

EMCOR GROUP INC
Form DEF 14A
April 29, 2013
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant S

Filed by a Party other than the Registrant £

Check the appropriate box:

£ Preliminary Proxy Statement

S Definitive Proxy Statement

£ Definitive Additional Materials

£ Soliciting Material Pursuant to § 240.14a-12

£ Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))

EMCOR GROUP, 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):

S No fee required.

£ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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 - (3) Filing party:
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-

EMCOR GROUP, INC.
301 Merritt Seven
Norwalk, Connecticut 06851

NOTICE OF ANNUAL MEETING

To the Stockholders of EMCOR Group, Inc.

The Annual Meeting of Stockholders of EMCOR Group, Inc. will be held in the Park and Lexington Rooms at The Pierre Hotel, 2 East 61st Street, New York, New York, on Thursday, June 13, 2013 at 10:00 A.M. (local time) for the following purposes:

1. To elect ten directors to serve until the next annual meeting and until their successors are duly elected and qualified.
2. To consider a non-binding advisory resolution approving executive compensation.
3. To reapprove the adoption of the Key Executive Incentive Bonus Plan.
4. To ratify the appointment of Ernst & Young LLP as independent auditors for 2013.
5. To transact such other business as may properly

come before
the meeting or
any
adjournment
thereof.

The Board of Directors has fixed the close of business on April 18, 2013 as the record date for determination of stockholders entitled to receive notice of, and to vote at, our Annual Meeting and any adjournment thereof.

Your attention is respectfully directed to the accompanying Proxy Statement.

By Order of the Board of Directors

Sheldon I. Cammaker
Corporate Secretary

Norwalk, Connecticut
April 29, 2013

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting

We have sent or are sending the Notice of Internet Availability of Proxy Materials, which indicates that this Notice of 2013 Annual Meeting of Stockholders and Proxy Statement and our 2012 Annual Report will be made available at www.proxyvote.com. If you wish to receive paper or e-mail copies of any of these materials, please follow the instructions on your Notice of Internet Availability of Proxy Materials. These materials are also available on our website at www.emcorgroup.com/proxyannualreport.

EMCOR GROUP, INC.

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE 2013 ANNUAL MEETING OF STOCKHOLDERS

What is the purpose of this Proxy Statement?

The EMCOR Board of Directors is soliciting proxies from holders of our Common Stock to vote on the items to be considered at the 2013 Annual Meeting of Stockholders (the Annual Meeting), which will be held on June 13, 2013.

What is the Notice of Internet Availability of Proxy Materials?

We have elected to provide access to our proxy materials on the Internet, consistent with the rules of the Securities and Exchange Commission. Accordingly, we are mailing a Notice of Internet Availability of Proxy Materials to our stockholders. You can access our proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or you may request printed versions of our proxy materials for the Annual Meeting. Instructions on how to access our proxy materials on the Internet or to request printed versions are provided in the Notice of Internet Availability of Proxy Materials. In addition, you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

The Notice of Internet Availability of Proxy Materials is a document that:

Indicates that our Notice of 2013 Annual Meeting of Stockholders and Proxy Statement and our 2012 Annual Report are available at www.proxyvote.com;

Provides instructions on how holders of our Common Stock may vote their shares; and

Indicates how holders of our Common Stock may request printed copies of these materials, including the proxy card or a voting instruction form.

We will begin distributing the Notice of Internet Availability of Proxy Materials on or about April 29, 2013.

For those stockholders who have requested printed copies, we will first send or deliver copies of the proxy materials for our Annual Meeting and our 2012 Annual Report on or about April 29, 2013.

What items of business will be voted on at the Annual Meeting?

At the meeting, we will:

1. Vote for the election of 10 directors;
2. Consider a non-binding advisory resolution approving executive compensation, as described in the Compensation Discussion and Analysis , executive compensation tables, and accompanying narrative disclosures below;
3. Consider the reapproval of the adoption of the Key Executive Incentive Bonus Plan; and
4. Consider the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2013.

Who is entitled to vote at the Annual Meeting?

Holders of our Common Stock as of the record date of April 18, 2013 are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting.

How does the Board of Directors recommend holders of Common Stock vote on the business of the meeting?

The Board of Directors recommends stockholders vote their shares:

1. FOR the election of each of the 10 director nominees identified in this Proxy Statement;
2. FOR the adoption of the advisory resolution approving executive compensation;
3. FOR reapproval of the adoption of the Key Executive Incentive Bonus Plan; and
4. FOR the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2013.

How many shares can vote at the Annual Meeting?

At the close of business on April 18, 2013, we had 67,113,966 shares of Common Stock outstanding, and each of those shares is entitled to one vote.

How many shares must be present or represented at the Annual Meeting to conduct business?

Under our Amended and Restated Bylaws, the holders of a majority of our shares of Common Stock outstanding on the record date, present in person or by proxy at the Annual Meeting, constitute a quorum to conduct business at the Annual Meeting. Abstentions and broker non-votes will be treated as present for purposes of determining a quorum.

What vote is required to approve each of the items of business?

Election of directors (Item 1) is by a plurality of the votes cast. This means that the ten individuals nominated for election to the Board of Directors who receive the most FOR votes (among votes properly cast in person or by proxy) will be elected.

The affirmative vote of the holders of a majority of the shares of our Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve Items 3 and 4 listed above and any other matter that may properly come before the meeting.

Because Item 2 asks for a non-binding, advisory vote, there is no required vote that would constitute approval. We value the opinions expressed by our stockholders on this advisory vote, and our Board of Directors Compensation and Personnel Committee, which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the votes cast for and against when designing our compensation programs and making future compensation decisions for our named executive officers. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations.

The Board recommends a vote FOR each of the nominees listed in this Proxy Statement for director, FOR approval of the compensation of our named executive officers, FOR reapproval of the adoption of the Key Executive Incentive Bonus Plan, and FOR ratification of Ernst & Young LLP as our independent auditors for 2013.

How can I vote my shares at the Annual Meeting?

Voting by Proxy

Holders of our Common Stock may submit a proxy by:

following
the
instructions
on the
Notice of
Internet
Availability
of Proxy
Materials to
vote by
telephone or
the Internet;
or

completing,
signing,
dating and

returning
the proxy
card or
voting
instruction
form by
mail.

Anthony J. Guzzi, Sheldon I. Cammaker and Mark A. Pompa (the proxy holders) have been designated by our Board of Directors to vote the shares represented by proxy at the Annual Meeting.

-2-

Messrs. Guzzi, Cammaker and Pompa are executive officers of the Company, and Mr. Guzzi is also a director nominee.

The proxy holders will vote the shares represented by your valid and timely received proxy in accordance with your instructions.

If you do not specify instructions on your signed proxy when you submit it, the proxy holders will vote the shares represented by the proxy in accordance with the recommendations of our Board of Directors on each item of business listed above.

If any other matter properly comes before the Annual Meeting, the proxy holders will vote the shares represented by proxy on that matter in their discretion.

If your shares are held in a brokerage account in your broker's name or in the name of a bank or other nominee (this is called street name), please follow the voting instructions provided by your bank, broker or other nominee. In most cases, you may submit voting instructions by telephone or by Internet to your bank, broker or other nominee, or you can sign, date and return a voting instruction form to your bank, broker or other nominee. If you provide specific voting instructions by telephone, by Internet or by mail, your bank, broker or other nominee must vote your shares as you have directed. If you wish to vote in person at the Annual Meeting, you must request a legal proxy from your bank, broker or other nominee.

Voting other than by Proxy

While we encourage voting in advance by proxy, record holders of our Common Stock also have the option of voting their shares in person at the Annual Meeting.

Can I change my vote or revoke my proxy after I return my proxy card?

You may change your vote or revoke your proxy before the proxy is voted at the Annual Meeting by:

sending
written
notice to
Corporate
Secretary,
EMCOR
Group,
Inc., 301
Merritt
Seven,
Norwalk,
CT 06851;

timely
delivery of
a valid
later-dated
proxy or a
later-dated
vote by
telephone
or on the
Internet; or

if you are a
record
holder,
attending
the Annual
Meeting
and voting
in person.

If you hold your shares in street name, you may submit new voting instructions by contacting your broker or other holder of record.

What effect do abstentions and broker non-votes have on the items of business?

An abstention on Items 3 or 4 identified above will have the effect of a vote against that Item. An abstention on Item 1 or Item 2 identified above will have no effect on the voting results for that Item.

Broker non-votes may occur because certain beneficial holders of our Common Stock hold their shares in street name through a broker or other nominee which is a member of the New York Stock Exchange. Under the rules of the New York Stock Exchange, the only Item to be acted upon at our Annual Meeting with respect to which such broker or

nominee will be permitted to exercise voting discretion is Item 4, the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2013. Therefore, if a beneficial holder of our Common Stock does not give the broker or nominee specific voting instructions on Items 1, 2 or 3, the holder's shares will not be voted on those Items and a broker non-vote will occur. Broker non-votes will have no effect on the voting results for such Items.

Who will count the votes?

We have retained Broadridge Financial Solutions, Inc. for the receipt, validation and tabulation of the votes at the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

We will publish the results of the voting in a Current Report on Form 8-K within four business days of the Annual Meeting.

What is Householding?

Stockholders of record who have the same last name and address and who request paper copies of the proxy materials will receive only one copy unless one or more of them notifies us that they wish to receive individual copies. We agree to deliver promptly, upon written or oral request, a set of proxy materials, as requested, to any stockholder at the shared address to which a single copy of those documents was delivered. Stockholders will continue to receive separate proxy cards. If you prefer to receive separate copies of the proxy materials, contact Broadridge Financial Solutions, Inc. at 800-542- 1061 or in writing to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

COMPANY INFORMATION AND MAILING ADDRESS

We are a Delaware corporation. Our mailing address is EMCOR Group, Inc., 301 Merritt Seven, Norwalk, CT 06851, and our telephone number is (203) 849-7800. Our website address is www.emcorgroup.com. References in this proxy statement to EMCOR, Company, we, us and our refer to EMCOR Group, Inc. and our consolidated subsidiaries unless the context requires otherwise. Information on our website is not intended to be incorporated into this Proxy Statement.

CORPORATE GOVERNANCE

We have a long history of good corporate governance practices that has greatly aided our long-term success. Our Board of Directors, which we sometimes refer to as our Board, and our management have recognized for many years the need for sound corporate governance practices in fulfilling their respective duties and responsibilities to our stockholders. Our Board and management have taken numerous steps to enhance our policies and procedures to comply with the corporate governance listing standards of the New York Stock Exchange and the rules and regulations of the Securities and Exchange Commission.

Corporate Governance Guidelines. Our Corporate Governance Guidelines provide the framework for our governance. The Nominating and Corporate Governance Committee of our Board, which we refer to as the Corporate Governance Committee, regularly reviews corporate governance developments and makes recommendations to our Board with respect to suggested modifications to our Corporate Governance Guidelines.

We have recently amended our Corporate Governance Guidelines to address Board leadership, a mandatory retirement age for directors, and stock ownership guidelines for our directors and named executive officers in the following respects:

Lead Director.

The Chairman of the Board must be an independent director unless the Board otherwise concludes that the best interests of our stockholders would be otherwise better served. A Lead Director is appointed when the Chairman is not independent, and a Lead Director may be appointed in other instances if the Board so determines. The Lead Director presides at all meetings of the Board at which the Chairman is not present,

including executive sessions of the independent directors; may call meetings of the independent directors; serves as a liaison between the Chairman and the independent directors; and performs such other duties as the Board may from time to time delegate to him to assist the Board in the fulfillment of its responsibilities. The Lead Director is to be appointed annually.

Director

Retirement

Policy. Unless waived, a director may not be nominated for election as a director if he has or will have reached age 76 when he would otherwise stand for election. For the forthcoming Annual Meeting, the Board has waived the limitation in the case of Mr. Albert Fried and has included him as a director

nominee for re-election.

Stock

Ownership

Guidelines. In an effort to further align the interests of our non-employee directors and executive officers with our stockholders, stock ownership guidelines have been adopted for directors and for our named executive officers requiring them to own and retain a significant financial stake in the Company's Common Stock. Under the guidelines each director is expected to own a number of shares equivalent in market value, as of October 22, 2012, the date of adoption of these stock ownership guidelines, to three times the directors' annual cash retainer on that date and our named executive officers are

expected to own a number of shares equivalent in market value on that date based on their then respective annual base salaries, which number in the case of our chief executive officer is five times his annual base salary and in the case of our other named executive officers is three times such officer's annual base salary. For purposes of determining compliance with the stock ownership guidelines, shares owned separately by the individual, owned jointly with or separately with an immediate family member residing in the same household, held in trust for him or members of his immediate family members, and restricted stock and restricted stock units are counted. While directors and named

executive
officers have
until October
2017 to satisfy
the stock
ownership
guidelines, as of
April 18, 2013
each of our
directors and
named
executive
officers had
satisfied these
guidelines.

Independence of Directors. To assist our Board in determining the independence of each director, our Board has adopted categorical Standards for Determining Director Independence, a copy of which is attached to this Proxy Statement as Exhibit A and available at our website at www.emcorgroup.com. To be considered independent our Board must affirmatively determine that the director has no material relationship with us. Our Board has determined that eight of our ten

directors, including all members of the Audit Committee of our Board, which we refer to as the Audit Committee, the Compensation and Personnel Committee of our Board, which we refer to as the Compensation Committee, and the Corporate Governance Committee of our Board are independent, as defined by the listing standards of the New York Stock Exchange and all applicable rules and regulations of the Securities and Exchange Commission, and in the case of the Compensation Committee, for purposes of Rule 162(m) of the Internal Revenue Code of 1986, as amended. These eight directors are: Stephen W. Bershad, David A. B. Brown, Larry J. Bump, Albert Fried, Jr., Richard F. Hamm, Jr., David H. Laidley, Jerry E. Ryan, and Michael T. Yonker. The other two directors are Frank T. MacInnis, Chairman of our Board, and until the close of business January 3, 2011, our Chief Executive Officer, and Anthony J. Guzzi, our President and Chief Executive Officer, and, accordingly, such directors are not considered independent.

Executive Sessions of the Board. At regularly scheduled meetings of the Board, our non-management directors as a group and our independent directors as a group separately meet without any Company representatives present. Our Lead Director presides over those sessions.

Board Leadership Structure. Because our Chairman of the Board, Mr. Frank T. MacInnis, has served as Chairman of our Board since April 1994 and from April 1994 to January 3, 2011, was also our Chief Executive Officer, our Board in May 2012 appointed Mr. Stephen W. Bershad as Lead Director. As such he has the duties described above under Lead Director. Our Board believes that it is in the best interests of the Company and its stockholders to have Mr. MacInnis continue to serve as Chairman. In this capacity, he can serve as a bridge between the Board and management. As Chairman, Mr. MacInnis presides at meetings of our Board of Directors. In addition, he sets the agenda for our Board meetings in collaboration with our Chief Executive Officer and Lead Director and recommends Board committee appointments and responsibilities in conjunction with the Corporate Governance Committee.

The Board believes that the Board maintains continuity with management provided by Mr. MacInnis as Chairman while also maintaining effective oversight of management with Mr. Bershad as our Lead Director, a strong committee system, and a substantial majority of independent directors.

