

TETRA TECH INC
Form DEF 14A
January 05, 2009

QuickLinks -- Click here to rapidly navigate through this document

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Tetra Tech, Inc

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:

Edgar Filing: TETRA TECH INC - Form DEF 14A

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

January 9, 2009

DEAR TETRA TECH STOCKHOLDERS:

You are cordially invited to attend the Annual Meeting of Stockholders of Tetra Tech, Inc., which will be held at The Westin Pasadena, 191 North Los Robles Avenue, Pasadena, California 91101 on Thursday, February 26, 2009 at 10:00 a.m. Pacific Time.

Details of the business to be conducted at the meeting are given in the attached Notice of Annual Meeting of Stockholders and the attached Proxy Statement.

In accordance with new U.S. Securities and Exchange Commission (SEC) rules, we are using the Internet as our primary means of furnishing proxy materials to our stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a notice with instructions for accessing the proxy materials and voting via the Internet. The notice also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. We believe this process will make the proxy distribution process more efficient and less costly and that it will help in conserving natural resources.

Your vote is extremely important. We appreciate your taking the time to vote promptly. After reading the Proxy Statement, please vote, at your earliest convenience by Internet or telephone, or request a proxy card to complete, sign and return by mail. If you decide to attend the Annual Meeting and would prefer to vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted. **YOUR SHARES CANNOT BE VOTED UNLESS YOU VOTE (1) BY INTERNET, (2) BY TELEPHONE, (3) REQUEST A PAPER PROXY CARD, TO COMPLETE, SIGN AND RETURN BY MAIL, OR (4) ATTEND THE ANNUAL MEETING AND VOTE IN PERSON.**

Thank you for your continued support of Tetra Tech. We look forward to seeing you at the meeting.

Dan L. Batrack

Chairman, Chief Executive Officer and President

YOUR VOTE IS IMPORTANT

In order to ensure your representation at the meeting, please vote by Internet or telephone, or request a proxy card to complete, sign and return by mail. Please refer to the section entitled "Voting via the Internet, by Telephone or by Mail" on page 2 of the Proxy Statement for a description of these voting methods.

**3475 East Foothill Boulevard
Pasadena, California 91107**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held February 26, 2009

TO OUR STOCKHOLDERS:

We will hold our 2009 Annual Meeting of Stockholders of Tetra Tech, Inc., a Delaware corporation, on Thursday, February 26, 2009, at 10:00 a.m. Pacific Time at The Westin Pasadena, 191 North Los Robles Avenue, Pasadena, California 91101, for the following purposes:

- (1) To elect seven members of our Board of Directors;
- (2) To approve our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 85,000,000 to 150,000,000;
- (3) To approve the amendment of our 2005 Equity Incentive Plan;
- (4) To approve our Executive Compensation Plan;
- (5) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2009; and
- (6) To act upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

These items of business are more fully described in the Proxy Statement. The record date for determining those stockholders who will be entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof is December 29, 2008. A list of stockholders entitled to vote at the annual meeting will be available for inspection at our principal executive offices at the address listed above.

Whether or not you plan to attend the annual meeting, please vote as soon as possible. As an alternative to voting in person at the annual meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing a completed proxy card. For detailed information regarding voting instructions, please refer to the section entitled "Voting via the Internet, by Telephone or by Mail", on page 2 of the Proxy Statement. You may revoke a previously delivered proxy at any time prior to the annual meeting. If you decide to attend the annual meeting and wish to change your proxy vote, you may do so automatically by voting in person at the annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Janis B. Salin
Vice President, General Counsel and Secretary

Pasadena, California
January 9, 2009

INTERNET AVILABILITY OF PROXY MATERIALS

This year, in accordance with new SEC rules, we are using the Internet as our primary means of furnishing proxy materials to stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. We believe this new rule will make the proxy distribution process more efficient and less costly and that it will help in conserving natural resources.

