceptions provided in Sections 6.3, 7.2, 8.2, 9.3 and 10.2.

(d) Each director who is not an employee of the Company may be granted Incentives with respect to no more than 25,000 shares of Common Stock each fiscal year.

(e) The maximum value of an Other Stock-Based Award that is valued in dollars rather than in shares of Common Stock (whether or not paid in Common Stock) scheduled to be paid out to any one officer, employee, consultant, or advisor during any one calendar year shall be \$3,000,000.

**5.4. Type of Common Stock.** Common Stock issued under the Plan may be authorized and unissued shares or issued shares held as treasury shares.

**6. Stock Options.** A stock option is a right to purchase shares of Common Stock from Gulf Island. Stock options granted under the Plan may be incentive stock options (as such term is defined in Section 422 of the Code) or non-qualified stock options. Any option that is designated as a non-qualified stock option shall not be treated as an incentive stock option. Each stock option granted by the Committee under this Plan shall be subject to the following terms and conditions:

**6.1. Price.** The exercise price per share shall be determined by the Committee, subject to adjustment under Section 12.5; provided that in no event shall the exercise price be less than the Fair Market Value (as defined in Section 12.11) of a share of Common Stock on the date of grant, except in the case of a stock option granted in assumption of or substitution for an outstanding award of a company acquired by the Company or with which the Company combines.

**6.2. Number.** The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to Section 5 and subject to adjustment as provided in Section 12.5.

**6.3. Duration and Time for Exercise.** The term of each stock option shall be determined by the Committee, but shall not exceed a maximum term of ten years. Each stock option shall become exercisable at such time or times during its term as shall be determined by the Committee; provided that, except as provided in Section 5.3(c), stock



option awards shall not become fully exercisable prior to the third anniversary of the date of grant with incremental vesting of portions of the award over the three-year period permitted (provided, however, that no portion of the award may become exercisable prior to the first anniversary of the date of grant). Notwithstanding the foregoing, the Committee may accelerate the exercisability of any stock option (1) as provided under Section 12.3 in the event of termination of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12.10 in connection with a Change of Control.

**6.4. Repurchase.** Upon approval of the Committee, the Company may repurchase a previously granted stock option from a participant by mutual agreement before such option has been exercised by payment to the participant of the amount per share by which: (a) the Fair Market Value (as defined in Section 12.11) of the Common Stock subject to the option on the business day immediately preceding the date of purchase exceeds (b) the exercise price, or by payment of such other mutually agreed upon amount; provided, however, that no such repurchase shall be permitted if prohibited by Section 6.6.

**6.5. Manner of Exercise.** A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by the full purchase price for such shares. The option price shall be payable in United States dollars and may be paid (a) in cash; (b) by check; (c) by delivery of or attestation of ownership of shares of Common Stock, which shares shall be valued for this purpose at the Fair Market Value on the business day immediately preceding the date such option is exercised; (d) by delivery of irrevocable written instructions to a broker approved by the Company (with a copy to the Company) to immediately sell a portion of the shares, issuable under the option and to deliver promptly to the Company the amount of sale proceeds (or loan proceeds if the broker lends funds to the participant for delivery to the Company) to pay the exercise price; (e) if approved by the Committee, through a net exercise procedure whereby the optionee surrenders the option in exchange for that number of shares of Common Stock with an aggregate Fair Market Value equal to the difference between the aggregate exercise price of the options being surrendered and the aggregate Fair Market Value of the shares of Common Stock subject to the option; or (f) in such other manner as may be authorized from time to time by the Committee.

**6.6. Repricing.** Except for adjustments pursuant to Section 12.5 or actions permitted to be taken by the Committee under Section 12.10(c) in the event of a Change of Control, unless approved by the shareholders of the Company, (a) the exercise or base price for any outstanding option or SAR granted under this Plan may not be decreased after the date of grant and (b) an outstanding option or SAR that has been granted under this Plan may not, as of any date that such option or SAR has a per share exercise price that is greater than the then current Fair Market Value of a share of Common Stock, be surrendered to the Company as consideration for the grant of a new option or SAR with a lower exercise price, shares of restricted stock, RSUs, an Other Stock-Based Award, a cash payment or Common Stock.

**6.7. No Dividend Equivalent Rights.** A participant receiving a stock option shall not be entitled to any dividend equivalent rights for any period of time prior to exercise of the stock option.