Board Committee Charters. Our Board has adopted written charters for its Audit Committee, Compensation Committee, and Corporate Governance Committee. At least annually, each committee reviews its charter and recommends any proposed changes to the Board for approval. A copy of the charter of each committee is available on our website at www.emcorgroup.com.

Standards of Conduct. Our Code of Business Conduct and Ethics applies to all of our directors, officers and employees and those of our subsidiaries. In addition, our Board has adopted a separate Code of Ethics for our Chief Executive Officer and senior financial officers which imposes additional ethical obligations upon them.

Stockholder Communications. Stockholders and other interested persons may communicate with members of our Board as a group, or with one or more members of our Board (including non-management directors) as a group, by writing to them c/o EMCOR Group, Inc., 301 Merritt Seven, Norwalk, Connecticut 06851, Attention: Corporate Secretary. Such communications will be forwarded to the individuals addressed. However, the Corporate Secretary will not forward communications to the Board that advocate illegal activity, are offensive or lewd, have no relevance to the business or operations of the Company, or constitute mass mailings, solicitations or advertisements. The Corporate Secretary will determine when a communication is not to be forwarded.

Policies and Procedures for Related Party Transactions. Under our written policy regarding transactions with related parties, which policy is contained in our Corporate Governance Guidelines, we generally require that any transaction involving \$60,000 or more be approved in advance by our Board or a committee of our Board if we are, or one of our subsidiaries is, a participant in the transaction and if any of the following persons has a direct or indirect material interest in the transaction:

an
executive
officer;

a director;

-6-

a beneficial holder of 5% or more of our Common Stock, which we refer to as a Significant Holder ;

an immediate family member of an executive officer, director or Significant Holder; or

an entity which is owned or controlled by one of the above persons or in which one of the above persons has a substantial ownership interest.

We refer to each of the foregoing as a Related Party .

The member of the Board who or whose immediate family member has an interest in the transaction may not participate in the Board approval process. The Related Party must disclose any such proposed transaction, and all material facts relating to the transaction, to the Chairman of our Audit Committee and our General Counsel who is to communicate such information to our Board for its consideration. No such transaction is to be approved unless it is determined that the transaction is in, or is not inconsistent with, our best interests and the best interests of our stockholders.

However, if the transaction principally involves the provision of products and services by one of our subsidiaries in the ordinary course of its business to a Significant Holder, an immediate family member of a Significant Holder, or an entity owned or controlled by a Significant Holder or in which a Significant Holder or an immediate family member of a Significant Holder has a substantial ownership interest, the transaction does not need to be approved by the Board

or a Board committee.

In order to ensure that material relationships and Related Party transactions have been identified, reviewed and disclosed in accordance with applicable policies and procedures, each director and executive officer also completes a questionnaire at the end of each fiscal year that requests confirmation that there are no material relationships or Related Party transactions between such individual and the Company other than those previously disclosed to the Company.

During the period from January 1, 2012 and ending March 31, 2013, two of our subsidiaries participated in transactions in which a Related Party had or will have a direct or indirect material interest required to be approved by the Board or a Board committee. The transactions in which a Related Party (Mr. MacInnis) had a material interest are described below on page 50 under Interested Transactions .

Availability of Corporate Governance Materials. Our categorical Standards for Determining Director Independence, Corporate Governance Guidelines, including the policies and procedures for Related Party Transactions, Code of Business Conduct and Ethics, Code of Ethics for our Chief Executive Officer and senior financial officers, and other corporate governance materials may be obtained at our website at www.emcorgroup.com or by writing to us at 301 Merritt Seven, Norwalk, Connecticut 06851, Attention: Corporate Secretary.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During 2012, our Board met 10 times, and committees of our Board held an aggregate of 11 meetings. Each director attended at least 75% of the meetings of our Board and committees on which he served during 2012. As provided in our Corporate Governance Guidelines, all directors are expected to attend annual meetings of stockholders, and all of our directors attended the 2012 annual meeting of stockholders.

Our Board has standing Audit, Compensation, and Corporate Governance Committees comprised solely of independent directors as defined in the listing standards of the New York Stock Exchange. The members and the principal responsibilities of these committees are as follows:

Audit Committee. The Audit Committee is comprised of Messrs. Bershad, Brown, Hamm and Laidley. Among other things, it is responsible for:

engaging
(subject to
ratification by
stockholders),
overseeing,
and
discharging
our
independent
auditors;

setting our
independent
auditors fees;

reviewing the
scope and

audit
procedures of
our
independent
auditors;

-7-

approving
audit and
permitted
non-audit
services;

reviewing with
management
and our
independent
auditors our
annual and
quarterly
financial
statements;

receiving
periodic
reports from
our
independent
auditors and
management
regarding the
auditors
independence;

meeting with
our
management
and
independent
auditors on
matters
relating to,
among other
things, major
issues
regarding
accounting
principles and
practices and
financial
statement
presentation,
and the
adequacy of
our internal
audit controls;
and

reviewing our
internal
auditing and
accounting
personnel.

The Audit Committee met 5 times during 2012. Our Board has determined that each of the members of the Audit Committee, Messrs. Bershad, Brown, Hamm and Laidley, are audit committee financial experts, within the meaning of the rules of the Securities and Exchange Commission.

Compensation Committee. The Compensation Committee is comprised of Messrs. Bershad, Bump, Fried, Laidley, Ryan and Yonker. It is responsible for:

overseeing the
evaluation of our
management and
reviewing and
advising our
Board regarding
the qualifications
of individuals
identified as
candidates for
positions as our
chief executive
officer, chief
operating officer,
chief financial
officer, and
general counsel
and for the
position of chief
executive officer
of each subsidiary
whose proposed
annual base salary
is \$400,000 or
more;

reviewing and
approving
corporate goals
and objectives
relevant to
compensation for
our Chief
Executive Officer,
evaluating our
Chief Executive
Officers

performance in light of those goals and objectives and, with input from our other non-management directors, determining our Chief Executive Officer's compensation based on this evaluation;

reviewing and approving, based on proposals made by our Chief Executive Officer, compensation for our executive officers as well as the compensation for each of our and our subsidiaries' other officers and employees whose proposed annual base salary is \$400,000 or more and for approving, with input from our other non-management directors, any employment, severance or similar contracts for our and our subsidiaries' officers and employees whose proposed annual base salary is \$400,000 or more; and

making
recommendations
to our Board with
respect to
incentive
compensation
plans for our
officers and other
employees, and
administering
those plans and
reviewing
executive
development
plans.

During 2012, the Compensation Committee held 3 meetings.

Each year the Compensation Committee reviews the annual salaries of, and considers annual incentive awards for, our Chief Executive Officer and our other executive officers, each of whom is referred to in the Summary Compensation Table for Fiscal Years 2012, 2011 and 2010 on page 23, which we refer to as the Summary Compensation Table. It also reviews the annual salary of each of our and our subsidiaries other officers and employees whose proposed annual base salary is \$400,000 or more. Our Chief Executive Officer participates in portions of the Compensation Committee's meetings to make recommendations to the Compensation Committee for salary adjustments for those individuals and for the payment of annual incentive awards to all our executive officers, who we refer to collectively as the named executive officers. Annual incentive awards for our named executive officers are based upon our performance in meeting pre-established financial objectives during our most recently completed year and an evaluation of the individual executive's performance in meeting his pre-established personal goals and objectives for the most recently completed year. Our Chief Executive Officer participates in a portion of the meetings of our Compensation Committee and our entire Board during which various compensation issues are discussed. The Compensation Committee considers our Chief Executive Officer's recommendations regarding salary adjustments and payment of annual incentive awards, arrives at its own recommendations, and then with input from the non-management members of the Board, makes its determination regarding salary adjustments and payment of annual

incentive awards. The final deliberations and determination regarding salary adjustments and payment of annual incentive awards are made at meetings without any members of management present.

Our Long Term Incentive Plan, which we refer to as the LTIP, provides the methodology for computing a number of stock units annually granted to executives participating in the LTIP including our named executive officers. The LTIP also provides for the grant of cash awards which, as set forth in the LTIP, are based upon us achieving an earnings per share objective for a measurement period of three years. The earnings per share objectives for measurement periods are, in accordance with the LTIP, set by the Compensation Committee after receiving recommendations of our Chief Executive Officer. The LTIP was proposed by management, reviewed by the Compensation Committee's consultant Mercer, which we refer to as Mercer and, after review and modification by the Compensation Committee, approved by it and the other independent directors. The LTIP is further discussed commencing on page 17 under Compensation Discussion and Analysis and under Long Term Incentive Plan and Special Equity Awards commencing on page 24 which follows the Summary Compensation Table on page 23.

Annually, during the first quarter of each year, the Compensation Committee establishes that year's objectives for our financial performance and the personal goals and objectives for each of the named executive officers, upon which the payment of that year's annual incentive awards for the executive is to be based, and the targeted annual incentive awards for each such executive, the LTIP earnings per share objective, and LTIP targeted awards for each such executive. Those objectives and targeted awards are recommended by our Chief Executive Officer, and are reviewed by and ultimately established by the Compensation Committee, with input from the other non-management members of the Board.

When incentive compensation plans for our named executive officers and other senior executives have been established, those plans have been proposed by management, reviewed by the Compensation Committee, and, at times, reviewed by Mercer. Mercer is a compensation consultant that the Compensation Committee has engaged annually since 2006 to advise the Compensation Committee with regard to the amount and form of compensation for our named executive officers and to review compensation plans for those officers. Mercer reviews the salaries and other compensation we pay to our named executive officers so that it may advise the Compensation Committee whether compensation paid to those executives is competitive with that paid to executives holding comparable positions at Mercer-selected companies, which are public companies engaged in providing specialty contracting, general construction, facilities services, and/or manufacturing of electrical, HVAC and other construction products and which companies have a market capitalization and other financial characteristics similar to ours, are organized similarly to the way we are, are focused principally on the United States market as we are, and with which we may compete for management talent. Such companies are listed commencing on page 13. Mercer also reports upon its assessment of the appropriateness and fairness of our compensation plans when compared to compensation plans for comparable executives at those comparable companies. For 2012, we paid Mercer \$28,860 for its services to the Compensation Committee. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies, Inc. (Marsh). We also use Mercer and other Marsh subsidiaries (Other Marsh Subsidiaries) for valuation and investment services, actuarial services, and for insurance broking and risk consulting and paid Mercer and Other Marsh Subsidiaries an aggregate of \$953,117 for such services provided to us in 2012. Mercer and Other Marsh Subsidiaries have been retained for such matters, by management, since 1987 and such retention is not subject to Board or Compensation Committee approval.

Role of Compensation Consultants. As noted above, the Compensation Committee has engaged Mercer for several years to assist in the evaluation of executive officer compensation and compensation programs, and management has engaged Mercer and Other Marsh Subsidiaries to provide certain other services to us and to our subsidiaries.

The Compensation Committee has considered whether the non-executive compensation services provided by Mercer and Other Marsh Subsidiaries to the Company creates any conflicts of interest in light of Rule 10C-1 of the Securities and Exchange Commission and the listing standards of the New

York Stock Exchange. Because of the policies and procedures that Mercer has in place, as well as the policies and procedures that the Compensation Committee has in place, the Compensation Committee has concluded that to the extent the work performed by Mercer and Other Marsh Subsidiaries may create a possible appearance of a conflict of interest, there are sufficient safeguards and policies in place to mitigate or eliminate any such conflict and therefore, no conflict of interest exists.

The factors used by the Compensation Committee to determine that no conflict of interest exists include the following:

the individual
compensation
consultant receives
no incentive or
other
compensation
based on the fees
charged to the
Company for other
services provided
by Mercer or
Other Marsh
Subsidiaries;

the individual
compensation
consultant is not
responsible for
selling or
providing other
services of Mercer
or Other Marsh
Subsidiaries to the
Company;

Mercer's
professional
standards prohibit
the individual
compensation
consultant from
considering any
other relationships
Mercer or its
affiliates may have
with the Company
in rendering his or
her advice and
recommendations;

the individual
compensation

consultant has direct access to the Compensation Committee without management intervention;

the individual compensation consultant does not own any stock of the Company;

the individual compensation consultant does not provide any services to us other than those provided for the Compensation Committee;

there is no business or personal relationship between any Compensation Committee member or executive officer of the Company and the individual compensation consultant or Mercer;

the amount of fees received by Mercer for the services provided to the Compensation Committee is less than .01% of the total revenues of Mercer; and

all non-executive
compensation
services are
provided by
personnel of
Mercer and Other
Marsh Subsidiaries
who are not
involved in
providing services
to the
Compensation
Committee.

Corporate Governance Committee. The Corporate Governance Committee, comprised of Messrs. Brown, Bump, Fried, Hamm, Ryan, and Yonker, is charged with:

leading the search
for individuals
qualified to
become members
of our Board,
consistent with
criteria approved
by the Board and
set forth in our
Corporate
Governance
Guidelines;

recommending to
the Board
nominees for
election to the
Board;

developing and
overseeing an
annual
self-evaluation
process for the
Board and its
committees;

making
recommendations
with respect to:

corporate
governance
guidelines;

compensation
and benefits
for
non-employee
directors; and

matters
relating to
Board
members
retirement and
removal, the
number,
function and
membership of
Board
committees,
director and
officer liability
insurance, and
indemnity
agreements
between us
and our
officers and
directors;

reviewing
with
management
the
Company's
enterprise risk
assessment
policies and
reviewing the
process by
which
enterprise risk
is managed
and major
risk
exposures are
identified; in
this
connection
the Corporate
Governance
Committee
receives

periodic
reports from
senior
management
and our
internal
auditors
relating to
risk
assessment
and risk
management.

During 2012, the Corporate Governance Committee held 3 meetings.

The Corporate Governance Committee annually reviews compensation and other benefits for non-employee members of our Board. When the Corporate Governance Committee determines that a

change in director compensation or benefits is appropriate, it submits such recommendation to the Board for its approval. For 2012 and 2013 the Board changed its director compensation, which 2012 and 2013 compensation arrangements are described commencing on page 38 under Director Compensation .

Board Risk Oversight. Our Board of Directors performs risk oversight primarily through its Corporate Governance Committee, which is responsible for reviewing and discussing with management our enterprise risk assessment policies and reviewing and evaluating (i) the process by which enterprise risk management is undertaken, (ii) management's identification of major enterprise risk exposures, and (iii) management's program for enterprise risk management mitigation or remediation. The Corporate Governance Committee receives periodic reports from our senior management regarding these matters. In addition, the Board also delegated to our Audit Committee responsibility for reviewing with management and our independent auditors guidelines and policies with respect to (i) risk assessment and risk management, (ii) our major risk exposures, and (iii) the steps management has taken to monitor and control such exposures. The Audit Committee receives quarterly reports from our senior management, including our chief executive officer, chief financial officer, and general counsel, and the head of our Internal Audit Department and our auditors relating to risk assessment and risk management. Audit Committee members meet privately in executive session with representatives of our auditors and the head of our Internal Audit Department. In addition, the Chairpersons of the Corporate Governance Committee and the Audit Committee provide reports of their respective committee meetings to our Board. Our Board of Directors also provides risk oversight through its periodic reviews of the financial and operational performance of the Company.