TABLE OF CONTENTS

| | Page |
|---|-------------|
| GENERAL INFORMATION | 1 |
| PROPOSAL NO. 1 ELECTION OF DIRECTORS | 4 |
| General | 4 |
| Business Experience of Nominees | 4 |
| Chairman Emeritus | 5 |
| Corporate Governance | 6 |
| Independent Directors | 6 |
| Board Meetings and Committees | 7 |
| Director Compensation | 9 |
| Stockholder Communications with the Board of Directors | 12 |
| Recommendation of the Board of Directors | 12 |
| PROPOSAL NO. 2 APPROVAL OF RESTATED CERTIFICATE OF INCORPORATION | 13 |
| General | 13 |
| Reasons For and Possible Effects of the Restated Certificate | 13 |
| Recommendation of the Board of Directors | 14 |
| PROPOSAL NO. 3 APPROVAL OF AMENDMENT OF THE 2005 EQUITY INCENTIVE PLAN | 15 |
| General | 15 |
| Share Reserve | 16 |
| Administration | 16 |
| Eligibility and Types of Awards under the EIP | 16 |
| Options | 17 |
| Restricted Stock | 17 |
| RSUs | 17 |
| SARs | 18 |
| Performance Goals | 18 |
| Change of Control | 18 |
| Amendment and Termination | 19 |
| New Plan Benefits | 19 |
| Federal Income Tax Consequences | 20 |
| Equity Compensation Plan Information | 21 |
| Recommendation of the Board of Directors | 21 |
| PROPOSAL NO. 4 APPROVAL OF EXECUTIVE COMPENSATION PLAN | 22 |
| Purpose of the Request for Approval | 22 |
| Purpose of the ECP | 22 |
| Participants | 23 |
| Administration | 23 |
| Maximum Bonus and Payout Criteria | 23 |
| Payment of Awards | 23 |
| Term and Amendment of ECP | 23 |
| New Plan Benefits | 24 |
| Recommendation of the Board of Directors | 24 |
| PROPOSAL NO. 5 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | 25 |
| General | 25 |
| Principal Accountant Fees and Services | 25 |
| Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm | 26 |
| Recommendation of the Board of Directors | 26 |

Edgar Filing: TETRA TECH INC - Form DEF 14A

| | Page |
|--|-------------|
| OWNERSHIP OF SECURITIES | 27 |
| Section 16(a) Beneficial Ownership Reporting Compliance | 29 |
| EXECUTIVE COMPENSATION AND RELATED INFORMATION | 30 |
| Compensation Discussion and Analysis | 30 |
| Compensation Committee Report | 39 |
| Compensation Committee Interlocks and Insider Participation | 40 |
| Summary of Compensation | 40 |
| Potential Payments Upon Termination or Change in Control | 47 |
| Confidentiality | 51 |
| Review, Approval or Ratification of Transactions with Related Persons | 52 |
| Certain Transactions with Related Persons | 52 |
| REPORT OF THE AUDIT COMMITTEE | 53 |
| STOCKHOLDER PROPOSALS FOR 2010 ANNUAL MEETING OF STOCKHOLDERS | 54 |
| Requirements for Stockholder Proposals to be Considered for Inclusion in Our Proxy Materials | 54 |
| Requirements for Stockholder Proposals to be Brought Before the Annual Meeting | 54 |
| STOCKHOLDERS SHARING THE SAME ADDRESS | 54 |
| FORM 10-K | 55 |
| OTHER MATTERS | 55 |
| Annex A Restated Certificate of Incorporation | A-1 |
| Annex B 2005 Equity Incentive Plan | B-1 |
| Annex C Executive Compensation Plan | C-1 |

**3475 East Foothill Boulevard
Pasadena, California 91107**

PROXY STATEMENT

We are sending you this proxy statement in connection with the solicitation of proxies by our Board of Directors. The proxies are for use at our 2009 Annual Meeting of Stockholders, which we will hold at 10:00 a.m. Pacific Time on Thursday, February 26, 2009 at The Westin Pasadena, 191 North Los Robles Avenue, Pasadena, California 91101. The proxies will remain valid for use at any meetings held upon adjournment of that meeting.

The Notice of Annual Meeting, this Proxy Statement and our Annual Report for the fiscal year ended September 28, 2008 have been made available to all stockholders entitled to notice and to vote at the Annual Meeting. The Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material. The Annual Report is posted at the following website addresses: www.tetrattech.com and www.proxyvote.com.

PURPOSE OF MEETING

The specific proposals to be considered and acted upon at the annual meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this Proxy Statement.