**6.8. Incentive Stock Options.** Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options that are intended to qualify as incentive stock options (as such term is defined in Section 422 of the Code):

(a) Any incentive stock option agreement authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to qualify the options as incentive stock options.

(b) All incentive stock options must be granted within ten years from the date on which this Plan is adopted by the Board.

(c) No incentive stock options shall be granted to any non-employee or to any participant who, at the time such option is granted, would own (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

(d) The aggregate Fair Market Value (determined with respect to each incentive stock option as of the time such incentive stock option is granted) of the Common Stock with respect to which incentive stock options are exercisable for the first time by a participant during any calendar year (under the Plan or any other plan of Gulf Island or any of its subsidiaries) shall not exceed \$100,000. To the extent that such limitation is exceeded, the excess options shall be treated as non-qualified stock options for federal income tax purposes.

## **7. Restricted Stock.**

**7.1. Grant of Restricted Stock.** The Committee may award shares of restricted stock to such eligible participants as the Committee determines pursuant to the terms of Section 3. An award of restricted stock shall be subject to such restrictions on transfer and forfeitability provisions and such other terms and conditions, including the attainment of specified performance goals, as the Committee may determine, subject to the provisions of the Plan.

**7.2. The Restricted Period.** At the time an award of restricted stock is made, the Committee shall establish a period of time during which the transfer of the shares of restricted stock shall be restricted and after which the shares of restricted stock shall be vested (the "Restricted Period"). The Restricted Period shall be a minimum of three years with incremental vesting of portions of the award over the three-year period permitted (provided, however, that no portion of the award may vest prior to the first anniversary of the date of grant), with the following exceptions:

(a) If the vesting of the shares of restricted stock is based upon the attainment of performance goals as described in Section 11, a minimum Restricted Period of one year is allowed.

(b) No minimum Restricted Period applies to grants under Section 5.3(c) hereof.

Each award of restricted stock may have a different Restricted Period. The expiration of the Restricted Period shall also occur: (1) as provided under Section 12.3 in the event of termination of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12.10 in connection with a Change of Control.

**7.3. Escrow.** The participant receiving restricted stock shall enter into an Incentive Agreement with the Company setting forth the conditions of the grant. Any certificates representing shares of restricted stock shall be registered in the name of the participant and deposited with the Company, together with a stock power endorsed in blank by the participant. Each such certificate shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the Gulf Island Fabrication, Inc. (the "Company") Amended and Restated 2015 Stock Incentive Plan (the "Plan"), and an agreement entered into between the registered owner and Company thereunder. Copies of the Plan and the agreement are on file at the principal office of the Company.

Alternatively, in the discretion of the Company, ownership of the shares of restricted stock and the appropriate restrictions shall be reflected in the records of the Company's transfer agent and no physical certificates shall be issued prior to vesting.

**7.4. Dividends on Restricted Stock.** Any and all cash and stock dividends paid with respect to the shares of restricted stock shall be subject to any restrictions on transfer, forfeitability provisions or reinvestment requirements as the Committee may, in its discretion, prescribe in the Incentive Agreement. If the vesting of the shares of restricted stock is based upon the attainment of performance goals, any and all cash and stock dividends paid with respect to the shares of restricted stock shall be subject to the attainment of the performance goals applicable to the underlying shares of restricted stock.

**7.5. Forfeiture.** In the event of the forfeiture of any shares of restricted stock under the terms provided in the Incentive Agreement (including any additional shares of restricted stock that may result from the reinvestment of cash and stock dividends, if so provided in the Incentive Agreement), such forfeited shares shall be surrendered and any certificates cancelled. The participants shall have the same rights and privileges, and be

subject to the same forfeiture provisions, with respect to any additional shares received pursuant to Section 12.5 due to a recapitalization or other change in capitalization.

**7.6. Expiration of Restricted Period.** Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the restricted stock shall lapse and a stock certificate for the number of shares of restricted stock with respect to which the restrictions have lapsed shall be delivered or book or electronic entry evidencing ownership shall be provided, free of all such restrictions and legends, except any that may be imposed by law, to the participant or the participant's estate, as the case may be.