RECOMMENDATIONS FOR DIRECTOR CANDIDATES

The Corporate Governance Committee will consider recommendations for candidates for Board membership suggested by Corporate Governance Committee members, other members of our Board, and stockholders. A stockholder who wishes the Corporate Governance Committee to consider his/her recommendations for nominees for the position of director should submit his/her recommendations in writing to the Corporate Governance Committee, c/o Corporate Secretary, EMCOR Group, Inc., 301 Merritt Seven, Norwalk, Connecticut 06851, together with whatever supporting material the stockholder considers appropriate. The material, at a minimum, should include such background and biographical material as will enable the Corporate Governance Committee to make an initial determination as to whether the prospective nominee satisfies the criteria for directors set out in our Corporate Governance Guidelines. The Corporate Governance Guidelines are available at our website at www.emcorgroup.com. A stockholder may also nominate director candidates by complying with our bylaw provisions discussed commencing on page 50 under Other Matters Stockholder Proposals.

If the Corporate Governance Committee identifies a need to replace a current member of our Board, to fill a vacancy in our Board, or to expand the size of our Board, the process to be followed by the committee to identify and evaluate candidates includes:

consideration of
those individuals
recommended by
stockholders as
candidates for
Board
membership and
those individuals
recommended in
response to
requests for
recommendations

made of Board members and others, including those suggested by any third party executive search firm retained by the Corporate Governance Committee, from time to time;

meeting, from time to time, to evaluate biographical information and background material relating to candidates; and

interviews of selected candidates by members of the Corporate Governance Committee.

As provided in our Corporate Governance Guidelines, in its assessment of each potential candidate, the Corporate Governance Committee is to consider the candidate's achievements in his or her personal career, experience, wisdom, integrity, ability to make independent analytical inquiries, and understanding of the business environment. The Corporate Governance Committee will also take into account the willingness of a candidate to devote adequate time to board duties. The Corporate Governance Committee may also consider any other relevant factors that it may, from time to time,

deem appropriate, including the current composition of our Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluation of all prospective nominees. Candidates have been selected for, among other things, their integrity, independence, diversity of experience, leadership, and ability to exercise sound judgment. Prior experience involving issues relevant to the Company's business are among the most significant criteria. Final approval of a candidate is determined by the full Board. Consistent with our Corporate Governance Guidelines, in selecting nominees to our Board of Directors, the Corporate Governance Committee considers the diversity of skills and experience that a potential nominee possesses and the extent to which such diversity would enhance the perspective, background, knowledge and experience of our Board of Directors as a whole. The Corporate Governance Committee focuses on obtaining a diversity of professional expertise on our Board of Directors rather than a diversity of personal characteristics.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The objectives of our executive compensation program for our named executive officers, which officers are referred to in the Summary Compensation Table on page 23, are to attract, retain and motivate key executives with skills necessary to assure our long-term success. Broadly stated, the purposes of the key components of the program insofar as they relate to named executive officers are:

to reward
named
executive
officers
expertise and
experience;

to reward
named
executive
officers
performance
that drives
achievement
of our
short-term and
long-term
goals by
providing a
strong link
between pay
and
performance;
and

to align
named
executive
officers
compensation

with the
interests of
our
stockholders.

The executive compensation program uses various compensation elements that are geared to both our short-term and long-term performance. In designing these rewards we have applied the following principles:

compensation
should
reinforce our
business
strategy and
long-term
stockholder
value creation;

a significant
portion of
named
executive
officer total
compensation
should be tied
to achievement
of our
financial
objectives as
well as the
achievement
of the named
executive
officer's annual
individual
goals and
objectives.

When we
exceed our
financial
objectives for
the relevant
performance
period, we
reward our
named
executive
officers with
incentive
awards greater
than their
respective

targeted
incentive
awards based
on financial
performance.
When our
financial
performance
does not meet
the established
financial
objectives, our
named
executive
officers
receive either
no incentive
awards based
on this criteria
or incentive
awards that are
less than their
targeted
incentive
awards. The
Compensation
Committee
sets the
objectives for
a particular
performance
period;

incentive
compensation
should reflect
both our
short-term and
long-term
financial
performance;

incentives
should align
the interests of
our
stockholders
and named
executive
officers by
paying a

meaningful
portion of
incentive
awards in
equity; and

incentive
awards should
serve as a
recruitment
and retention
device so that
named
executive
officers are
motivated to
join and stay
with us.

The key components of our compensation program are:

base salary and
perquisites; the
perquisites,
which have
been provided
for more than
10 years, are
principally
dues
reimbursement
for a club
where the
named
executive
officer can
entertain
clients and
other business
contacts, term
life insurance,
an auto
allowance and
associated
expenses, and a
tax gross up on
these
perquisites;

short-term
incentives in

the form of
annual
incentive
awards; and

-12-

longer-term incentives under our Long Term Incentive Plan, which we refer to sometimes as the LTIP and which is discussed below, and other equity grants. These incentives come in the form of:

annual equity LTIP awards in the form of stock units representing the right to receive an equal number of shares of our Common Stock which vest generally in three years;

performance-based cash incentive awards based on our financial performance during multi-year measurement periods;

special equity awards in the form of stock units representing the right to receive an equal number of shares of our

Common Stock
which vest
generally in three
to four years.

We generally condition a named executive officer's LTIP awards on his remaining employed with us for three years from the date we grant the awards.

We also maintain a 401(k) savings plan. The 401(k) plan provides retirement benefits to the named executive officers. For 2012, our annual contribution to the 401(k) plan for each named executive officer was \$12,500.

As more fully described under Retirement Plans, Severance Arrangements and Stock Options on page 21, effective with the calendar year 2013, we adopted a Voluntary Deferral Plan, which is a non-qualified deferred compensation plan offered to a select group of key employees, including our named executive officers, that is designed to assist participating employees in deferring a portion of their cash compensation in a tax efficient manner.

In severance agreements with our named executive officers, we provide special compensation to each in the event his employment is terminated (i) by us without cause or (ii) by the named executive officer for good reason. (We have set forth the definition of the terms cause and good reason contained under Severance Agreements commencing on page 30).

The Compensation Committee has principal responsibility for setting the compensation for our named executive officers and other senior officers. To assist the Compensation Committee, annually it retains Mercer as a compensation consultant to review the compensation payable to our named executive officers. The assignments to Mercer are made by the Chairman of the Compensation Committee. To assist the Compensation Committee in its compensation discussions and decisions, which includes salary levels, targeted annual incentive awards, financial measurements for incentive awards, LTIP targeted performance-based cash incentive awards for multi-year periods, and equity awards, as discussed below, Mercer presents compensation information compiled from proxy data and Forms 8-K from companies in a comparator group of companies developed by Mercer with input from management. This information includes annual base salary, annual bonuses, long-term incentives, including stock option and equity awards, and targeted long-term incentive performance plan awards.

For 2012, Mercer's comparator group of companies included the following 19 public companies engaged in providing specialty contracting, general construction, facilities services, and/or manufacturing of electrical, HVAC and other construction products and which companies have a market capitalization and other financial characteristics similar to ours, are organized similarly to the way we are, are focused principally on United States markets as we are, and with which we may compete for management talent.

ABM Industries Incorporated
AECOM Technology Corporation
Armstrong World Industries, Inc.
Chicago Bridge & Iron Company N.V.
Dycom Industries, Inc.
Foster Wheeler AG
Granite Construction Incorporated
Jacobs Engineering Group, Inc.
KBR, Inc.
Lennox International, Inc.

Masco Corporation
MasTec, Inc.
Owens Corning
Regal Beloit Corporation
TetraTech, Inc.
Tutor Perini Corporation
URS Corporation
USG Corporation
Willbros Group, Inc.

We refer to these companies as the **Comparator Companies**. During 2012 three companies were removed from the **Comparator Companies** inasmuch as they were acquired by other companies, and four companies were added to the list in their place.

Each year the Compensation Committee reviews the annual salaries of, and considers annual incentive awards for our Chief Executive Officer and our other named executive officers. It also reviews the annual salaries of our other officers and employees and those of our subsidiaries whose proposed annual base salary is \$400,000 or more. Our Chief Executive Officer participates in portions of the Compensation Committee's meetings to make recommendations to the Compensation Committee for salary adjustments and for the payment of annual incentive awards. Payments of annual incentive awards for 2012 for the named executive officers are set out in the Summary Compensation Table on page 23 and were based upon our performance in meeting pre-established financial objectives for the year and an evaluation of the individual named executive officer's performance in meeting his pre-established personal goals and objectives for the year. The Compensation Committee considers our Chief Executive Officer's recommendations regarding salary adjustments and payment of annual incentive awards, considers the compensation information provided by Mercer, arrives at its own recommendations, and then with input from our other non-management directors, makes its final determination regarding salary adjustments and payment of annual incentive awards at a meeting without any members of management being present.

Our Chief Executive Officer meets with the Compensation Committee during the first calendar quarter of each year to discuss for that year targeted annual incentive awards for each named executive officer and objectives for our financial performance for the year and personal goals and objectives of each named executive officer for the year upon which the payment of that year's annual incentive awards are to be based. Targeted annual incentive awards for each of our named executive officers for the year, our financial goals for that year, and the personal goals and objectives for each such executive for that year are recommended by our Chief Executive Officer and are reviewed by and ultimately established by the Compensation Committee, together with input from our non-management directors, at a meeting without any members of management being present.

Because, as discussed below, our annual incentive awards to named executive officers are capped at no more than 250% of annual base salary and our equity awards provide for the award of stock units vesting, generally, over a three year period and the potential of a cash award depending on earnings over a three year period, our Board does not believe its named executive officers are encouraged to take excessive or unnecessary risk. In addition, our Board does not believe that our compensation policies and practices for employees generally are reasonably likely to have a material adverse effect on the Company.

At our 2012 annual meeting of stockholders over 73% of the shares present at the meeting and voting **For** or **Against** the proposal were cast in favor of a resolution to approve, on an advisory basis, the compensation of our named executive officers as set out in our proxy statement for that meeting. Given this percentage of votes in favor of our executive compensation, the Compensation Committee determined to keep our compensation practices in place for 2012.

Incentive awards based upon our financial results are made under our Annual Incentive Program and our Long Term Incentive Plan, subject to the performance terms and other applicable provisions of our Key Executive Incentive Bonus Plan. Under Internal Revenue Code regulations our Key Executive

Incentive Bonus Plan must be submitted to stockholders for their approval every five years. Therefore, we are requesting at the Annual Meeting that stockholders reapprove the recently amended and restated Key Executive Bonus Plan.

Annual Base Salary

Annual base salary serves as a foundation of our compensation program. We determine the other key components of the program with reference to base salary, including annual and long-term incentives and termination payments.

We intend annual base salary and perquisites to reward the expertise and experience and sustained performance of our named executive officers, each of whom (other than Mr. Anthony J. Guzzi, who is our President and Chief Executive Officer) has been with us for more than fifteen years. Base salaries are reviewed annually, and we have generally increased named executive officer salaries to reflect promotions or increased responsibilities and cost of living increases, when appropriate, and to remain competitive with those paid by Comparator Companies. For 2012, Mr. Guzzi's base salary was increased by approximately 3.16%. In addition, for 2012, the base salary of Mr. Mark A. Pompa, our Executive Vice President and Chief Financial Officer, was increased by approximately 3.57%, and the base salaries of Messrs. Sheldon I. Cammaker, our Executive Vice President, General Counsel, and Corporate Secretary, and R. Kevin Matz, our Executive Vice President - Shared Services were increased by approximately 1.8% and 4.35%, respectively.

Annual Incentive Program

Annual incentive awards form a significant element of annual compensation under our compensation program. For more than the past five years named executive officer annual incentive awards have been based, in large part, on pre-established annual financial results emphasizing pay-for-performance. We expect annual incentive awards to motivate our named executive officers to improve performance on an annual basis. Such performance improvements should lead to sustained growth and ultimately to enhanced stockholder value.

For 2012, each named executive officer had a targeted annual incentive award based on 2012 financial results as well as a targeted annual incentive award based on his meeting certain pre-established personal goals and objectives. The maximum potential aggregate annual incentive awards payable for 2012 to Mr. Guzzi and Mr. Pompa were 250% and 220%, respectively, of their respective 2012 base salaries and to each other named executive officer was 200% of their respective 2012 base salaries. We refer to a named executive's maximum potential aggregate annual incentive awards sometimes as his Maximum Potential Incentive Award.

For Messrs Guzzi and Pompa, their 2012 targeted annual incentive awards, based upon our meeting certain financial measurements for 2012, were 100% and 88%, respectively, of their respective annual base salaries, and for Messrs. Cammaker and Matz, their 2012 targeted annual incentive awards, based upon our meeting those 2012 financial measurements, were 80% of their respective 2012 annual base salaries. We refer to this targeted annual incentive award sometimes as the Financial Target Bonus. The exact amount of each named executive officer's 2012 annual incentive award that we would pay based on our financial performance ranged from 0% to the maximum percentage of his annual base salary indicated in the immediately preceding paragraph, depending on our 2012 earnings per share and the ratio of our 2012 positive operating cash flow to our 2012 operating income. When we refer to earnings per share with respect to our Annual Incentive Program, we mean earnings per share on a fully diluted basis from continuing operations. However, in calculating such 2012 earnings per share and operating income for purposes of determining annual incentive awards there was, as provided in the program, to be excluded from such calculations (a) non-cash charges directly associated with the write-down of balance sheet values of assets, (b) investment banking, consulting, legal, and accounting fees and related disbursements directly associated with any proposed or consummated (i) sale or disposition of Company assets or securities or (ii) acquisition or investment, (c) the effect of any changes in statutory tax rates from those in effect on March 16, 2012, (d) restructuring charges due to a sale or closure of a subsidiary's business, (e) the cumulative effect of any change in accounting

principles, and (f) certain charges relating to withdrawal liabilities in connection with multi-employer pension plans and lump sum surcharges assessed by any multi-employer pension plan to ameliorate an underfunding in such plan. For the purpose of calculating operating cash flow, amounts that are the subject of clauses (a) through (f) above were, as provided in the program, excluded from such calculation. Mr. Guzzi, our Chief Executive Officer during 2012, together with other named executive officers, developed proposed 2012 financial measurements on which to base the payment of the annual incentive awards based on financial measurements under our Key Executive Incentive Bonus Plan. Mr. Guzzi then proposed to the Compensation Committee the financial measurements. Our Compensation Committee considered the recommendations and established financial measurements for those annual incentive awards in March 2012, taking into account the recommendations of management, our 2012 budget, and annual earnings per share guidance for 2012 that we provided to the equity markets. No annual incentive award based on these financial measurements was to be payable unless we achieved earnings per share for 2012 (adjusted to exclude certain charges as described above in this paragraph, which earnings per share we refer to herein as adjusted earnings per share) in excess of \$1.30 and 2012 positive operating cash flow (adjusted to exclude certain charges as described above in this paragraph, which cash flow we refer to herein as adjusted positive operating cash flow) of at least 20% of 2012 operating income (adjusted to exclude certain charges as described above in this paragraph, which operating income we refer to herein as adjusted operating income). Consequently, the financial measurements emphasized earnings as well as positive operating cash flow a measure of quality of earnings and we linked it to guidance we provided to the equity markets.