VOTING RIGHTS AND SOLICITATION

Voting

Only stockholders of record of our common stock on December 29, 2008, the record date, will be entitled to vote at the annual meeting. Each stockholder of record will be entitled to one vote on each matter for each share of common stock held on the record date. On the record date, there were 59,959,888 shares of common stock outstanding. A majority of outstanding shares of common stock must be present or represented by proxy at the annual meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the annual meeting. A broker non-vote occurs when a bank, broker or other stockholder of record holding shares for a beneficial owner submits a proxy for the annual meeting but does not vote on a particular proposal because that holder does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner. In the election of directors, the seven nominees who receive the highest number of affirmative votes will be elected. Stockholders may not cumulate votes in the election of directors. Votes against a candidate and votes withheld from voting for a candidate will have no effect on the election. The proposal to approve the Restated Certificate of Incorporation requires the affirmative vote of a majority of the outstanding shares of common stock as of the Record Date entitled to vote on this matter at the annual meeting. The other

proposals require the approval of the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote at the annual meeting. Uninstructed shares are not entitled to vote on these matters and, therefore, broker non-votes do not affect the outcome. Abstentions have the effect of negative votes. If the persons present or represented by proxy at the annual meeting constitute the holders of less than a majority of the outstanding shares of common stock as of the record date, the annual meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum. The inspector of elections appointed for the annual meeting will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Recommendations of the Board of Directors

Our Board of Directors recommends that you vote **FOR** each of the nominees of the Board of Directors (Proposal No. 1), **FOR** approval of the Restated Certificate of Incorporation (Proposal No. 2), **FOR** approval of the amendment of our 2005 Equity Incentive Plan (Proposal No. 3), **FOR** approval of our Executive Compensation Plan (Proposal No. 4), and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2009 (Proposal No. 5).

Voting via the Internet, by Telephone or by Mail

As an alternative to voting in person at the annual meeting, stockholders whose shares are registered in their own names may vote via the Internet, by telephone or, for those stockholders who receive a paper proxy card in the mail, by mailing a completed proxy card. The Notice of Internet Availability of Proxy Materials provides instructions on how to access your proxy card, which contains instructions on how to vote via the Internet or by telephone. For those stockholders who receive a paper proxy card, instructions for voting via the Internet or by telephone are set forth on the proxy card. Those stockholders who receive a paper proxy card and voting instructions by mail, and who elect to vote by mail, should sign and return the mailed proxy card in the prepaid and addressed envelope that was enclosed with the proxy materials, and your shares will be voted at the annual meeting in the manner you direct. In the event that you return a signed proxy card on which no directions are specified, your shares will be voted **FOR** each of the nominees of the Board of Directors (Proposal No. 1), **FOR** approval of the Restated Certificate of Incorporation (Proposal No. 2), **FOR** approval of the amendment of our 2005 Equity Incentive Plan (Proposal No. 3), **FOR** approval of our Executive Compensation Plan (Proposal No. 4), and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2009 (Proposal No. 5), and in the discretion of the proxy holders as to any other matters that may properly come before the annual meeting or any postponement or adjournment of the annual meeting.

If your shares are registered in the name of a bank or brokerage firm (your record holder), you will receive instructions from your record holder that must be followed so that your record holder may vote your shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions via the Internet or over the telephone.

You may revoke or change a previously delivered proxy at any time before the annual meeting by delivering another proxy with a later date or by delivering written notice of revocation of your proxy to our Secretary at our principal executive offices before the beginning of the annual meeting. You may also revoke your proxy by attending the annual meeting and voting in person, although attendance at the annual meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You may also vote in person at the annual meeting if you obtain a legal proxy as described in the preceding paragraph.

Proxy Solicitation Costs

We will bear the entire cost of this solicitation of proxies, including the preparation, assembly, printing and mailing the Notice of Internet Availability of Proxy Materials, this Proxy Statement, the proxy and any additional solicitation material that we may provide to stockholders. Copies of solicitation material will be provided to brokerage firms, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners. In addition, we have retained The Proxy Advisory Group, LLC to assist in obtaining proxies from brokers and nominees of stockholders for the meeting. The estimated cost of such services is \$17,000 plus reasonable out-of-pocket expenses. Further, the original solicitation of proxies by mail may be supplemented by solicitation by telephone, telegram and other means by our directors, officers and employees. No additional compensation will be paid to these individuals for any such services.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The names of persons who are nominees for director and their positions with us are set forth in the table below. The proxy holders intend to vote all proxies received by them for the nominees listed below unless otherwise instructed. The authorized number of directors is presently seven. Each of the current directors has been nominated for election by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee and has decided to stand for re-election.