**7.7. Rights as a Shareholder.** Subject to the terms and conditions of the Plan and subject to any restrictions on the receipt of dividends that may be imposed in the Incentive Agreement, each participant receiving restricted stock shall have all the rights of a shareholder with respect to shares of stock during the Restricted Period, including without limitation, the right to vote any shares of Common Stock.

## **8. Restricted Stock Units.**

**8.1. Grant of Restricted Stock Units.** A restricted stock unit, or RSU, represents the right to receive from the Company on the respective scheduled vesting or payment date for such RSU, one share of Common Stock. An award of RSUs may be subject to the attainment of specified performance goals or targets, forfeitability provisions and such other terms and conditions as the Committee may determine, subject to the provisions of the Plan.

**8.2. Vesting Period.** At the time an award of RSUs is made, the Committee shall establish a period of time during which the RSUs shall vest (the "Vesting Period"). The Vesting Period shall be a minimum of three years with incremental vesting over the three-year period permitted (provided, however, that no portion of the award may vest prior to the first anniversary of the date of grant), with the following exceptions:

- (a) If the vesting of the shares of RSUs is based upon the attainment of performance goals as described in Section 11, a minimum Vesting Period of one year is allowed.
- (b) No minimum Restricted Period applies to grants of RSUs under Section 5.3(c) hereof.

Each award of RSUs may have a different Vesting Period. The acceleration of the expiration of the Vesting Period shall occur: (1) as provided under Section 12.3 in the event of termination of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12.10 in connection with a Change of Control.

**8.3. Dividend Equivalent Accounts.** Subject to the terms and conditions of this Plan and the applicable Incentive Agreement, as well as any procedures established by the Committee, the Committee may determine to pay dividend equivalent rights with

respect to RSUs, in which case, unless determined by the Committee to be paid currently, the Company shall establish an account for the participant and reflect in that account any securities, cash or other property comprising any dividend or property distribution with respect to the share of Common Stock underlying each RSU. The participant shall have no rights to the amounts or other property credited to such account until the applicable RSU vests. Notwithstanding the above, if the vesting of the RSUs is based upon the attainment of performance goals, any and all dividend equivalent rights with respect to the RSUs shall be subject to the attainment of the performance goals applicable to the underlying RSUs.

**8.4. Rights as a Shareholder.** Subject to the restrictions imposed under the terms and conditions of this Plan and subject to any other restrictions that may be imposed in the Incentive Agreement, each participant receiving RSUs shall have no rights as a shareholder with respect to such RSUs until such time as shares of Common Stock are issued to the participant.

**8.5. Compliance with Section 409A of the Code.** RSU awards shall be designed and operated in such a manner that they are either exempt from the application or comply with the requirements of Section 409A of the Code.

## **9. Stock Appreciation Rights.**

**9.1. Grant of Stock Appreciation Rights.** A stock appreciation right, or SAR, is a right to receive, without payment to the Company, a number of shares of Common Stock, cash or any combination thereof, the number or amount of which is determined pursuant to the formula set forth in Section 9.5. Each SAR granted by the Committee under the Plan shall be subject to the terms and conditions provided herein.

**9.2. Number.** Each SAR granted to any participant shall relate to such number of shares of Common Stock as shall be determined by the Committee, subject to adjustment as provided in Section 12.5.

**9.3. Duration and Time for Exercise.** The term of each SAR shall be determined by the Committee, but shall not exceed a maximum term of ten years. Each SAR shall become exercisable at such time or times during its term as shall be determined by the Committee; provided that, except as provided in Section 5.3(c), SARs shall not become fully exercisable prior to the third anniversary of the date of grant with incremental vesting of portions of the award over the three-year period permitted (provided, however, that no portion of the award may become exercisable prior to the first anniversary of the date of grant). Notwithstanding the foregoing, the Committee may accelerate the exercisability of any SAR (1) as provided under Section 12.3 in the event of termination of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12.10 in connection with a Change of Control.

**9.4. Exercise.** A SAR may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of SARs that the holder wishes to exercise.

The date that the Company receives such written notice shall be referred to herein as the “Exercise Date.” The Company shall, within 30 days of an Exercise Date, deliver to the exercising holder certificates for the shares of Common Stock to which the holder is entitled pursuant to Section 9.5 or cash or both, as provided in the Incentive Agreement.