In order for a named executive officer to be entitled to his 2012 Financial Target Bonus (a) our 2012 adjusted earnings per share had to be at least \$1.66, slightly above the low end of our initial 2012 earnings per share guidance range of \$1.65 to \$1.95 per share that was provided to the equity markets in February 2012, and (b) the ratio of our 2012 adjusted positive operating cash flow to our 2012 adjusted operating income had to be at least 50%. If adjusted earnings per share had been less than \$1.66 but at least \$1.31, each named executive officer's actual annual incentive award that was based on financial measurements would have been less than his Financial Target Bonus in accordance with a matrix adopted by the Compensation Committee, which we refer to as the Matrix . The Matrix also took into account the amount, if any, by which the ratio of 2012 adjusted positive operating cash flow to 2012 adjusted operating income was less than 50%. If 2012 adjusted earnings per share were in excess of \$1.66, each named executive officer's actual annual incentive award based on financial measurements for 2012 could be greater than or less than his Financial Target Bonus in accordance with the Matrix, depending upon the ratio of adjusted positive operating cash flow to adjusted operating income but could not exceed his Maximum Potential Incentive Award, and as indicated above, if adjusted earnings per share did not exceed \$1.30, no annual incentive award for 2012 based on financial measurements would be paid to any named executive officer. Furthermore, as indicated above, no such annual incentive awards would be paid if the ratio of our 2012 adjusted positive operating cash flow to 2012 adjusted operating income was less than 20%.

In addition, as indicated above, under our Annual Incentive Program, during the first quarter of each calendar year, our Chief Executive Officer and each other named executive officer agree on the named executive officer's personal goals and objectives for the year, which are in addition to his normal duties and responsibilities. The Compensation Committee reviews those goals and objectives, which are subject to its approval. In the case of our Chief Executive Officer, the Compensation Committee and our Chief Executive Officer agree on his annual personal goals and objectives. Under the program we can pay a named executive officer an annual incentive award based on achieving his annual personal goals and objectives of up to two times a designated percentage of his annual base salary.

Following the end of each year, our Chief Executive Officer reports to the Compensation Committee on our financial results and on how well each named executive officer performed in meeting his personal goals and objectives, and the Compensation Committee, with input from the other non-management directors, determines the amount to be paid to each named executive as his annual incentive awards. The determination of these annual incentive awards are made without any member of management present.

For 2012, our adjusted earnings per share were \$2.19, and the ratio of our 2012 adjusted positive operating cash flow to 2012 adjusted operating income was approximately 74% which, in accordance with the 2012 Matrix, permitted payment to each named executive officer the following approximate percentages of his 2012 annual base salary in respect of our financial performance: Mr. Guzzi, 217%; Mr. Pompa, 191%; and Messrs. Cammaker and Matz, each 174%. This was the actual annual incentive award made by the Compensation Committee to each named executive officer for 2012 in respect of our financial performance. In addition, the Compensation Committee made annual incentive awards to the named executive officers based upon achievement of their respective personal goals and objectives. For 2012, Messrs. Guzzi and Pompa were awarded approximately 33% and 29% of their respective 2012 base salaries, and Messrs. Cammaker and Matz were each awarded approximately 26% of their respective 2012 base salaries, based upon achievement of their respective personal goals and objectives.

Under the terms of the program, the Compensation Committee could have, in its sole discretion, reduced the payment of any named executive officer's annual incentive award based on financial measurements even though those financial measurements called for payment of the percentages provided for in the Matrix. In the exercise of its discretion the Compensation Committee could have taken into account whatever factors it deemed appropriate in exercising negative discretion and could have awarded a percentage less than that called for by the Matrix. The Compensation Committee, in its sole discretion, also could have awarded in respect of each named officer's personal goals and objectives a percentage of his 2012 base salary ranging from zero to twice the percentage designated for him.

The 2012 aggregate annual incentive awards made to each named executive officer totaled his Maximum Potential Incentive Award and represented the following approximate percentages of their respective 2012 base salaries: Mr. Guzzi, 250%; Mr. Pompa, 220%; and Messrs. Cammaker and Matz, each, 200%.

Long Term Incentive Plan

We provide a significant portion of our named executive officers' compensation through our LTIP. The LTIP provides incentives which foster executive recruitment and retention, reward long-term financial performance, and align management and stockholder interests. Before we adopted the LTIP, Mercer advised the Compensation Committee that the LTIP as proposed should accomplish these objectives with its focus on long-term financial performance, cash and equity awards competitive with those granted by Mercer's list of Comparator Companies, and use of equity for alignment with stockholder returns.

Each participant in the LTIP, including each named executive officer, is entitled each year to an award based on a multiplier (or percentage), which we refer to as the Multiplier, of his annual base salary rate at the end of the previous year. We refer to this award as the LTIP Target Bonus.

Specifically, the LTIP Target Bonus consists of:

an annual award of stock units to senior executives, including the named executive officers. This is the retention component. The stock units (in respect of

which an equal number of shares of our Common Stock will be issued) generally vest on the third anniversary of the grant date of the stock units. The named executive officer is to receive a number of shares of our Common Stock equal to his annual grant of stock units approximately three years from the grant date as well as additional shares of our Common Stock on the same basis as the stock unit award equal to the cash dividends if any, that have been paid with respect to our Common Stock underlying the stock units awarded. The named executive officer will receive these shares only if he continues to be employed by us through the third anniversary of

the grant date,
unless his
employment is
terminated by
us without
cause, by him
for good
reason, or by
reason of his
death or
disability or
retirement at
age 65 or older
in which case
he would
receive those
shares
following the
occurrence of
that event. (We
have set forth
the definition
of the terms
cause , good
reason and
disability on
page 33 in the
Section entitled
Potential Post
Employment
Payments Long
Term Incentive
Plan .) Thus, a
meaningful

portion of the named executive officer's total compensation is tied to our stock performance; and

an award of a potential performance-based cash incentive award, which we refer to sometimes as the LTIP Cash Target Bonus, and which is the performance component. This component provides for the annual establishment of three year measurement periods. The award year and the two ensuing years make up each measurement period. Each named executive officer may receive a performance-based cash incentive award, depending upon how closely our actual aggregate earnings per share for the three year measurement period compare to a pre-established earnings per share objective for that measurement period. The Compensation Committee sets the earnings per share objectives. When

we refer to earnings per share with respect to our LTIP, we mean earnings per share on a fully diluted basis. However, earnings per share with respect to three year measurement periods are to be computed without giving effect to (a) non-cash charges directly associated with the write-down of balance sheet values of assets, (b) investment banking, consulting, legal, and accounting fees and related disbursements directly associated with any proposed or consummated (i) sale or disposition of Company assets or securities or (ii) acquisition or investment, (c) the effect of any changes in statutory tax rates from those in effect on March 29, 2010, (d) restructuring charges due to a sale or closure of a subsidiary s business, (e) the cumulative effect of any change in accounting principles, and (f) with respect to three year measurement

periods commencing on or after January 1, 2012, earnings per share are also to be computed without giving effect to charges relating to withdrawal liabilities in connection with multi-employer pension plans and lump sum surcharges assessed by any multi-employer pension plan to ameliorate an underfunding in such plan. We use the three year measurement period to extend a named executive officer's focus over multiple-year periods. This is intended to help achieve positive sustained long-term financial results and to align the named executive officer's interests with longer-term stockholder interests. If we achieve 100% of the earnings per share objective that the Compensation Committee has established for a measurement period, the named executive officer will receive 100% of his LTIP Cash Target Bonus. If we achieve 50% of the

earnings per share objective for a measurement period, the named executive officer will receive 50% of his LTIP Cash Target Bonus. If we fail to achieve our minimum objectives of at least 50% of the pre-established earnings per share objective for a measurement period, no performance-based cash incentive award is payable in respect of that measurement period. If we exceed the pre-established earnings per share objective for the measurement period by 120% or more, the named executive officer will receive 200% of his LTIP Cash Target Bonus. For earnings per share falling between 50% and 100% of the earnings per share objective for the measurement period or between 100% and 120% of the earnings per share objective, the percentage of his LTIP Cash Target Bonus is interpolated from 50% to 100% of his LTIP Cash Target Bonus and from

100% to 200% of his LTIP Cash Target Bonus, respectively. The named executive officer would not be entitled to any performance-based cash incentive award for any measurement period in which his employment is terminated by us for cause or in which he leaves our employment without good reason. However, if, during a measurement period, his employment is terminated by us without cause, by him for good reason or by reason of his death, disability or retirement at age 65 or older, he would, nevertheless, be entitled to a pro rata amount of the performance-based cash incentive award that he would have received had he been employed by the Company for that measurement period.

Under the terms of the LTIP, we established for each LTIP participant, including each named executive officer, a Multiplier (or percentage) of his annual base salary rate. The Multiplier for each named executive officer, which is set out in the LTIP (subject to change annually by the Compensation Committee for each named executive officer), for 2012 was as follows: Mr. Guzzi, 275% and Messrs. Mr. Cammaker, Mr. Matz, and Pompa, each 125%. Based upon compensation information provided by Mercer regarding awards to senior executives of Comparator Companies, the Compensation Committee concluded that, except with respect to Mr. Guzzi, the Multiplier for each named executive officer, when

applied to a percentage of his annual base salary rate as of the end of the previous year, resulted in an LTIP Target Bonus for each named executive officer which was competitive with those provided by Comparator Companies. In 2012 the Compensation Committee determined that the Multiplier for Mr. Guzzi should be increased in order to better align his compensation with chief executive officers of Comparator Companies. Therefore, Mr. Guzzi's Multiplier for measurement periods commencing on or after January 1, 2013 was increased from 275% to 300%. Any change in the Multiplier for a named executive officer changes the basis for computing his potential performance-based cash incentive award under the LTIP as well as the number of stock units he is to receive annually.

The Compensation Committee believes this LTIP two-part retention and performance program provides a balance between market-based incentives and multi-year financial-based awards. Market-based incentives, such as equity awards, provide a strong link to stockholder value creation. Financial-based awards based upon multi-year periods provide a direct link to long-term corporate performance.

In addition, the Board believes that because part of each LTIP award is in stock units generally vesting three years from the grant date and the balance is payable in cash based on the Company's financial performance over a three year period, which amount is capped based on a percentage of annual base salary rate, the LTIP does not encourage excessive or unnecessary risk taking by participants in the LTIP, including our named executive officers.

Under the terms of the LTIP, in 2010 the Compensation Committee established a measurement period consisting of calendar years 2010, 2011 and 2012 pursuant to which performance-based cash incentive awards may be paid to LTIP participants, including our named executive officers. The actual amount paid in respect of each participant's LTIP Cash Target Bonus for this measurement period, 50% of the product of his Multiplier and his annual base salary rate as of December 31, 2009, was dependent upon how our Company's earnings per share for that period measured up against the earnings per share objective for the period, which was \$5.70 per share. Because our aggregate earnings per share for the 2010-2012 measurement period was \$6.17, 108% of the \$5.70 earnings per share objective for that measurement period, in accordance with the LTIP, each named executive officer, as well as each other participant in the LTIP, was paid in March 2013 140% of his LTIP Cash Target Bonus. The amount of the LTIP cash payment to each named executive officer is included under the Non-Equity Incentive Plan Compensation column for 2012 of the Summary Compensation Table on page 23.

In January 2012, pursuant to the terms of the LTIP each named executive officer, as well as each other participant in the LTIP, was awarded a number of stock units entitling him to receive in February 2015 an equal number of shares of our Common Stock provided he is continuously employed by us through January 3, 2015. However, if his employment is terminated by us without cause, by him for good reason, or by reason of his death, disability or retirement at age 65 or older, he will, nevertheless, be entitled to those shares. The number of stock units awarded to each named executive officer was determined by dividing the closing price of a share of our Common Stock on the New York Stock Exchange on January 3, 2012 by 50% of the product of the named executive officer's then Multiplier and his annual base salary rate as of December 31, 2011. The aggregate grant date fair value of the stock units awarded in 2012 to each named executive officer based on Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 is included under the Stock Awards column for 2012 of the Summary Compensation Table on page 23.

In March 2012, under the LTIP, the Compensation Committee also established for the measurement period consisting of the 2012-2014 calendar years an earnings per share objective of \$6.30. Each named executive officer's LTIP Cash Target Bonus for that measurement period is 50% of the product of his annual base salary rate as of the end of 2011 and his Multiplier set out in the last paragraph on page 18. The amounts set out in the Table entitled Grants of Plan-Based Awards in Fiscal Year 2012 on page 26 identified with footnote (4) indicates the range of LTIP performance-based cash incentive awards each named executive officer may receive in respect of the 2012-2014 measurement period if we achieve for that measurement period (i) the minimum earnings per share objective of \$3.15, (ii) the earnings per share objective of \$6.30, or (iii) at least 120% of the earnings per share objective, or \$7.56. As indicated earlier, if we do not achieve the minimum earnings per share objective for the

2012 2014 measurement period, we will not pay any of the LTIP performance-based cash incentive awards identified in the Grants of Plan-Based Awards in Fiscal Year 2012 Table.

Special Equity Awards

In March 2012 the Compensation Committee decided to award to Mr. Guzzi 13,006 stock units entitling him to receive an equal number of shares of our Common Stock provided he is employed by us until January 3, 2015, and the Compensation Committee also decided to award to each of Messrs. Pompa, Cammaker and Matz 12,000 stock units entitling each of them to 12,000 shares of our Common Stock provided such executive officer remains in our employ through March 15, 2016. If Mr. Guzzi's employment is terminated by us without cause, if he terminates his employment with us for good reason, if there is a change in control of the Company, or if he dies or is disabled, then he or his estate shall be promptly issued those shares. In the event of a termination of his employment by us for cause or by him without good reason all his stock units will be forfeited. Similar terms apply to the stock units awarded to Messrs. Pompa, Cammaker and Matz except that if such person's employment is terminated by us without cause, by him for good reason or upon retirement at age 65 or older, or his employment terminates due to his disability, then a pro rata portion of the stock units will vest and the balance will be forfeited. The terms "cause", "good reason", "change of control", and "disability" are substantially the same as those terms are described on page 33 under "Potential Post Employment Payments - Long Term Incentive Plan". The Compensation Committee concluded that these stock unit awards would further align the interests of each of these executive officers with those of our stockholders. In making these awards to Messrs. Pompa, Cammaker and Matz the Compensation Committee took into account, among other things, (i) compensation information provided by Mercer regarding equity awards to senior executives of Comparator Companies and (ii) the fact that, other than pursuant to the LTIP, they had not received any grants of stock options or other equity awards since 2005.

Percentage of Incentive Compensation

We believe our annual and LTIP incentive awards motivate our named executive officers to seek sustained positive financial performance. A significant portion of the named executive officers' compensation is incentive compensation based on objective financial performance. The equity awards expose management to the risk that our stock value will go down and are conditioned on the named executive officer staying employed with us for a significant period of time.

For 2012, the percentages of targeted incentive compensation to total targeted compensation (including stock units) of the named executive officers ranged from approximately 39% to 52%, and the equity component percentage of the named executive officers' total targeted compensation (including stock units) ranged from approximately 27% to 32%. Of their 2012 total targeted compensation (including stock units), the percentages that were forfeitable ranged from approximately 45% to 53%.