Proxies may not be voted for more than seven directors, and stockholders may not cumulate votes in the election of directors. In the event any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee who may be designated by the Board of Directors to fill the vacancy, if any. As of the date of this proxy statement, the Board of Directors is not aware that any nominee is unable or will decline to serve as a director. The seven nominees receiving the highest number of affirmative votes of the shares entitled to vote at the meeting will be elected to the Board of Directors to serve until the next annual meeting of stockholders and until their successors have been elected.

No arrangement or understanding exists between any nominee and any other person or persons pursuant to which any nominee was or is to be selected as a director or nominee. The nominees do not have any family relationship among themselves or with any of our executive officers.

The following table presents information concerning the nominees.

| Name | Age | Position |
|----------------------|------------|--|
| Dan L. Batrack | 50 | Chairman, Chief Executive Officer, President, Director |
| Hugh M. Grant | 72 | Director |
| Patrick C. Haden | 55 | Director |
| J. Christopher Lewis | 52 | Presiding Director |
| Albert E. Smith | 59 | Director |
| J. Kenneth Thompson | 57 | Director |
| Richard H. Truly | 71 | Director |

Business Experience of Nominees

Mr. Batrack joined our predecessor in 1980 and was named Chairman in January 2008. He has served as our Chief Executive Officer and as a director since November 2005, and as our President since October 2008. Mr. Batrack has acted in numerous capacities for us over the last 28 years, including project scientist, project manager, operations manager, senior vice president and president of an operating unit. He has managed complex programs for many small and Fortune 500 customers, both in the United States and internationally. Mr. Batrack holds a B.A. degree in Business Administration from the University of Washington.

Mr. Grant joined our Board in January 2003. He spent approximately 38 years with Ernst & Young LLP (Arthur Young & Company before its 1989 merger with Ernst & Whinney) where, among other things, he was Vice-Chairman and Regional Managing Partner Western United States. Mr. Grant retired from Ernst & Young in 1996. Mr. Grant also serves as a director and Chairman of the Audit Committee of Inglewood Park Cemetery, a non-profit entity.

Mr. Haden has been a member of our Board since December 1992. Mr. Haden is a general partner of Riordan, Lewis & Haden, a Los Angeles-based partnership that invests in high-growth middle market companies, since 1987. In addition, he serves as a director of TCW Strategic Income Fund, Inc., a

diversified, closed-end management investment company, and The TCW Funds, a registered investment company. Mr. Haden also serves as a director of several privately-held companies.

Mr. Lewis has been a member of our Board since February 1988. He currently serves as the Presiding Director of our Board and, as such, chairs the executive sessions of the Board meetings. Mr. Lewis has been a general partner of Riordan, Lewis & Haden since 1982. Mr. Lewis also serves as a director of SM&A, a provider of management consulting, proposal management and program support services, and several privately-held companies.

Mr. Smith has been a member of our Board since May 2005. He served as Chairman from March 2006 to January 2008, after having served as Vice Chairman since September 2005. Mr. Smith is a former member of the Secretary of Defense's Defense Science Board, serving from 2002 to 2005. He was an Executive Vice President of Lockheed Martin and President of its Integrated Systems & Solutions business until 2004. From 1999 to 2003, Mr. Smith was Executive Vice President of Lockheed Martin's Space Systems Company. Prior to that, Mr. Smith was President of Government Systems at Harris Corporation. He has also worked for the Central Intelligence Agency, where he received the Intelligence Medal of Merit. Mr. Smith also serves as a director of the Curtiss-Wright Corporation, a diversified global provider of highly engineered products and services, and as a director of CDI Corporation, a professional services company.

Mr. Thompson joined our Board in April 2007. He is the President and Chief Executive Officer of Pacific Star Energy, LLC, a private energy investment firm. He has held this position since 2000. Mr. Thompson also serves as Managing Director for the Alaska Venture Capital Group, LLC, a private oil and gas exploration firm. He was formerly the ARCO (BP) Executive Vice President for the Asia-Pacific Region from 1998 to 2000. In this role, Mr. Thompson led ARCO's Asia-Pacific operating companies. In previous positions, Mr. Thompson was head of ARCO's oil and gas research and technology center and was responsible for global technology strategy and energy technology transfer to more than 20 countries. Mr. Thompson served in various technical and management roles at ARCO from 1974 to 2000. He also currently serves as a director of Alaska Air Group, Inc., a holding company for Alaska Airlines and Horizon Air Industries, and Coeur d'Alene Mines Corporation, a leading primary silver producer that has a strong presence in gold.