**9.5. Payment.** The number of shares of Common Stock which shall be issuable upon the exercise of a SAR payable in Common Stock shall be determined by dividing:

(a) the number of shares of Common Stock as to which the SAR is exercised, multiplied by the amount of the appreciation in each such share (for this purpose, the “appreciation” shall be the amount by which the Fair Market Value of a share of Common Stock subject to the SAR on the trading day prior to the Exercise Date exceeds the “Base Price,” which is an amount, not less than the Fair Market Value of a share of Common Stock on the date of grant, which shall be determined by the Committee at the time of grant, subject to adjustment under Section 12.5); by

(b) the Fair Market Value of a share of Common Stock on the Exercise Date.

No fractional shares of Common Stock shall be issued upon the exercise of a SAR; instead, the holder of a SAR shall be entitled to purchase the portion necessary to make a whole share at its Fair Market Value on the Exercise Date.

If so provided in the Incentive Agreement, a SAR may be exercised for cash equal to the Fair Market Value of the shares of Common Stock that would be issuable under this Section 9.5, if the exercise had been for Common Stock.

**9.6. No Dividend Equivalent Rights.** A participant receiving an SAR shall not be entitled to any dividend equivalent rights for any period of time prior to exercise of the SAR.

## **10. Other Stock-Based Awards.**

**10.1. Grant of Other Stock-Based Awards.** Subject to the limitations described in Section 10.2, the Committee may grant to eligible participants “Other Stock-Based Awards,” which shall consist of awards (other than options, restricted stock, RSUs or SARs described in Sections 6 through 9) paid out in shares of Common Stock or the value of which is based in whole or in part on the value of shares of Common Stock. Other Stock-Based Awards may be awards of shares of Common Stock, awards of phantom stock or may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of, or appreciation in the value of, Common Stock (including, without limitation, securities convertible or exchangeable into or exercisable for shares of Common Stock), as deemed by the Committee consistent with the purposes of this Plan. The Committee shall determine the terms and conditions of any Other Stock-Based Award (including which rights of a shareholder, if any, the recipient shall have with respect to Common Stock associated with any such award) and

may provide that such award is payable in whole or in part in cash. An Other Stock-Based Award may be subject to the attainment of such specified performance goals or targets as the Committee may determine, subject to the provisions of this Plan.

**10.2. Limitations.** Except as permitted in Section 5.3(c), Other Stock-Based Awards granted under this Section 10 shall be subject to a vesting period of at least three years, with incremental vesting of portions of the award over the three-year period permitted (provided, however, that no portion of the award may vest prior to the first anniversary of the date of grant), with the following exception: if the vesting of the award is based upon the attainment of performance goals, a minimum vesting period of one year is allowed, with incremental vesting of portions of the award over the one-year period permitted. Notwithstanding the foregoing, the Committee may accelerate the vesting of an Other Stock-Based Award (1) as provided under Section 12.3 in the event of termination of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12.10 in connection with a Change of Control.

**10.3. Dividend Equivalent Accounts.** Subject to the terms and conditions of this Plan and the applicable Incentive Agreement, as well as any procedures established by the Committee, the Committee may determine to pay dividend equivalent rights with respect to Other Stock-Based Awards, in which case, unless determined by the Committee to be paid currently, the Company shall establish an account for the participant and reflect in that account any securities, cash or other property comprising any dividend or property distribution with respect to the share of Common Stock underlying each Other Stock-Based Award. The participant shall have no rights to the amounts or other property credited to such account until the applicable Other Stock-Based Award vests. Notwithstanding the above, if the vesting of the Other Stock-Based Award is based upon the attainment of performance goals, any and all dividend equivalent rights with respect to the Other Stock-Based Award shall be subject to the attainment of the performance goals applicable to the underlying Other Stock-Based Award.

**10.4. Compliance with Section 409A of the Code.** Other Stock-Based Awards shall be designed and operated in such a manner that they are either exempt from the application or comply with the requirements of Section 409A of the Code.

**11. Performance Goals.** Restricted stock, RSUs or Other Stock-Based Awards granted under the Plan may be structured such that the vesting, grant, or payment of such awards is conditioned on the achievement of one or more performance goals. The performance goals shall be determined by the Committee and may include any or a combination of the following performance measures or others applied to the Company, Gulf Island, a division, or a subsidiary: earnings per share, return on assets, an economic value added measure, shareholder return, earnings, stock price, return on equity, return on total capital, safety performance, reduction of expenses or increase in cash flow. For any performance period, such performance objectives may be measured on an absolute basis, relative to a group of peer companies selected by the Committee, relative to internal goals, or relative to levels attained in prior years.