Corporate Tax Deduction on Compensation in Excess of \$1 Million a Year

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the "Code", generally limits how much compensation public companies may deduct on their U.S. federal income tax returns for compensation paid to certain executive officers. Public companies generally may deduct up to \$1 million of compensation they pay to any employee who on the last day of the year is a named executive officer. Compensation may qualify for an exemption from the deduction limit if it satisfies certain conditions under Section 162(m). The Compensation Committee considers the impact of this rule when developing and implementing our executive compensation plans. While we have designed much of our annual incentive awards and the LTIP performance-based cash incentive awards to qualify for an exemption from the limitation on deductible compensation, not all the annual incentive awards and LTIP awards qualify under Section 162(m). To the extent a named executive officer's annual incentive award is paid based on achievement of his personal goals and objectives (and a portion was so paid for 2012), the award would not, and did not, qualify under Section 162(m). Awards of stock units under the LTIP and the special equity awards to Messrs. Guzzi, Pompa, Cammaker and Matz in March 2012, which vest over the passage of

time, do not qualify under Section

162(m). The Compensation Committee does not require that all compensation qualify under Section 162(m) because it believes that it is important to preserve flexibility in administering compensation programs.

Accounting Treatment

When designing the elements of compensation, the Compensation Committee considers the impact of accounting treatment and avoids structuring awards that would require that they be marked to market at the end of each accounting period which could otherwise result in additional expenses to the Company or additional net income to the Company dependent upon their periodic change in value.

Retirement Plans, Severance Arrangements, and Stock Options

Retirement Plans

As indicated above, we provide our retirement benefits through our 401(k) plan pursuant to which we made a matching contribution of \$12,500 for the account of each named executive officer for 2012. We based the amount of our contribution for named executive officers on a formula set forth in the terms of the plan that applies to all employees participating in our 401(k) plan.

Effective with the calendar year 2013, we have adopted a Voluntary Deferral Plan, which is a non-qualified deferred compensation plan offered to a select group of key employees, including our named executive officers, that is designed to assist participating employees in deferring a portion of their cash compensation in a tax efficient manner. The Company will match a portion of participating employee deferrals under the Voluntary Deferral Plan. Participants accounts reflecting deferrals and matching credits under the Voluntary Deferral Plan are fully vested at all times except as the plan administrator determines, are distributable upon separation from service or a change of control, and are periodically adjusted to reflect notional investment earnings. Participating employee rights under the Voluntary Deferral Plan are no greater than those of an unsecured general creditor but the Company has established a revocable trust to assist it in meeting its payment obligations.

Severance Arrangements

In light of our modest retirement benefits and the existence of employment agreements for several years with our named executive officers other than Mr. Guzzi (who did not join us until October 2004), which employment agreements we decided not to renew when they expired December 31, 2004, the Compensation Committee decided to enter into severance agreements with our named executive officers in 2005. The terms of the severance agreements reflected market practice and advice provided to the Compensation Committee by Mercer and outside counsel engaged by the Compensation Committee and take into account the named executive officers' past accomplishments. If a named executive is terminated without cause or if he terminates his employment for good reason, his severance agreement provides him with a severance benefit equal to (a) two years of his annual base salary and (b) a prorated amount of his annual incentive awards. The severance agreements and other enhanced severance benefits referred to in this Section as well as the terms "cause" and "good reason" are described on page 30 under "Potential Post Employment Payments - Severance Agreements".

In addition, if the named executive officer is terminated without "cause", he terminates his employment for "good reason" or his employment is terminated by reason of his disability, as those terms are defined on page 33 under "Potential Post Employment Payments - Long Term Incentive Plan", or if he dies or retires at age 65 or older we will under the LTIP provide him with:

all the shares
issuable in respect

of his LTIP stock units no later than six months after the named executive officer's termination date; and

with respect to each measurement period then in effect, a prorated amount of the LTIP performance-based cash incentive award that he would have received had he remained in our employ during the entire measurement period.

Change of Control Agreements

Each of our named executive officers is a party to a change of control agreement so that if we experience a change of control we can provide security to them during the period of change of control in order that they can focus on our business, making decisions which are in our best interests and the best interests of our stockholders, even if such decisions lead to their departure and in order that we may retain these individuals during that period and the transition to new ownership.

These change of control agreements provide for enhanced severance benefits if, within two years of the date we experience a change of control, the executive terminates his employment for good reason or the executive's employment is terminated involuntarily, other than for cause, death or disability. The enhanced severance benefits payable in the event of severance after a change of control are described under Potential Post Employment Payments Change of Control Arrangements commencing on page 34. If severance benefits are paid to a named executive officer under a change of control agreement, no payments are to be made to him under his severance agreement. The terms and provisions of the change of control agreements reflected competitive market practices and advice provided by outside counsel to the Company and were not derived primarily from a negotiation process with our executives. The term change of control as used in the change of control agreements is defined on page 35.

Excise Tax Gross-Ups

The severance payments and other payments and benefits our named executive officers would receive in connection with a change of control could trigger an excise tax, payable by our named executive officers. In that case, under the terms of the change of control agreements we are to make gross-up payments to those named executive officers so that they receive the same economic benefit they would have received if the excise tax were not imposed. These gross-up payments would be provided even though we cannot deduct them from our own taxable income, because we believe our named executive officers should receive the full economic benefit of the protections we have offered them.

Stock Options

One of the outstanding stock options granted to each of the named executive officers (other than Mr. Guzzi) provide that if such individual's employment is terminated by us without cause or if he terminates his employment for good reason, the period during which the stock options are exercisable continues following the termination of his employment for the remainder of the option term. The other outstanding stock options granted to those individuals and the two grants of outstanding stock options granted to Mr. Guzzi provide that such options are exercisable for the shorter of two years from the termination date of the named executive's employment with the Company or the remainder of the option term if the named executive officer is terminated by us without cause or if he terminates his employment for good reason. If a named executive officer's employment is terminated by us for cause or if he terminates his employment without good reason, then his options would be exercisable for the shorter of three months from the termination date or the remainder of the option term. The terms cause and good reason as defined in the stock option agreements are substantially the same as they are defined in the severance agreements described on page 30 under Potential Post Employment Payments Severance Agreements. All stock options granted to our named executive officers are presently vested.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

The following Table sets forth information with respect to the compensation of our Chief Executive Officer, our Chief Financial Officer, and our only other executive officers, who we refer to collectively as the named executive officers, based on total compensation for fiscal 2012.

Summary Compensation Table for Fiscal Years 2012, 2011 and 2010

Name and Principal Position	Year	Salary(\$)	Bonus(\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾
Anthony J. Guzzi President and Chief Executive Officer (since January 3, 2011)	2012	\$ 980,000		\$ 1,299,336		\$ 3,132,500	\$ 158,509
	2011	\$ 950,000	\$ 634,000	\$ 3,447,584		\$ 2,096,875	\$ 77,398
	2010	\$ 709,615	\$ 237,000	\$ 487,482		\$ 1,212,060	\$ 77,158
Mark A. Pompa Executive Vice President and Chief Financial Officer	2012	\$ 580,000		\$ 691,269		\$ 1,669,750	\$ 86,279
	2011	\$ 560,000	\$ 366,000	\$ 318,729		\$ 1,103,328	\$ 76,462
	2010	\$ 510,000	\$ 131,000	\$ 281,226		\$ 774,855	\$ 66,764
Sheldon I. Cammaker Executive Vice President, General Counsel and Corporate Secretary	2012	\$ 510,000		\$ 654,402		\$ 1,435,625	\$ 140,237

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	2011	\$ 501,000	\$ 386,000	\$ 306,235	\$ 934,821	\$ 121,188
	2010	\$ 490,000	\$ 147,000	\$ 296,866	\$ 766,770	\$ 124,748
R. Kevin Matz Executive Vice President, Shared Services	2012	\$ 460,000		\$ 616,276	\$ 1,278,750	\$ 102,736
	2011	\$ 440,000	\$ 333,000	\$ 265,622	\$ 818,538	\$ 72,409
	2010	\$ 425,000	\$ 120,000	\$ 256,245	\$ 656,963	\$ 89,849

(1) Stock awards reflected in this Table represent for 2010, 2011, and 2012 aggregate grant date fair value for stock units computed in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718. There can be no assurance that these amounts will be realized. These stock awards consist of, for 2010, 2011 and 2012, time-based stock units granted under our Long Term Incentive Plan (LTIP), for 2011 in the case of Mr. Guzzi, 80,000 additional time-based stock units awarded to him in May 2011,

and for 2012 in the case of Mr. Guzzi, 13,006 additional time-based stock units awarded to him in March 2012; and in the case of Messrs. Pompa, Cammaker and Matz, for 2012, 12,000 additional time-based stock units awarded to each of them in March 2012. The value of the respective stock awards are equivalent to the closing price of a share of our Common Stock on the New York Stock Exchange on the date of the award multiplied by the number of stock units included in the award.

- (2) No option awards were made to the named executive officers in 2010, 2011, and 2012.
- (3) The amounts reported in this column for

2012 include annual incentive awards paid in 2013 in respect of 2012, all of which were paid in cash.

These annual incentive awards for each of the named executive officers are as follows: Mr.

Guzzi,
\$2,450,000;

Mr. Pompa,
\$1,276,000;

Mr.

Cammaker,
\$1,020,000;

and Mr. Matz,
\$920,000. The

amounts reported in this column for 2012 also

include amounts paid in 2013 under the LTIP in respect of LTIP

Cash Target Bonuses for the

2010 2012 measurement period. These

LTIP amounts for each of the executive

officers are as follows: Mr.

Guzzi,
\$682,500; Mr.

Pompa,
\$393,750; Mr.

Cammaker,
\$415,625; and

Mr. Matz,
\$358,750.

- (4) The amounts reported in this column for 2012 for each named executive officer include:
- (a) an allowance for his leasing of an automobile; reimbursement for auto insurance on such vehicle; reimbursement for the cost of maintenance and repair of such vehicle; reimbursement for monthly dues in a club suitable for entertaining clients and other business contacts, (b) the value of additional time-based stock units equal in value to cash dividends paid in 2011 and 2012 on shares of our Common Stock pursuant to dividend equivalent awards included with stock units awarded prior to 2012 inasmuch as the value of stock units

included in the
Summary
Compensation
Table for 2010
and 2011 did
not reflect the
value of cash
dividends as
we only
commenced the
payment of
cash dividends
in the last
quarter of
2011, and (c)
premiums paid
for excess
liability
insurance of
\$10 million.
The amounts in
this column
also include the
cost of

premiums paid by us for term life insurance for each named executive officer as follows: Mr. Guzzi, \$16,211; Mr. Pompa, \$2,559; Mr. Cammaker, \$20,421; and Mr. Matz, \$11,324. In addition, the amounts reported in this column include reimbursement for taxes on certain of the foregoing perquisites for each of the named executive officers as follows: Mr. Guzzi, \$32,222; Mr. Pompa, \$26,085; Mr. Cammaker, \$53,046; and Mr. Matz, \$35,041. For 2012, the amounts also include matching contributions of \$12,500 provided by us under our 401(k) Retirement Savings Plan for the account of each named executive officer.

Proportion of 2012 Salaries and Bonuses to Total 2012 Compensation

The approximate percentage of each named executive officer's 2012 salary of his total 2012 compensation reported in the Summary Compensation Table on page 23 is as follows: Mr. Guzzi, 18%; Mr. Pompa, 19%; Mr. Cammaker, 19%; and Mr. Matz, 19%. There were no bonuses awarded in 2012. There can be no assurance that the total compensation amounts reported in that Table will be realized.

Annual Incentive Awards

Under our Annual Incentive Program the Compensation Committee establishes annual financial objectives for us and individual performance goals and objectives for each named executive officer. These objectives are the basis on which a determination is made whether the named executive officer should receive an annual incentive award and, if so, the amount of such award. The annual incentive awards for 2012 and the basis on which they were made are discussed on pages 15 through 17 under Compensation Discussion and Analysis. For 2012, the maximum annual incentive awards for Messrs. Guzzi and Pompa were 250% and 220%, respectively, of their respective 2012 annual base salaries and for Messrs. Cammaker and Matz were 200% of their respective 2012 annual base salaries. For 2012, the annual incentive award for each named executive officer based on our 2012 financial performance was equal to an approximate percentage of his annual base salary as follows: Mr. Guzzi, 217%; Mr. Pompa, 191%; Mr. Cammaker, 174%; and Mr. Matz, 174%. In addition, each such officer received, based on the accomplishment of his 2012 individual goals and objectives, the following percentages of his annual base salary: Mr. Guzzi, 33%; Mr. Pompa, 29%; Mr. Cammaker, 26%; and Mr. Matz, 26%. The estimated payouts under the 2012 Annual Incentive Program are included under the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the Grants of Plan-Based Awards in Fiscal Year 2012 Table on page 26 and have footnote (3) next to them. The actual 2012 incentive awards, all of which were in cash, are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23.

Long Term Incentive Plan and Special Equity Awards

Under the terms of the LTIP, for 2012, we awarded each named executive officer stock units in January 2012. These stock units, which generally vest in full three years from their respective award dates, represent the right to receive an equal number of shares of Common Stock, generally on or about the fourth week in February 2015.

A named executive officer has to be employed by us generally until January 3, 2015 to receive shares of our Common Stock in respect of his 2012 LTIP stock unit award. If a named executive officer's employment terminates before January 3, 2015, he will forfeit his 2012 LTIP stock unit award, unless such termination is by the Company without cause or by him for good reason or due to his disability, death or retirement at age 65 or older. The terms cause, good reason and disability are defined on page 33 under Potential Post Employment Payments Long Term Incentive Plan

As provided in the LTIP, we base the number of stock units that a named executive officer is to receive for a calendar year on one-half of a set percentage of his annual base salary rate as of the immediately preceding December 31, divided by the closing price of a share of our Common Stock as of the first business day of the year in which we award the stock units. The current percentage for each named executive officer is provided for in the LTIP (subject to change by the Compensation Committee) and is set out on page 18 under Compensation Discussion and Analysis.

The 2012 stock award amounts reflected in the *Stock Awards* column of the Summary Compensation Table on page 23 relate to those stock units awarded in January 2012 under the LTIP to

each named executive officer, in the case of Mr. Guzzi, an additional 13,006 stock units awarded to him in March 2012, and in the case of Messrs. Pompa, Cammaker, and Matz, an additional 12,000 stock units awarded to each of them in March 2012. There can be no assurance that the amounts reported in the Stock Awards column of that Table for 2012 will be realized. The stock awards reflected in the All Other Stock Awards column of the Grants of Plan-Based Awards in Fiscal Year 2012 Table on page 26 represent the number of stock units awarded to each named executive officer in January 2012 under the LTIP, in the case of Mr. Guzzi, the 13,006 stock units awarded to him in March 2012, and in the case of Messrs. Pompa, Cammaker and Matz, the 12,000 stock units awarded to each of them in March 2012.

In order for Mr. Guzzi to receive shares of our Common Stock payable in respect of his special award of 13,006 stock units in March 2012 he must be employed by us generally until January 3, 2015 and those stock units are subject to forfeiture under the same circumstances as described above with respect to the LTIP stock units awarded to him in 2012. In order for Messrs. Pompa, Cammaker and Matz to receive shares of our Common Stock payable in respect of his special award of stock units in March 2012, that executive officer has to be employed by us generally until March 15, 2016. If Mr. Guzzi's employment terminates before January 3, 2015, he will forfeit the March 2012 stock units unless the termination of his employment is by the Company without cause or is by him for good reason or is due to his disability or death. The terms cause, good reason, and disability are defined substantially as they are in the LTIP and such definitions are set out on page 33 under Potential Post Employment Payments Long Term Incentive Plan. The same terms apply to the March 2012 stock units awarded to Messrs. Pompa, Cammaker and Matz except if such individual's employment is terminated by the Company without cause or by him for good reason or upon retirement at age 65 or older or if his employment terminates by reason of his disability, only a pro rata portion of his stock units will vest and the remaining stock units will be forfeited.