Admiral Truly joined our Board in April 2003. He is the former Executive Vice President of Midwest Research Institute (MRI). Prior to joining MRI in 1997, Admiral Truly was Vice President of the Georgia Institute of Technology, and Director of the Georgia Tech Research Institute, from 1992 to 1997. From 1989 to 1992, he served as eighth Administrator of the National Aeronautics and Space Administration (NASA) under President George H.W. Bush, and prior to that, had a distinguished career in the U.S. Navy and NASA, retiring from the Navy as Vice Admiral. Admiral Truly was an astronaut with NASA and piloted the *Columbia*, commanded the *Challenger* and, in 1986, led the investigation of the *Challenger* accident. Admiral Truly was awarded the Presidential Citizen's Medal, has served on the Defense Policy Board and Army Science Board, and is a member of the National Academy of Engineering. Admiral Truly also serves as a director of Xcel Energy, Inc., an electric power and natural gas utility.

Chairman Emeritus

Dr. Li-San Hwang has served as our Chairman Emeritus since March 2006. As Chairman Emeritus, Dr. Hwang is invited to attend Board and Board committee meetings, but he does not have voting rights. Chairman Emeritus is an unpaid position; however, we reimburse Dr. Hwang for his attendance-related expenses.

Dr. Hwang, age 73, joined our predecessor in 1967 and led our acquisition of the Water Management Group of Tetra Tech, Inc., a subsidiary of Honeywell Inc., in March 1988. He served as our Chief Executive Officer from our formation until November 2005. Dr. Hwang has served as an advisor to numerous government and professional society committees and has published extensively in the field of

hydrodynamics. He is a graduate of the National Taiwan University, Michigan State University and the California Institute of Technology, holding B.S., M.S. and Ph.D. degrees, respectively, in Civil Engineering, specializing in water resources.

Corporate Governance

We maintain a corporate governance page on our website, www.tetrattech.com, which includes key information about our corporate governance initiatives, including our Corporate Governance Principles, Code of Business Conduct, Finance Code of Professional Conduct, and charters for the committees of our Board. Our policies and practices reflect corporate governance initiatives that are compliant with the listing requirements of NASDAQ and the corporate governance requirements of the Sarbanes-Oxley Act of 2002, including:

The Board has adopted clear corporate governance policies;

A majority of our Board members are independent of us and our management;

All members of the key Board committees the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are independent;

The independent members of our Board meet regularly in executive session without the presence of management;

We have a clear code of business conduct that applies to our directors, officers and employees;

The charters of our Board committees clearly establish their respective roles and responsibilities;

We have a hotline available to all employees, and our Audit Committee has procedures in place for the anonymous submission of employee complaints on accounting, internal controls or auditing matters;

Our Finance Code of Professional Conduct is a code of ethics that applies to our principal executive officer and all members of our finance department, including our principal financial officer and principal accounting officer; and

Our internal audit control function maintains critical oversight over the key areas of our business and financial processes and controls, and reports directly to our Audit Committee.

Independent Directors

Upon recommendation of the Nominating and Corporate Governance Committee, our Board of Directors has determined that each member of the Board of Directors other than Messrs. Batrack and Smith is independent under the criteria established by NASDAQ for director independence. The NASDAQ criteria include various objective standards and a subjective test. A member of the Board of Directors is not considered independent under the objective standards if, for example, he is employed by us. Mr. Batrack is not independent because he is an employee, and Mr. Smith is not independent because he was employed by us until January 2008. The subjective test requires that each independent director not have a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

All members of each of our Audit, Compensation, and Nominating and Corporate Governance committees are independent directors. Our Strategic Planning Committee consists of Mr. Smith and two independent directors. In addition, upon recommendation of the Nominating and Corporate Governance Committee, the Board has determined that the members of the Audit Committee meet the additional independence criteria required for audit committee membership under applicable NASDAQ listing

standards. As the Presiding Director, Mr. Lewis presides over regular meetings of the independent directors during executive sessions of the Board.