## 12. General.

**12.1. Duration.** No Incentives may be granted under the Plan after May 22, 2030; provided, however, that subject to Section 12.9, the Plan shall remain in effect after such date with respect to Incentives granted prior to that date, until all such Incentives have either been satisfied by the issuance of shares of Common Stock or otherwise been terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed.

**12.2. Transferability.** No Incentives granted hereunder may be transferred, pledged, assigned or otherwise encumbered by a participant except: (a) by will; (b) by the laws of descent and distribution; (c) if permitted by the Committee and so provided in the Incentive Agreement or an amendment thereto, pursuant to a domestic relations order, as defined in the Code; or (d) as to options only, if permitted by the Committee and so provided in the Incentive Agreement or an amendment thereto, (i) to Immediate Family Members; (ii) to a partnership in which the participant and/or Immediate Family Members, or entities in which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the sole partners; (iii) to a limited liability company in which the participant and/or Immediate Family Members, or entities in which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the sole members; or (iv) to a trust for the sole benefit of the participant and/or Immediate Family Members. “Immediate Family Members” shall be defined as the spouse and natural or adopted children or grandchildren of the participant and their spouses. To the extent that an incentive stock option is permitted to be transferred during the lifetime of the participant, it shall be treated thereafter as a nonqualified stock option. Any attempted assignment, transfer, pledge, hypothecation or other disposition of Incentives, or levy of attachment or similar process upon Incentives not specifically permitted herein, shall be null and void and without effect.

**12.3. Effect of Termination of Employment or Death.** In the event that a participant ceases to be an employee of the Company or to provide services to the Company for any reason, including death, disability, early retirement or normal retirement, any Incentives may be exercised, shall vest or shall expire at such times as may be determined by the Committee and provided in the Incentive Agreement.

**12.4. Additional Conditions.** Anything in this Plan to the contrary notwithstanding: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of Common Stock pursuant to any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Common Stock issued pursuant thereto, to deliver to the Company a written representation of present intention to acquire the Incentive or the shares of Common Stock issued pursuant thereto for his own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or under any federal or



state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

**12.5. Adjustment.** In the event of any recapitalization, reclassification, stock dividend, stock split, combination of shares or other similar change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares subject to outstanding Incentives, and any and all other limitations provided in the Plan limiting the number of shares of Common Stock that may be issued hereunder, shall be adjusted in proportion to the change in outstanding shares of Common Stock. In the event of any such adjustments, the price of any option, the Base Price of any SAR and the performance objectives of any Incentive shall also be adjusted to provide participants with the same relative rights before and after such adjustment. No substitution or adjustment shall require the Company to issue a fractional share under the Plan and the substitution or adjustment shall be limited by deleting any fractional share.

**12.6. Withholding.**

(a) The Company shall have the right to withhold from any payments made or stock issued under the Plan or to collect as a condition of payment, issuance or vesting, any taxes required by law to be withheld. At any time that a participant is required to pay to the Company an amount required to be withheld under applicable income tax laws in connection with an Incentive, the participant may, subject to Section 12.6(b) below, satisfy this obligation in whole or in part by electing (the "Election") to deliver currently owned shares of Common Stock or to have the Company withhold shares of Common Stock, in each case having a value equal to the minimum statutory amount required to be withheld under federal, state and local law. The value of the shares to be delivered or withheld shall be based on the Fair Market Value of the Common Stock on the date that the amount of tax to be withheld shall be determined ("Tax Date").

(b) Each Election must be made prior to the Tax Date. For participants who are not subject to Section 16 of the 1934 Act, the Committee may disapprove of any Election, may suspend or terminate the right to make Elections, or may provide with respect to any Incentive that the right to make Elections shall not apply to such Incentive. If a participant makes an election under Section 83(b) of the Code with respect to shares of restricted stock, an Election to have shares withheld to satisfy withholding taxes is not permitted to be made.

**12.7. No Continued Employment.** No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of the Company

for any period of time or to any right to continue his or her present or any other rate of compensation.