We also grant potential performance-based cash incentive awards under the LTIP based on our performance for a three calendar year measurement period commencing with the award year. In 2010, we granted each named executive officer a potential performance-based cash incentive award, or LTIP Cash Target Bonus, based on our performance for a measurement period consisting of calendar years 2010-2012. We reached 108% of our targeted financial performance for that measurement period, and, accordingly, each named executive officer was paid an amount equal to 140% of his LTIP Cash Target Bonus for the measurement period. The amounts paid in respect of these performance-based cash incentive awards are included for 2012 in the Summary Compensation Table under the Non-Equity Incentive Compensation column on page 23.

In addition, in 2012, we granted each named executive officer an LTIP Cash Target Bonus based upon the measurement period consisting of calendar years 2012-2014, which is reflected in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the Grants of Plan-Based Awards in Fiscal Year 2012 Table on page 26. We will base the payment of these awards (next to which the footnote (4) appears) on the achievement of the predetermined earnings per share objective for the measurement period consisting of calendar years 2012-2014. We will pay to each such named executive officer the target performance-based cash incentive award set opposite his respective name in the Grants of Plan-Based Awards in Fiscal Year 2012 Table below if we achieve aggregate earnings per share of \$6.30 for the 2012-2014 measurement period. If, for this period, we achieve aggregate earnings per share of \$3.15, each such named executive officer will be entitled to the threshold performance-based cash incentive award amount set opposite his name in that Table. If, for this period, we achieve aggregate earnings per share of \$7.56, each such named executive officer will be entitled to the maximum performance-based cash incentive award amount set opposite his name in that Table. For aggregate earnings per share falling between \$3.16 and \$6.29, and between \$6.31 and \$7.55, for the 2012-2014 measurement period, the performance-based cash incentive award is interpolated from 50.1% to 99.9% of the target performance-based cash incentive award and from 101% to 199% of the target performance-based cash incentive award, respectively.

If a named executive officer is not employed during an entire measurement period, he will not be entitled to any performance-based cash incentive award for the measurement period, unless he has

been terminated without cause, he terminates his employment for good reason, dies, is disabled or retires at age 65 or older. If during a measurement period he is terminated without cause or he terminates his employment for good reason, dies, is disabled or retires at age 65 or older, then for the measurement period, he will be entitled to a portion of the awards under the LTIP as described under Potential Post Employment Payments Long Term Incentive Plan on page 32, where the terms cause, good reason and disability are also defined.

The following Table sets forth certain information with respect to the grant of awards during the 2012 fiscal year to the named executive officers.

Grants of Plan-Based Awards in Fiscal Year 2012

Name	Grant Date	Threshold (\$)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards Number of Shares of Stock or Units (#)	Gross Fair Value of Stock Awards
			Target (\$)	Maximum (\$)			
Anthony J. Guzzi	1/3/12					34,684 ⁽¹⁾	\$ 9
	3/6/12					13,006 ⁽⁵⁾	\$ 3
	3/6/12	\$ 254,800 ⁽³⁾	\$ 1,225,000 ⁽³⁾	\$ 2,450,000 ⁽³⁾			
	3/6/12	\$ 653,125 ⁽⁴⁾	\$ 1,306,250 ⁽⁴⁾	\$ 2,612,500 ⁽⁴⁾			
Mark A. Pompa	1/3/12					12,778 ⁽¹⁾	\$ 3
	3/15/12					12,000 ⁽⁵⁾	\$ 3
	3/6/12	\$ 132,704 ⁽³⁾	\$ 638,000 ⁽³⁾	\$ 1,276,000 ⁽³⁾			
	3/6/12	\$ 175,000 ⁽⁴⁾	\$ 350,000 ⁽⁴⁾	\$ 700,000 ⁽⁴⁾			
Sheldon I. Cammaker	1/3/12					11,432 ⁽¹⁾	\$ 3
	3/15/12					12,000 ⁽⁵⁾	\$ 3
	3/6/12	\$ 106,080 ⁽³⁾	\$ 510,000 ⁽³⁾	\$ 1,020,000 ⁽³⁾			
	3/6/12	\$ 156,563 ⁽⁴⁾	\$ 313,125 ⁽⁴⁾	\$ 626,250 ⁽⁴⁾			
R. Kevin Matz	1/3/12					10,040 ⁽¹⁾	\$ 2
	3/15/12					12,000 ⁽⁵⁾	\$ 3
	3/6/12	\$ 95,680 ⁽³⁾	\$ 460,000 ⁽³⁾	\$ 920,000 ⁽³⁾			
	3/6/12	\$ 137,500 ⁽⁴⁾	\$ 275,000 ⁽⁴⁾	\$ 550,000 ⁽⁴⁾			

(1) Consists of time-based stock units

awarded in
January 2012
under our
LTIP.

(2) Represents the
aggregate
grant date fair
value of stock
units awarded
in January
2012 under our
LTIP, which
fair value was
computed in
accordance
with FASB
ASC Topic
718.

(3) These amounts
represent
estimated
payouts
pursuant to our
Annual
Incentive
Program for
2012. The
actual amounts
paid in respect
of this
program for
2012 are
disclosed in
the Summary
Compensation
Table on page
23.

(4) These
estimated
payouts are
pursuant to our
LTIP in
respect of the
measurement
period
2012 2014.

(5)

Consists of time-based stock units awarded in March 2012 to Messrs. Guzzi, Pompa, Cammaker and Matz (March 2012 Stock Units).

- (6) Represents the aggregate grant date fair value of March 2012 Stock Units, which fair value was computed in accordance with FASB ASC Topic 718.
- (7) There were no stock option awards in 2012.

The following Table sets forth certain information with respect to unexercised options and unvested outstanding equity awards held by the named executive officers at the end of 2012.

Outstanding Equity Awards at 2012 Fiscal Year-End

Name (A)	Option Awards				Stock Awards		
	Number of Securities Underlying Unexercised Options (#) Exercisable (B)	Number of Securities Underlying Unexercised Options (#) Unexercisable (C)	Option Exercise Price (\$) (D)	Option Expiration Date (E)	Number of Shares or Units of Stock That Have Not Vested (#) (F)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (G)	
Anthony J. Guzzi					17,799 ⁽³⁾	\$ 616,023 ⁽³⁾	
					33,054 ⁽⁴⁾	\$ 1,143,999 ⁽⁴⁾	
					35,237 ⁽⁵⁾	\$ 1,219,553 ⁽⁵⁾	
					81,458 ⁽⁶⁾	\$ 2,819,261 ⁽⁶⁾	
					13,188 ⁽⁷⁾	\$ 456,437 ⁽⁷⁾	
		86,000 ⁽¹⁾		\$ 9.67	10/24/14		
	202,000 ⁽¹⁾		\$ 11.270	1/02/15			
Mark A. Pompa					10,268 ⁽³⁾	\$ 355,375 ⁽³⁾	
					11,088 ⁽⁴⁾	\$ 383,756 ⁽⁴⁾	
					12,980 ⁽⁵⁾	\$ 449,238 ⁽⁵⁾	
					12,170 ⁽⁷⁾	\$ 421,204 ⁽⁷⁾	
		43,164 ⁽²⁾		\$ 10.958	1/01/14		
		101,200 ⁽¹⁾		\$ 11.270	1/02/15		
Sheldon I. Cammaker					10,837 ⁽³⁾	\$ 375,069 ⁽³⁾	
					10,653 ⁽⁴⁾	\$ 368,700 ⁽⁴⁾	
					11,613 ⁽⁵⁾	\$ 401,926 ⁽⁵⁾	
					12,170 ⁽⁷⁾	\$ 421,204 ⁽⁷⁾	
		68,680 ⁽²⁾		\$ 10.958	1/01/14		
		134,800 ⁽¹⁾		\$ 11.270	1/02/15		
R. Kevin Matz					9,355 ⁽³⁾	\$ 323,777 ⁽³⁾	
					9,240 ⁽⁴⁾	\$ 319,796 ⁽⁴⁾	
					10,198 ⁽⁵⁾	\$ 352,953 ⁽⁵⁾	
					12,170 ⁽⁷⁾	\$ 421,204 ⁽⁷⁾	

71,880 ⁽²⁾)	\$ 10.958	1/01/14
109,200 ⁽¹⁾)	\$ 11.270	1/02/15

- (1) Stock options granted 10/25/04 and 1/3/05 vested and became exercisable 33-1/3% on each of the first, second and third anniversaries of their respective grant dates and generally expire on the respective dates shown in column (E) which is the day before the tenth anniversary of their respective grant dates.
- (2) Stock options granted 1/2/04 vested and became exercisable 25% on their grant date, 25% on each of the two succeeding anniversaries of their grant date, and 25% on the last business day of the year in which

the second anniversary of the grant date occurs and generally expire on the respective date shown in column (E) which is the day before the tenth anniversary of their grant date.

(3) Represents LTIP stock units awarded in January 2010 as well as additional stock units that accrued during 2011 and 2012 pursuant to dividend equivalent awards equal in value to our cash dividends paid during 2011 and 2012 which would have been paid with respect to Common Stock underlying such January 2010 award; these stock units vested on January 4, 2013.

(4) Represents LTIP stock

units awarded in January 2011 as well as additional stock units that accrued during 2011 and 2012 pursuant to dividend equivalent awards equal in value to our cash dividends paid during 2011 and 2012 which would have been paid with respect to Common Stock underlying such January 2011 award; these stock units generally will vest on January 3, 2014.

- (5) Represents LTIP stock units awarded in January 2012 as well as additional stock units that accrued during 2012 pursuant to dividend equivalent awards equal in value to our cash dividends paid during 2012 which

would have been paid with respect to Common Stock underlying such January 2011 award; these stock units generally will vest on January 3, 2015.

- (6) Represents stock units awarded in May 2011 as well as additional stock units that accrued during 2011 and 2012 pursuant to dividend equivalent awards equal in value to our cash dividends paid during 2011 and 2012 which would have been paid with respect to Common Stock underlying such May 2011 award; these stock units generally will vest on May 9, 2015.

- (7) Represents stock units awarded in March 2012 and additional stock units that accrued during 2012 pursuant to dividend equivalent awards equal in value to our cash dividends paid during 2012 which would have been paid with respect to Common Stock underlying such March 2012 award; these stock units generally will vest on January 3, 2015 in the case of Mr. Guzzi and generally will vest on March 15, 2016 in the case of Messrs. Pompa, Cammaker and Matz.

In the event a named executive officer who is a holder of any of the options set out in the Outstanding Equity Awards at 2012 Fiscal Year-End Table on page 27 is terminated by us without cause or terminates his employment for good

reason (a) the options held by him expiring 1/01/14 remain exercisable for the balance of their term and (b) the options held by him expiring 10/24/14 and 1/2/15 remain exercisable for the shorter of two years following such termination of employment or the balance of the original term. If the named executive officer's employment terminates because of his retirement at age 65 or older, death, or disability or by reason of his employment being terminated by us for cause or by him without good reason, his options will be exercisable for the shorter of the balance of their original term or three months following termination of employment in the case of such retirement or disability or termination for cause or without good reason or six months in the case of death. The terms "disability", "cause" and "good reason" are defined in the option agreements substantially as they are defined in the Severance Agreements commencing on page 29 under the Section entitled "Potential Post Employment Payments" "Severance Agreements".

Unvested stock units reported in the Outstanding Equity Awards at 2012 Fiscal Year-End Table on page 27 include those awarded in 2010, 2011 and 2012 under our LTIP to each named executive officer, in the case of Mr. Guzzi, an additional 80,000 stock units awarded to him in May 2011 and an additional 13,006 stock units awarded to him in March 2012, and in the case of Messrs. Pompa, Cammaker and Matz, an additional 12,000 stock units awarded to each of them in March 2012. In addition, their unvested stock units outstanding as of December 31, 2012 reflect additional stock units ("Dividend Equivalent Awards") equal in value to our cash dividends on our Common Stock which would have been paid in respect of shares of our Common Stock underlying their stock units outstanding as of the dividend payment dates. Stock units awarded in 2010 (and related Dividend Equivalent Awards) vested in full in January 2013; those stock units awarded in 2011 (and related Dividend Equivalent Awards) are to vest in full in January 2014 except for the 80,000 stock units awarded to Mr. Guzzi in May 2011 (and related Dividend Equivalent Awards) which are to vest in full on May 19, 2015; and those stock units awarded in 2012 (and related Dividend Equivalent Awards) are to vest in full on January 2015 except for the 13,006 stock units awarded to Mr. Guzzi in March 2012 (and related Dividend Equivalent Awards) which are to vest in full in January 3, 2015 and 12,000 stock units awarded to each of Messrs. Pompa, Cammaker and Matz in March 2012 (and related Dividend Equivalent Awards) which are to vest in full on March 15, 2016. However, if we experience a change of control prior to the scheduled vesting date, unvested stock units (and related Dividend Equivalent Awards) will vest in full at that time and shares of our Common Stock will be issued in respect of them. If the employment of a named executive officer is terminated by us without cause or by him for good reason, or if his employment terminates by reason of his death, disability or retirement at age 65 or older, the stock units awarded to him under our LTIP, and, in the case of Mr. Guzzi, those stock units awarded to him in May 2011 and March 2012, will vest in full at such time and the shares of our Common Stock to be issued in respect of such stock units will be issued thereafter, and, if employment of the named executive officer is terminated by us for cause or he terminates his employment without good reason, before his stock units vest, he will forfeit the stock units (and related Dividend Equivalent Awards). With respect to the stock units granted to Messrs. Pompa, Cammaker and Matz in March 2012, similar terms apply, except that if there is a termination of such individual's employment by the Company without cause, by him for good reason or on retirement at age 65 or older or if his employment terminates due to disability, then the stock units will vest on a pro rata basis and the balance of those stock units will be forfeited. The terms "cause", "good reason", "change of control", and "disability" are defined similarly to those definitions on page 33 under "Potential Post Employment Payments" "Long Term Incentive Plan".

The following Table sets forth with respect to each named executive officer certain information with respect to options exercised in 2012 by him and his stock awards that vested during fiscal year 2012.

Option Exercises and Stock Vested in Fiscal Year 2012

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Anthony J. Guzzi	20,000	\$ 463,600	21,085	\$ 565,289
Mark A. Pompa	43,244	\$ 799,019	12,164	\$ 326,117
	20,000	\$ 441,440		
Sheldon I. Cammaker	15,100	\$ 234,458	12,839	\$ 344,214
	10,000	\$ 163,170		
	20,000	\$ 357,740		
	10,000	\$ 184,770		
	10,000	\$ 188,670		
	3,096	\$ 58,257		
	2,500	\$ 54,905		
	10,000	\$ 229,820		
	5,000	\$ 115,660		
	5,000	\$ 115,810		
R. Kevin Matz.	49,900	\$ 953,938	11,082	\$ 297,108

POTENTIAL POST EMPLOYMENT PAYMENTS

Severance Agreements

Messrs. Guzzi, Pompa, Cammaker, and Matz, each a named executive officer, are parties to severance agreements with us, which we refer to as the Severance Agreements. The Severance Agreements each provide for specified benefits under certain circumstances should the executive officer's employment with us terminate.