Board Meetings and Committees

During our fiscal year ended September 28, 2008, our Board of Directors held four meetings. During this period, all of the incumbent directors attended or participated in more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all committees of the Board on which each such director served, during the period for which each such director served. Our directors are strongly encouraged to attend the annual meeting of stockholders, and all of our directors attended last year's annual meeting.

We have four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Strategic Planning Committee. Each of these committees has a written charter approved by the Board of Directors. A copy of each charter can be found under the Investor Relations section of our website at www.tetratech.com. The members of the committees, as of the date of this Proxy Statement, are identified in the following table.

| Director | Audit Committee | Compensation Committee | Nominating and Corporate Governance Committee | Strategic Planning Committee |
|----------------------|-----------------|------------------------|---|------------------------------|
| Hugh M. Grant | Chairman | X | X | |
| Patrick C. Haden | X | X | Chairman | |
| J. Christopher Lewis | X | Chairman | X | |
| Albert E. Smith | | | | Chairman |
| J. Kenneth Thompson | | X | X | X |
| Richard H. Truly | | X | X | X |

Audit Committee

The Audit Committee is responsible for reviewing the financial information that will be provided to stockholders and others, reviewing the system of internal controls which management has established; appointing, retaining and overseeing the performance of our independent registered public accounting firm; overseeing our accounting and financial reporting processes and the audits of our financial statements; and pre-approving audit and permissible non-audit services provided by the independent registered public accounting firm. This committee held nine meetings during the last fiscal year. Our Board has determined that Mr. Grant is an "audit committee financial expert" as defined in Item 407(d) of Regulation S-K. Each member of this committee is an independent director and meets each of the other requirements for audit committee members under applicable NASDAQ listing standards.

Compensation Committee

The Compensation Committee's basic responsibility is to review the performance and development of our management in achieving corporate goals and objectives and to assure that our senior executives are compensated effectively in a manner consistent with our strategy, competitive practice and the requirements of the appropriate regulatory bodies. Toward that end, this committee oversees our compensation and equity plans. This committee held six meetings during the last fiscal year. Each member of this committee is an independent director under the applicable NASDAQ listing standards, an "outside director" as defined in Section 162(m) of the Internal Revenue Code (the "Code") and a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934.

The Compensation Committee has the exclusive authority and responsibility to determine all aspects of executive compensation packages for executive officers. The Compensation Committee retains and does

not delegate any of its exclusive power to determine all matters of executive compensation and benefits, although the Chief Executive Officer, together with the Human Resources staff, present compensation and benefit proposals to the Compensation Committee. For additional information concerning the Compensation Committee's processes and procedures for consideration and determination of executive officer compensation, see the "Compensation Discussion and Analysis" section of this Proxy Statement.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for overseeing, reviewing and making periodic recommendations concerning our corporate governance policies, and for recommending to the full Board candidates for election to the Board of Directors. The Committee is also responsible for making recommendations to the full Board regarding the compensation of non-employee directors by means of an annual review of the market practices for non-employee directors for companies in our peer group. This committee held four meetings during the last fiscal year. Each member of this committee is an independent director under applicable NASDAQ listing standards.

Nominees for the Board of Directors should be committed to enhancing long-term stockholder value and must possess a high level of personal and professional ethics, sound business judgment and integrity. The Board of Directors' policy is to encourage selection of directors who will contribute to our overall corporate goals. The Nominating and Corporate Governance Committee may from time to time review the appropriate skills and characteristics required of board members, including such factors as business experience, prior government service and personal skills in finance, marketing, financial reporting, government contracts and other areas that are expected to contribute to an effective Board of Directors. In evaluating potential candidates for the Board of Directors, the Nominating and Corporate Governance Committee considers these factors in the light of the specific needs of the Board of Directors at that time.

In recommending candidates for election to the Board of Directors, our Nominating and Corporate Governance Committee considers nominees recommended by directors, officers and others, using the same criteria to evaluate all candidates. The Nominating and Corporate Governance Committee reviews each candidate's qualifications, including whether a candidate possesses any of the specific qualities and skills desirable in certain members of the Board of Directors. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate. Upon selection of a qualified candidate, the Nominating and Corporate Governance Committee would recommend the candidate for consideration by the full Board of Directors. The Nominating and Corporate Governance Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees. To recommend a prospective nominee for the Nominating and Corporate Governance Committee's consideration, stockholders should submit the candidate's name and qualifications to our Secretary in writing at the following address: Tetra Tech, Inc., Attn: Secretary, 3475 East Foothill Boulevard, Pasadena, California 91107.