**12.8. Deferral Permitted.** Payment of an Incentive may be deferred at the option of the participant if permitted in the Incentive Agreement. Any deferral arrangements shall comply with Section 409A of the Code.

**12.9. Amendments to or Termination of the Plan.** The Board may amend or discontinue this Plan at any time; provided, however, that no such amendment may:

(a) materially revise the Plan without the approval of the shareholders. A material revision of the Plan includes (i) except for adjustments permitted herein, a material increase to the maximum number of shares of Common Stock that may be issued through the Plan; (ii) a material increase to the benefits accruing to participants under the Plan; (iii) a material expansion of the classes of persons eligible to participate in the Plan; (iv) an expansion of the types of awards available for grant under the Plan; (v) a material extension of the term of the Plan and (vi) a material change that reduces the price at which shares of Common Stock may be offered through the Plan;

(b) amend Section 6.6 to permit repricing of options or SARs without the approval of shareholders; or

(c) materially impair, without the consent of the recipient, an Incentive previously granted, except that the Company retains all of its rights under Section 12.10.

**12.10. Change of Control.**

(a) “Change of Control” shall mean:

(i) the acquisition by any individual, entity, or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the 1934 Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 30% or more of the outstanding shares of Common Stock, or 30% or more of the combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control:

(1) any acquisition (other than a Business Combination which constitutes a Change of Control under Section 12.10(a)(iii) hereof) of Common Stock directly from the Company;

(2) any acquisition of Common Stock by the Company;

(3) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or

(4) any acquisition of Common Stock by any entity pursuant to a Business Combination that does not constitute a Change of Control under Section 12.10(a)(iii) hereof; or

(ii) individuals who, as of the date this Plan was adopted by the Board (the "Approval Date"), constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Approval Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board; or

(iii) consummation of a reorganization, share exchange, merger, or consolidation (including any such transaction involving any direct or indirect subsidiary of the Company), or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination,

(1) all or substantially all of the individuals and entities who were the beneficial owners of the outstanding Common Stock and the Company's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect beneficial ownership, respectively, of more than 50% of the then outstanding shares of Common Stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the corporation resulting from such Business Combination (which, for purposes of this paragraph (1) and paragraphs (2) and (3), shall include a corporation which as a result of such transaction owns the Company or all or substantially all of its assets either directly or through one or more subsidiaries); and

(2) except to the extent that such ownership existed prior to the Business Combination, no Person (excluding any corporation resulting from such Business Combination and any

employee benefit plan or related trust of the Company, the corporation resulting from such Business Combination, or any subsidiary of either corporation) beneficially owns, directly or indirectly, 25% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 25% or more of the combined voting power of the then outstanding voting securities of such corporation; and

(3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a plan of complete liquidation or dissolution of the Company.

(b) Notwithstanding Section 12.3 and unless otherwise provided in an Incentive Agreement, if there has been a Change of Control, and within one year following such Change of Control a participant's employment with the Company is terminated by the Company without Cause or by such participant with Good Reason, all outstanding Incentives granted to such participant pursuant to the Plan shall automatically become fully vested and exercisable, all restrictions or limitations on any Incentives shall lapse and all performance criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved or waived at the target level by Gulf Island without the necessity of action by any person. Unless otherwise defined in an Incentive Agreement:

(i) "Cause" shall be defined as any of the following: (1) the commission by the participant of an illegal act (other than traffic violations or misdemeanors punishable solely by the payment of a fine); (2) the engagement of the participant in dishonest or unethical conduct, as determined by the Committee or its designee; (3) the commission by the participant of any fraud, theft, embezzlement, or misappropriation of funds; (4) the failure of the participant to carry out a directive of his superior, employer or principal; or (5) the breach of the Participant of the terms of his engagement.

(ii) "Good Reason" shall be defined as any of the following (without the participant's express written consent): (1) a material diminution in the participant's base salary as of the day immediately preceding the Change in Control or (2) the Company's requiring the participant to be based at any office or location more than 50 miles from participant's principal office or location as of the day immediately preceding the Change in Control. Notwithstanding the foregoing, the participant shall not have the rights described in Section 12.10(b) in connection with a termination of his employment with Good Reason

unless (a) within 30 days of the initial existence of the condition or conditions giving rise to such right the participant provides written notice to the Company of the existence of such condition or conditions, and (b) the Company fails to remedy such condition or conditions within 30 days following the receipt of such written notice (the “Cure Period”). If any such condition is not remedied within the Cure Period, the participant must terminate his employment with the Company within a reasonable period of time, not to exceed 30 days, following the end of the Cure Period.