Termination by us without Cause or Termination by the Named Executive Officer for Good Reason

The Severance Agreements each provide that if the named executive officer's employment is terminated by us without cause (defined below) or if he terminates his employment for good reason (defined below), we will pay the named executive officer an amount equal to twice his annual base salary in effect immediately prior to his termination. We will pay this amount in eight equal quarterly installments. In addition, we will pay the named executive officer all unpaid amounts for his annual incentive awards for any calendar year ended before the date of termination. We will also pay the named executive officer an amount equal to a prorated portion of his targeted annual incentive award based on his personal goals and objectives for the year in which his termination takes place and a prorated portion of the annual incentive award based upon our financial performance that he would have received had he been employed for the entire year. We will calculate these amounts by multiplying the applicable incentive award amount by a fraction, the numerator of which is the number of days in the calendar year in which the termination occurs that he

was employed by us and the denominator of which is 365.

We will also provide, at our expense, coverage for the named executive officer (and, to the extent applicable, his eligible dependents) under our medical, dental and hospitalization insurance plans

for a period of 18 months from the date of termination. In addition, we will provide, at our expense, coverage under our group life and accidental death and dismemberment insurance plans for a period of 12 months from the date of termination. However, if a successor employer of the named executive officer provides comparable coverage, we will stop providing coverage.

No amounts are payable under a Severance Agreement if the named executive officer's employment is terminated by us for cause or by him without good reason. In addition, no severance benefits are payable under a Severance Agreement if benefits are payable under a named executive officer's change of control agreement described commencing on page 34.

Definition of Cause and Good Reason

Cause is defined in each such named executive officer's Severance Agreement as:

the named
executive
officer
committing
an action
involving
willful
malfeasance
in
connection
with his
employment
which results
in material
harm to us;

the named
executive
officer
committing a
material and
continuing
breach of the
terms of his
Severance
Agreement if
the breach is
not cured
within 60
days after we
provide the
named
executive
officer with
written
notice of any

such breach;
or

the named
executive
officer's
conviction of
a felony.

For purposes of this definition, no act, or failure to act, on the named executive officer's part, is deemed willful unless done, or omitted to be done, by him in bad faith. In addition, cause will only exist if there was no reasonable belief that the named executive officer's act, or failure to act, was in our best interest and the best interest of our subsidiaries.

Good reason is defined in each such named executive officer's Severance Agreement as:

our reducing
the named
executive
officer's then
annual base
salary, except
in connection
with a similar
reduction in
salary that
applies to all
our senior
executives;

our or one of
our
subsidiaries
failing to pay
to the named
executive
officer any
portion of his
current
compensation
that is already
earned and
due;

our failure to
obtain the
assumption
(either
specifically or
by operation
of law) of the
named

executive
officer's
Severance
Agreement by
any successor
to, or assign
of, us or any
person
acquiring
substantially
all of our
assets; or

the
termination of
a specified
Indemnity
Agreement in
effect between
the named
executive
officer and us.

In addition, Mr. Guzzi's Severance Agreement provides that good reason also includes any reduction by the Company of his authority, duties, or responsibilities or any removal of him from his current office other than by the Company for cause or as a result of his permanent disability or by him for good reason.

Payments in the Event of Permanent Disability

Each such named executive officer's Severance Agreement also provides that, in the event of his permanent disability (defined below), we will provide the same insurance benefits described above in the case of termination of his employment by us without cause or by him for good reason.

In the event of permanent disability, we will pay the named executive officer a lump sum payment equal to:

all unpaid
amounts in
respect of
any annual
incentive
award for
any calendar
year ending
before the
calendar
year in
which such
termination
occurs,
which would
have been

payable had
the named
executive
officer
remained
employed by
us until the
date such
annual
incentive
award would
otherwise
have been
paid, plus

a prorated
amount of
his targeted
annual
incentive
awards for
the year in
which his
employment
terminates.

Permanent disability exists if the named executive officer has been absent from his duties on a full-time basis for a period of six consecutive months as a result of his incapacity due to physical or mental illness.

Payments in the Event of Death

Each such named executive officer's Severance Agreement also provides for payment upon the named executive officer's death to his estate or his designated beneficiaries of a lump sum equal to:

three
months of
his base
salary and
any
unpaid
annual
incentive
awards as
of the date
of his
death for
any
calendar
year
ending
before the
year in
which his
death
occurs,
which
would
have been
payable
had he
remained
employed
by us until
the date
such
annual
incentive
awards
would
otherwise
have been
paid, plus

a prorated
amount of
his

targeted
annual
incentive
awards for
the year in
which his
death
occurs.

Non-Competition Restriction

Each Severance Agreement also provides that for two years following termination of the named executive officer's employment, he will not directly or indirectly, own, manage, operate, conduct, control or participate, as a director, officer, employee, consultant, partner, or equity owner or otherwise, in the ownership, management, operation, conduct or control or accept employment with or be connected in any manner with any business that is in competition with us or any of our subsidiaries. This restriction does not apply to ownership of 2% or less of the debt or equity securities of corporations listed on a registered securities exchange. The restriction applies in any state in the United States where we or any of our subsidiaries conduct business.

However, the named executive officer will not be deemed to be so involved with a competing business if:

no more than
20% of its
consolidated
revenues
(based on its
most
recently
completed
fiscal year) is
attributable
to one or
more
business
activities,
which we
refer to as
Incidental
Competitive
Activities ,
that are in
competition
with us or
one of our
subsidiaries;
and

the named
executive
officer is not
engaged

directly or
indirectly in
such
Incidental
Competitive
Activity.

The named executive officer will be released from his non-competition obligation if he waives his right to receive his severance benefits.

Non-Solicitation Restriction

For a year following the termination of his employment, each named executive officer also has agreed in his Severance Agreement that he will not on his own or anyone else's behalf:

solicit,
encourage, or
participate in
soliciting or
encouraging,
any customer
or supplier of
us or of any
of our
subsidiaries,
or any other
person or
entity, to
terminate or
adversely
alter such
person's or
entity's
customer,
supplier, or
other
relationship
with us or
any of our
subsidiaries;
or

hire any
person who
at the time of
offer of
employment
or within six
months prior
to such offer
was an

employee of
us or any of
our
subsidiaries
or encourage
or participate
in soliciting
or
encouraging
any
employee of
us or one of
our
subsidiaries
to terminate
(or otherwise
adversely
alter) his
employment
relationship.

Long Term Incentive Plan

Under our LTIP, we award each named executive officer annually a number of stock units in respect of which, following a scheduled vesting date, we will issue an equal number of shares of our Common Stock. (The LTIP is more fully described commencing on page 17 under Compensation

Discussion and Analysis and under the heading Long Term Incentive Plan and Special Equity Awards commencing on page 24 following the Summary Compensation Table.) In addition, under the LTIP each named executive officer is also entitled to a performance-based cash incentive award if we achieve a pre-determined earnings per share objective for a three year measurement period.

LTIP Stock Units

A number of shares of our Common Stock equal to the named executive officer's LTIP stock units are to be issued to him prior to the scheduled vesting date if:

we experience a
change of control
(which we define
below) (provided
that the
Compensation
Committee does
not reasonably
determine that the
change of control
is not an event
described in
Section
409A(a)(2)(A)(v)
of the Internal
Revenue Code);

we terminate the
named executive
officer's
employment
without cause
(which we define
below);

the named
executive officer
terminates his
employment for
good reason
(which we define
below);

the named
executive officer
retires at age 65
or older;

the named
executive officer

becomes disabled
and his
employment
terminates as a
result; or

the named
executive officer
dies.

In such event, the issuance of the shares of our Common Stock will occur as of the date of the change of control or such termination of employment. However, in the case of termination of employment, that distribution will be delayed for six months following the named executive officer's termination of employment if necessary to avoid any excise tax under Section 409A of the Internal Revenue Code. If we terminate the named executive officer's employment for cause or the named executive officer resigns without good reason, he will forfeit his unvested LTIP stock units.

Performance-Based Cash Incentive Awards

In addition, if, during one or more LTIP measurement periods, a named executive officer's employment is terminated under circumstances described above entitling him to receive shares of our Common Stock in respect of his LTIP stock units, he also will be entitled to a prorated portion of the amount of his performance-based cash incentive award for each measurement period that he would have received had he been employed by us during the entire measurement period. This amount is equal to that performance-based cash incentive award for each such measurement period multiplied by a fraction, the numerator of which is the number of full and partial months that have elapsed during measurement period as of his termination date, and the denominator of which is the total number of months making up the measurement period. Performance-based cash incentive awards under the LTIP are more fully described commencing on page 17 under "Compensation Discussion and Analysis" and under the heading "Long Term Incentive Plan and Special Equity Awards" commencing on page 24 following the Summary Compensation Table.

We would make these payments to our named executive officers at such time as the payment would have been made had there been no termination of employment. If we or a named executive officer had terminated his employment as of December 31, 2012 under circumstances described above entitling him to receive shares of our Common Stock in respect of his LTIP stock units, then such named executive officer would have been entitled to payments in respect of performance-based cash incentive awards under the LTIP for the 2010-2012 measurement period, for the 2011-2013 measurement period, and for the 2012-2014 measurement period.

In addition, if during one or more measurement periods there is a change of control, then promptly thereafter we would pay each named executive officer his performance-based cash incentive award under the LTIP for each such measurement period as if the Company had achieved 100% of its aggregate earnings per share objective for such measurement period. If there had been a change of control as of December 31, 2012, such named executive officers would have been entitled to payments

in respect of performance-based cash incentive awards under the LTIP for the 2010 – 2012 measurement period, for the 2011 – 2013 measurement period, and for the 2012 – 2014 measurement period.

If, as of December 31, 2012, we had terminated the employment of a named executive officer for cause or the named executive officer had resigned without good reason, then he would not have been entitled to payment in respect of any performance-based cash incentive award under the LTIP for any measurement period.

Definition of Cause, Good Reason, Change of Control and Disability

For purposes of the LTIP, cause, generally, means:

the named executive officer committing an action involving willful malfeasance in connection with his employment which results in material harm to the Company;

the named executive officer's conviction of a felony; or

the named executive officer's substantial and repeated failure to perform duties as directed by our Chief Executive Officer or, in the case of our Chief Executive Officer, our

Board.

Good reason , generally, means:

a reduction in
the named
executive
officer s then
base salary
(except in
connection
with a
reduction
generally
applicable to
all our senior
executives);
or

the failure to
pay any
portion of the
named
executive
officer s
compensation
that is earned
and due.

Change of control has substantially the same meaning as in the change of control agreements described under Change of Control Arrangements commencing on page 34 and disability has the same meaning as described under Severance Agreements commencing on page 29.

Special Equity Awards

As previously indicated, in March 2012, Mr. Guzzi was awarded 13,006 stock units entitling him to 13,006 shares of our Common Stock if he remains in our employ until January 3, 2015 and each of Messrs. Pompa, Cammaker and Matz were awarded 12,000 stock units entitling him to 12,000 shares of our Common Stock if he remains in our employ until March 15, 2016. In May 2011, Mr. Guzzi was also awarded 80,000 stock units entitling him to 80,000 shares of our Common Stock if he remains in our employ until May 9, 2015. With respect to Mr. Guzzi, if, before the shares underlying his stock units are issued to him, we experience a change of control, we terminate his employment without cause, or if he terminates his employment for good reason, becomes disabled and his employment terminates as a result or if he dies or retires at age 65 or older, the shares of our Common Stock in respect of this award will be issued as of the change of control or such termination of employment. Similar terms apply to the stock units granted to Messrs. Pompa, Cammaker and Matz except that only a pro rata portion of such stock units will be issued upon a termination of such person s employment by the Company without cause, or by him for good reason or, on retirement at age 65 or older, or by reason of disability. The terms cause , good reason , change of control and disability are substantially the same as those terms are described above for purposes of the LTIP.

Severance Benefits Table

The following Table sets forth for each named executive officer (a) cash payments and the value of benefits continuation under his Severance Agreement to which he would have been entitled if his employment had been terminated on December 31, 2012 by the Company without cause or by him for good reason and (b) the value as of December 31, 2012 of (i) shares issuable to him in respect of his stock units and (ii) his pro rata performance-based cash incentive awards under our LTIP, in each instance, that he would have been entitled to upon such termination of employment on December 31, 2012 by the Company without cause or by him for good reason. The value of the shares has been calculated by multiplying the number of such shares by the closing price on the New York Stock Exchange of a share of our Common Stock on December 31, 2012. The value of benefits continuation is based on the Company's estimate of the cost of providing (a) healthcare coverage for the named executive officer and his eligible dependents for an 18 month period under his current plan option and coverage level and (b) life insurance and accidental death and dismemberment insurance equivalent to his current group coverage for 12 months. The cash payment in respect of the LTIP performance-based cash incentive awards assumes that for each relevant measurement period ending after December 31, 2012, actual earnings per share equaled the targeted earnings per share objective for such measurement period and the cash payment in respect of the performance-based incentive award included in clause (a) of the first sentence of this paragraph assumes the achievement of targeted levels.

	Cash Payment under Severance Agreement	Cash Equivalent of Shares Issuable in Respect of Accelerated Vesting of Stock Units	Cash Payment in Respect of LTIP Performance- Based Cash Incentive Awards	Benefits Continuation	Total
Anthony J. Guzzi					
Termination Without Cause or For Good Reason	\$ 3,185,000	\$ 6,255,273	\$ 1,751,250	\$ 42,242	\$ 11,233,765
Termination by Reason of Death	\$ 1,470,000	\$ 6,255,273	\$ 1,751,250		\$ 9,476,523
Termination by Reason of Disability.	\$ 1,225,000	\$ 6,255,273	\$ 1,751,250	\$ 42,242	\$ 9,273,765
Mark A. Pompa					
Termination Without Cause	\$ 1,798,000	\$ 1,271,744	\$ 722,917	\$ 30,691	\$ 3,823,352

or For Good Reason

Termination by Reason of Death	\$	783,000	\$	1,609,573	\$	722,917	\$	3,115,490
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Termination by Reason of Disability.	\$	638,000	\$	1,271,744	\$	722,917	\$	30,691	\$	2,663,352
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Sheldon I. Cammaker

Termination Without Cause or For Good Reason	\$	1,530,000	\$	1,229,070	\$	724,167	\$	38,547	\$	3,521,784
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Termination by Reason of Death	\$	637,500	\$	1,566,899	\$	724,167	\$	2,928,566
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Termination by Reason of Disability.	\$	510,000	\$	1,229,070	\$	724,167	\$	38,547	\$	2,501,784
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R. Kevin Matz

Termination Without Cause or For Good Reason	\$	1,380,000	\$	1,079,901	\$	627,500	\$	42,270	\$	3,129,671
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Termination by Reason of Death	\$	575,000	\$	1,417,729	\$	627,500	\$	2,620,229
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Termination by Reason of Disability.	\$	460,000	\$	1,079,901	\$	627,500	\$	42,270	\$	2,209,671
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Change of Control Arrangements

Messrs. Guzzi, Pompa, Cammaker, and Matz, each a named executive officer, are parties to change of control agreements with us, which we refer to as the Change of Control Agreements. The purpose of the Change of Control Agreements is to retain the services of such named executive officers during a period of change of control so that they can focus on our business, making decisions which are in our best interests and the best interests of our stockholders, even if such decisions lead to their departure, and so that we may retain these individuals during that period and the transition to new ownership.