When submitting candidates for nomination to be elected at our annual meeting of stockholders, stockholders must also follow the notice procedures and provide the information required by our bylaws. In particular, for the Nominating and Corporate Governance Committee to consider a candidate recommended by a stockholder for nomination at the 2010 annual meeting, the recommendation must be delivered or mailed to and received by the Secretary at our principal executive offices on or between October 12, 2009 and November 11, 2009 (or, if the 2010 annual meeting is not held within 30 days of the anniversary of the date of the 2009 annual meeting, no later than the tenth day following the date of our public announcement of the date of the 2010 annual meeting). The recommendation must include the same information as is specified in our bylaws for stockholder nominees to be considered at an annual meeting, including the following:

The name and address of the stockholder who intends to make the nomination and of the person to be nominated;

Edgar Filing: TETRA TECH INC - Form DEF 14A

A representation that the stockholder is a record holder of our common stock on the date of such notice and intends to appear in person or by proxy at the meeting to nominate the person specified in the notice;

A description of all arrangements or understandings between the stockholder and the nominee or any other person (naming such person) pursuant to which the nomination is to be made by the stockholder;

Information regarding the nominee that would be required to be included in our proxy statement by the rules of the SEC, including the nominee's age, business experience for the past five years and any other directorships held by the nominee; and

The consent of the nominee to serve as a director if so elected.

Strategic Planning Committee

The Strategic Planning Committee is responsible for reviewing management's long-term strategy and making a recommendation to the Board regarding that strategy; reviewing and recommending to the Board certain strategic decisions regarding our exit from existing lines of business and entry into new lines of business; reviewing acquisitions, joint ventures, investments or dispositions of businesses and assets, and the financing of these transactions; reviewing the allocation of corporate resources recommended by management, including their relationship with our long-term business objectives and strategic plans; and assessing the impact of technology on our business strategy and resource allocation. This committee held one two-day meeting during the last fiscal year. Each member of this committee other than Mr. Smith is an independent director under applicable NASDAQ listing standards.

Director Compensation

This section provides information regarding the compensation policies for non-employee directors and amounts paid and securities awarded to these directors in fiscal 2008.

During fiscal 2008, cash fees earned by non-employee directors were as follows:

Annual retainer of \$35,000 for serving on the Board of Directors for the year of Board service beginning upon election at the 2008 Annual Meeting of Stockholders;

Additional annual retainer fee of \$15,000 for Mr. Lewis for serving as the Presiding Director and for Mr. Grant for serving as the Chairman of the Audit Committee;

Additional annual retainer fee of \$5,000 for Messrs. Lewis, Haden and Smith for serving as Chairmen of the Compensation Committee, the Nominating and Corporate Governance Committee and the Strategic Planning Committee, respectively;

Additional fee of \$2,000 per in-person or telephonic Board meeting attended;

Additional fee of \$2,000 per in-person or telephonic Audit Committee meeting attended; and

Additional fee of \$1,500 per in-person or telephonic Compensation Committee, Nominating and Corporate Governance Committee or Strategic Planning Committee meeting attended.

We also reimbursed reasonable out-of-pocket expenses incurred by directors in connection with attending meetings and performing other Board-related services.

Edgar Filing: TETRA TECH INC - Form DEF 14A

The following chart shows the cash amounts earned by each non-employee director for his services in fiscal 2008:

| Non-Employee Director | Board Member Fees | Board Meeting Fees | Committee Chair and Presiding Director Fees | Committee Meeting Fees | Total Amount Paid |
|------------------------------|----------------------------------|-----------------------------------|--|---------------------------------------|----------------------------------|
| Hugh M. Grant | \$ 35,000 | \$ 8,000 | \$ 15,000 | \$ 31,000 | \$ 89,000 |
| Patrick C. Haden | \$ 35,000 | \$ 8,000 | \$ 5,000 | \$ 31,000 | \$ 79,000 |
| J. Christopher Lewis | \$ 35,000 | \$ 6,000 | \$ 20,000 | \$ 24,000 | \$ 85,000 |
| Albert E. Smith | \$ 35,000 | \$ 4,000 | \$ 5,000 | \$ 1,500 | \$ 45,500 |
| J. Kenneth Thompson | \$ 35,000 | \$ | | | |