

Next Five Years: Training Day Kick-off Video Script

*identifying names have been changed

Steve Wolff:

Hello, I'm Steve Wolff, Global Manager of MCML. I'm here today with Mark Tudor to kick-off your training on the MCML "Next 5 Years" initiative.

You know, looking back at what this organization accomplished under Todd Smith's leadership, it's hard to believe that MCML is only 5 years old. In that time, there have been enormous strides in delivering value to the Corporation by advancing environmental services excellence.

Specifically, we've:

- Progressed \$3.8B in project activities
- Achieved ~2,500 case closures
- Reached settlements/closed claims in 720 matters
- Returned 860 properties to beneficial use
- Initiated / completed demolition of surplus assets on ~200 idle properties
- Brought 75 new hires into our organization worldwide

I know these things could not have been accomplished without a strong team ... and I thank you for all your hard work and dedication.

OK, so why are we changing things now?

Well, nothing ever stays constant. First, our business environment has been changing... both internally and externally, which has an impact on how the entire Global Real Estate organization, including MCML conducts its business. Second, in order to progress as a service provider we need to continually look for better ways of doing what we do.

To discuss those changes and the MCML response to them, I would like to introduce Mark Tudor, Vice President of Global Real Estate and Facilities.

Mark Thomas:

Hello. A lot of effort has been expended right across the organization during the past year to advance our *Building the New Global Real Estate* initiative, and MCML *The Next Five Years* is a key part of it. We launched the MCML initiative to address the following factors:

First, business line portfolios were changing. For example, the changing Fuels Marketing business model along with successful initiatives such as Cost to Closure and Retail BI, were leading to a shift in the global MCML portfolio from one with a majority of Retail projects to one with a much higher percentage of Major Projects. And, going forward, we anticipate growth in other business line portfolios, such as the Upstream.

Second, as a result of these changes, the projects remaining in the portfolio and those we anticipate taking on in the future will be much more technically challenging. Therefore, we wanted to place more

focus on upfront technical engagement through early-stage project development.

Third, the emergence of significant external issues such as contaminated sediments, Natural Resource Damages, and large reclamation efforts (to name a few) were becoming more prevalent as strategic drivers within the MCML portfolio.

Last but very importantly, the demographics of our workforce require us to prepare for an orderly transition of the organization's institutional knowledge.

At the same time, under the Building the New Global Real Estate umbrella, the Real Estate and Facilities organization was looking to improve client satisfaction while maintaining cost competitiveness without sacrificing our core values of safety, security and sound business controls. Here, too, we are looking to leverage technology to help us achieve desired end results. What we need to stay focused on across the entire Global Real Estate organization is ensuring we are aligned and that these transitions occur as smoothly as possible, without impacting our core values of safety, environmental responsibility, business controls and financial discipline.

Steve Wolff:

Thanks Mark.

I am firmly convinced that these changes are absolutely necessary for us to take this business to the next level ... but, I will need the support of each and every one of you for the effort to be successful.

The journey we are talking about today began back in March 2012 when approximately 100 folks from MCML, SPM, the business lines and our consultants participated in an Accelerated Solutions Environment workshop in Chicago. The blueprint established in that workshop was the first step in shaping our new organizational model. Since then, the MCML Leadership Team and the Next 5 Years Project Team have worked the details of the new organization design and put together the Management of Change and Transition processes. Many of you have been involved along the way – providing invaluable input to what the new organization should look like and how it should work.

The result is a new process driven business model that will allow us to:

- Focus upfront technical planning and issues management on our most complex projects and pressing issues
- Capture global efficiencies by concentrating all commercial related expertise in a single organization.
- Provide greater focus on project execution... including safety oversight, cost control, project advocacy, scope of work efficiency and closure
- Conduct truly global planning to support our worldwide organization, and most importantly ...
- Create new opportunities for job enrichment and professional development for you, and promote knowledge transfer for our changing workforce.

Which brings us to today's orientation session. The session is designed to answer your questions about how the organization is changing... what new work processes you will be asked to adopt... how the various groups will function... and what your specific roles and responsibilities will be.

While most parts of the new business model will be put in place starting April 1st, some will be phased-in over 2013 and 2014. In the meantime, I ask that you continue to follow existing processes, maintain current contacts, and remain dedicated to achieving 2013 results.

Mark Tudor:

Steve and I understand that even after this session, you may have questions. As we progress implementation of the new business model your supervisor will continue to provide additional information as it is available.

During this transition, we ask that everyone remain keenly focused on the areas within your control; be safe, environmentally responsible, and conduct your work with the highest level of ethics and integrity. We appreciate your patience, continued strong support, and commitment as we work through this time of change.

It's an exciting time for the Company, for Global Real Estate as a whole and for MCML. I look forward to what we'll accomplish together on the journey ahead.

Thanks, and stay safe.