(c) No later than 30 days after the approval by the Board of a Change of Control of the types described in subsections (iii) or (iv) of Section 12.10(a) and no later than 30 days after a Change of Control of the type described in subsections (i) and (ii) of Section 12.10(a), the Committee (as the Committee was composed immediately prior to such Change of Control and notwithstanding any removal or attempted removal of some or all of the members thereof as directors or Committee members), acting in its sole discretion without the consent or approval of any participant, may act to effect one or more of the alternatives listed below and such act by the Committee may not be revoked or rescinded by persons not members of the Committee immediately prior to the Change of Control:

(i) require that all exercisable options and SARs be exercised on or before a specified date (before or after such Change of Control) fixed by the Committee, after which specified date all unexercised options shall terminate;

(ii) make such equitable adjustments to Incentives then outstanding as the Committee deems appropriate to reflect such Change of Control (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary);

(iii) provide for mandatory conversion of some or all of the exercisable options and SARs held by some or all participants as of a date, before or after such Change of Control, specified by the Committee, in which event such options and SARs shall be deemed automatically cancelled and the Company shall pay, or cause to be paid, to each such participant an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such option and SAR, as defined and calculated below, over the exercise price(s) of such options and SARs or, in lieu of such cash payment, the issuance of Common Stock or securities of an acquiring entity having a Fair Market Value equal to such excess; or

(iv) provide that thereafter upon any exercise of an option or SAR the participant shall be entitled to purchase under such option or SAR, in lieu of the number of shares of Common Stock then covered by such option or SAR, the number and class of shares of stock or other

securities or property (including, without limitation, cash) to which the participant would have been entitled pursuant to the terms of the agreement providing for the reorganization, merger, consolidation or asset sale, if, immediately prior to such Change of Control, the participant had been the holder of record of the number of shares of Common Stock then covered by such options and SARs.

(d) For the purpose of paragraph (iii) of Section 12.10(c), the “Change of Control Value” shall equal the amount determined by whichever of the following items is applicable:

(i) the per share price to be paid to shareholders of Gulf Island in any such merger, consolidation or other reorganization;

(ii) the price per share offered to shareholders of Gulf Island in any tender offer or exchange offer whereby a Change of Control takes place;

(iii) in all other events, the Fair Market Value per share of Common Stock into which such options being converted are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of conversion of such options; or

(iv) in the event that the consideration offered to shareholders of Gulf Island in any transaction described in this Section 12.10 consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered that is other than cash.

**12.11. Definition of Fair Market Value.** Whenever “Fair Market Value” of Common Stock shall be determined for purposes of this Plan, except as provided below in connection with a cashless exercise through a broker, it shall be determined as follows: (i) if the Common Stock is listed on an established stock exchange or any automated quotation system that provides sale quotations, the closing sale price for a share of the Common Stock on such exchange or quotation system on the date as of which fair market value is to be determined, or if no sale of the Common Stock shall have been made on that day, on the next preceding day on which there was a sale of the Common Stock; (ii) if the Common Stock is not listed on any exchange or quotation system, but bid and asked prices are quoted and published, the mean between the quoted bid and asked prices on the date as of which fair market value is to be determined, and if bid and asked prices are not available on such day, on the next preceding day on which such prices were available; and (iii) if the Common Stock is not regularly quoted, the fair market value of a share of Common Stock on the date as of which fair market value is to be determined, as established by the Committee in good faith. In the context of a cashless exercise through a broker, the “Fair Market Value” shall be the price at which the Common Stock subject to the stock option is actually sold in the market to pay the option exercise price.

**12.12. Clawback Provisions.** All Incentives (including any proceeds, gains or other economic benefit an Incentive recipient actually or constructively receives upon receipt or exercise of any Incentive or the receipt or resale of any shares of Common Stock underlying the Incentive) will be subject to any Company clawback policy implemented to comply with applicable laws, including any clawback policy adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, as set forth in such a clawback policy or the Incentive Agreement.