Generally, no benefits are provided under the Change of Control Agreements for any type of termination before a change of control, for termination after a change of control due to death or

disability, for termination for cause, or for voluntary termination (other than for good reason). The terms "change of control", "cause" and "good reason" are defined below.

Each such named executive officer's Change of Control Agreement generally provides for a severance benefit if we terminate his employment without cause or he terminates his employment for good reason within two years following a change of control. This severance benefit is equal to the sum of three times:

his annual
base salary
at the time
of the
change of
control;

the higher
of (a) his
annual
incentive
awards for
the year
prior to the
change of
control or
(b) the
average of
his annual
incentive
awards for
the three
years
before the
change of
control;
and

the value
of
perquisites
provided in
respect of
the year
prior to the
change of
control.

In addition, under the Change of Control Agreements, with respect to the year in which the change of control occurs, each such named executive officer also is entitled to a pro rata amount of the higher of (a) his annual incentive awards for the year prior to the change of control or (b) the average of his annual incentive awards for the three years prior to the change of control.

Other severance benefits include outplacement assistance and a continuation of insurance benefits for three years. Each such named executive officer also agreed that he would retain in confidence all our confidential information.

If the severance benefits provided for under the Change of Control Agreements are paid to such named executive officers, and/or if, in connection with a change of control, other payments or distributions are made by us to, or for the benefit of, such named executive officers, or other benefits are conferred upon them, pursuant to the terms of any other agreement, policy, plan or program, they might constitute an excess parachute payment within the meaning of Section 280G of the Code, on which an excise tax would be due. In that case, under the Change of Control Agreements, such named executive officers would also be entitled to such additional payments as may be necessary to ensure that the net after-tax benefit of all such amounts shall be equal to their respective net after-tax benefits as if no excise tax had been imposed.

As described above under Potential Post Employment Payments Long Term Incentive Plan commencing on page 31 and Potential Post Employment Payments Special Equity Awards on page 33, performance-based cash incentive awards under the LTIP and the LTIP stock units, as well as the Special Equity Awards, will also vest upon a change of control.

Definition of Change of Control, Cause and Good Reason

For purposes of the Change of Control Agreements, a change of control means, in general, the occurrence of:

a person or group
of persons
acquiring 25% or
more of our
voting securities;

our stockholders
approving a
merger, business
combination or
sale of our assets,
with the holders
of our Common
Stock prior to
such transaction
owning less than
65% of the
voting securities
of the resulting
corporation; or

our Incumbent
Directors failing
to constitute at
least a majority
of our Board
during any two
year period. An
Incumbent

Director is defined, generally, as a director who was serving as such before the beginning of such two year period or if not a director at such time, generally, if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors.

Cause is defined as:

the named executive officer's willful and continued failure to perform substantially his duties for us (other than by reason of physical or mental illness); or

his conviction of, or plea of guilty or nolo contendere to, a felony; or

his willful
engagement
in gross
misconduct
which is
materially and
demonstrably
injurious to
us.

Good Reason is defined as occurring if:

the named
executive
officer's annual
base salary is
reduced;

his annual
incentive
awards are
reduced below
the higher of
(a) the annual
incentive
awards paid or
payable to him
in respect of
the year before
the change of
control or (b)
the average of
his annual
incentive
awards paid or
payable to him
in respect of
the three years
prior to the
change of
control;

his duties and
responsibilities
are materially
and adversely
reduced;

the program of
incentive

compensation
and retirement
and insurance
benefits offered
to him are
materially and
adversely
reduced;

he is required
to relocate
more than 50
miles from his
primary work
location before
the change of
control; or

the Change of
Control
Agreement is
not assumed by
a successor to
the Company.

Change of Control Benefits Table

The following Table sets forth for each named executive officer (a) cash payments and the value of benefits continuation under his Change of Control Agreement to which he would have been entitled upon a change of control and termination of his employment on December 31, 2012 by the Company without cause or by him for good reason and (b) the value as of December 31, 2012 of (i) shares issuable to him in respect of his stock units, and (ii) his performance-based cash incentive awards under our LTIP, in each instance, that he would have been entitled to upon a change of control and such termination of employment on December 31, 2012. In addition, it sets forth for each named executive officer the amount that would have been paid to him under his Change of Control Agreement to compensate him for the excise tax, if any, payable on the compensation received as a result of a change of control and such additional amounts as may be necessary to ensure that his net after-tax benefits of the amounts payable to him under his Change of Control Agreement and other benefits are equal to the net after tax benefits as if no excise tax, if any, had been imposed. The value of the shares has been calculated by multiplying the number of such shares by the closing price on the New York Stock Exchange of a share of our Common Stock on December 31, 2012. The value of benefits continuation is based on the Company's estimate of the cost of providing (a) healthcare coverage for the named executive officer and his eligible dependents for a 36 month period under his current plan option and coverage level and (b) life insurance and accidental death and dismemberment insurance equivalent to his current group coverage for 36 months. The value of outplacement is based on the Company's estimate of the current cost of obtaining outplacement services for the named executive officer. The cash payment in respect of the LTIP performance-based cash incentive awards assumes that for each relevant measurement period ending after December 31, 2012, actual earnings per share equaled the targeted earnings per share objective for such measurement period and the cash payment in respect of the performance-based incentive award included in clause (a) of the first sentence of this paragraph represents the annual incentive award paid to the named executive officers for 2012.

	Cash Payment Under Change of Control Agreement	Cash Equivalent of Shares Issuable in Respect of Accelerated Vesting of Stock Units	Cash Payment in Respect of Acceleration of LTIP Performance- Based Cash Incentive Awards	Benefits Continuation	Out- Placement	Compensatio for Addition Taxation
Anthony J. Guzzi	\$ 10,464,511	\$ 6,255,273	\$ 2,938,750	\$ 102,777	\$ 50,000	\$ 6,055,8
Mark A. Pompa	\$ 5,759,059	\$ 1,609,573	\$ 1,062,500	\$ 68,124	\$ 50,000	
Sheldon I. Cammaker	\$ 4,974,768	\$ 1,566,899	\$ 1,035,000	\$ 107,838	\$ 50,000	
R. Kevin Matz	\$ 4,303,370	\$ 1,417,729	\$ 899,375	\$ 105,473	\$ 50,000	

-37-

DIRECTOR COMPENSATION

The following Table sets forth certain information with respect to the compensation of our non-employee directors for fiscal year 2012. Mr. Guzzi, our President and Chief Executive Officer, received no additional compensation for serving on the Board.

Director Compensation for Fiscal Year 2012

Name	Fees Earned or Paid in Cash (\$) (a)	Stock Awards (\$) (g)	Option Awards (\$) (g)	All Other Compensation (\$)	Total (\$)
Stephen W. Bershad	\$ 70,000 (b)	\$ 240,516	\$ 59,550	\$ 2,094	\$ 372,160
David A.B. Brown	\$ 70,000 (c)	\$ 240,516	\$ 59,550	\$ 2,094	\$ 372,160
Larry J. Bump	\$ 60,000	\$ 288,516		\$ 2,094	\$ 350,610
Albert Fried, Jr.	\$ 60,000	\$ 288,516		\$ 2,094	\$ 350,610
Richard F. Hamm, Jr.	\$ 70,000 (d)	\$ 288,516		\$ 2,094	\$ 360,610
David H. Laidley	\$ 65,000 (e)	\$ 288,516		\$ 2,094	\$ 355,610
Frank T. MacInnis	\$ 135,000 (f)	\$ 288,516		\$ 2,094	\$ 425,610
Jerry E. Ryan	\$ 60,000	\$ 288,516		\$ 2,094	\$ 350,610
Michael T. Yonker	\$ 60,000	\$ 288,516		\$ 2,094	\$ 350,610

(a) Each non-employee director received in 2012 an annual retainer of \$60,000 in cash and \$40,000 in equity as discussed below.

(b) For serving as a member of

the Audit Committee, Mr. Bershad receives an additional annual fee of \$5,000, and for serving as Chairman of the Compensation Committee, he receives an additional annual fee of \$5,000.

- (c) For serving as Chairman of the Audit Committee, Mr. Brown receives an additional annual fee of \$10,000.
- (d) For serving as a member of the Audit Committee, Mr. Hamm receives an additional annual fee of \$5,000, and for serving as Chairman of the Corporate Governance Committee, he receives an additional annual fee of \$5,000.
- (e) For serving as a member of the Audit Committee, Mr. Laidley

receives an additional annual fee of \$5,000.

- (f) For serving as Chairman of the Board, Mr. MacInnis receives an additional annual fee of \$75,000.

- (g) The stock awards and option awards represent an aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 14 to our financial statements for the year ended December 31, 2012 included in our Form 10-K for that year for the assumptions we made in the computation of the value of the option awards. In 2012, Messrs. Bump, Fried, Hamm, Laidley, MacInnis, Ryan and Yonker each received a stock award in January 2012

consisting of 1,752 shares of our Common Stock with an aggregate grant date fair value of \$48,000 and a stock award in May 2012 consisting of 8,794 stock units in respect of which an equal number of shares of our Common Stock will be issued with an aggregate grant date for fair value of \$240,516. In 2012, Messrs. Bershad and Brown each received an option award in January 2012 for 5,851 shares of our Common Stock with an aggregate grant date fair value of \$59,550 and a stock award in May 2012 consisting of 8,794 stock units in respect of which an equal number of shares of our Common Stock will be issued with a grant date fair value of \$240,516.

As of December 31, 2012 each of our non-employee directors held outstanding options granted to him by us to acquire the following number of shares of our Common Stock: Stephen W. Bershada, 163,368 shares; David A.B. Brown, 86,116 shares; Larry J. Bump, 117,517 shares; Albert Fried, Jr., 45,024 shares; Richard F. Hamm, Jr., 100,000 shares; David H. Laidley, 57,252 shares; Jerry E. Ryan, 77,252 shares; and Michael T. Yonker, 147,252 shares. Mr. MacInnis held no options as of December 31, 2012. In addition, as of that date Messrs. Bump, Fried, Hamm, Laidley, MacInnis, Ryan and Yonker each held a grant for 876 shares of our Common Stock that vested in January 2013, pursuant to a stock grant in respect of his 2012 annual retainer. In addition, each of the above named directors held a grant for the 8,794 stock units referred to in footnote (g) to the above Table, none of which were vested as of December 31, 2012.

As indicated in Note (a) to the above Table, for 2012, the annual retainer for each non-employee director was \$100,000. Of this amount, \$60,000 was payable in cash and \$40,000 was payable in options awarded under our 2010 Incentive Plan or in shares of Common Stock under our 2010 Incentive Plan, as each director chose. In addition, for 2012 the Chairman of the Board received an annual fee of \$75,000, the Chairman of the Audit Committee received an annual fee of \$10,000, and

each other member of the Audit Committee received an annual fee of \$5,000. An annual fee of \$5,000 was also paid to the Chairman of the Compensation Committee and the Chairman of the Corporate Governance Committee. No additional fees were paid to Mr. Bershad for serving as Lead Director.

For 2012, in respect of the equity component of the annual retainer for non-employee directors described above, seven directors elected to receive shares under our 2010 Incentive Plan, of which 876 shares were delivered on the first business day in January 2012 and 876 shares were delivered on the first business day in January 2013, and two directors chose for 2012 to receive options under the 2010 Incentive Plan. Each director electing to receive options was awarded on January 3, 2012 an option with a five year term to purchase 5,851 shares of our Common Stock at a per share option price of \$27.39 per share, the closing price on the New York Stock Exchange of a share of our Common Stock on that day. One-quarter of the option became exercisable on the grant date and one-quarter on the first day of each of the three succeeding calendar quarters.

In addition, pursuant to a Director Award Program adopted in 2011, each non-employee director, following his election to our Board of Directors at our annual meeting of stockholders held May 31, 2012 was granted, as he selected, either options to purchase 20,000 shares of our Common Stock with a term of ten years and an exercise price equal to the closing price on the New York Stock Exchange of a share of our Common Stock on that date or 8,794 stock units entitling him to receive an equal number of shares of our Common Stock on a date which is first, second, third, fourth or fifth anniversary of the grant, as he selected when he elected to receive stock units. With respect to the May 2012 grant, each non-employee director elected to receive stock units. The grant of the stock units to a director also entitles him to receive additional time-based stock units equal in value to dividends which are paid with respect to the Common Stock underlying the May 2012 award.

In December 2012, our Board revised its compensation arrangements effective with the 2013 calendar year to provide for an annual cash retainer of \$180,000 to each non-employee director payable quarterly annually and an annual grant to each such director of stock units immediately following his election to the Board at our annual meeting of stockholders determined by dividing \$180,000 by the fair market value of a share of our Common Stock on the grant date, which stock units entitle him to receive an equal number of our shares of Common Stock on a date which is the first, second, third, fourth or fifth anniversary of the grant date as he selects. In addition, a director may elect to forego one-half of his annual cash retainer and instead receive additional stock units on the same terms as the grant of stock units referred to in the preceding sentence.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2012, the Compensation Committee was responsible for matters concerning executive compensation.

Messrs. Bershad, Bump, Fried, Laidley, Ryan, and Yonker served as members of the Compensation Committee during 2012.

No member of the Compensation Committee:

was at any
time during
2012 an
officer or
employee of
us or any of
our
subsidiaries;

was formerly
an officer of
us or any of
our
subsidiaries;
or

has or had
any
relationship
requiring
disclosure by
us under any
paragraph of
Item 404 of
Regulation
S-K of the
Securities and
Exchange
Commission.

COMPENSATION COMMITTEE REPORT

The following is the report of the Compensation and Personnel Committee for the year ended December 31, 2012.

We have reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with EMCOR's management.

Based on the review and discussions referred to in the immediately preceding paragraph, we recommended to EMCOR's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and be incorporated by reference into the Company's Form 10-K for the year ended December 31, 2012.

By: Compensation and Personnel Committee

Stephen W. Bershad, Chairman
Larry J. Bump
Albert Fried, Jr.
David H. Laidley
Jerry E. Ryan
Michael T. Yonker

AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to the audited financial statements for the year ended December 31, 2012, included in EMCOR's annual report on Form 10-K for that year.

We have reviewed and discussed such audited financial statements with management and the Company's independent auditors, Ernst & Young LLP.

We have discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, (AICPA, Professional Standards, Vol. 1 AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

We have received the written disclosures and letter from Ernst & Young LLP required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence and have discussed with Ernst & Young LLP that firm's independence from EMCOR. The Audit Committee has also concluded that the provision to EMCOR by Ernst & Young LLP of audit and non-audit services, as described under the Table of Fees on page 49 under Ratification of Appointment of Independent Auditors of its Proxy Statement for its Annual Meeting of Stockholders to be held June 13, 2013, is compatible with the independence of Ernst & Young LLP.

Based on the review and discussions referred to above in this report, we recommended to EMCOR's Board that the audited financial statements be included in EMCOR's annual report on Form 10-K for the year ended December 31, 2012 for filing with the Securities and Exchange Commission.

By: Audit Committee

David A. B. Brown, Chairman
Stephen W. Bershad

Richard F. Hamm, Jr.
David H. Laidley

-40-

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following Table sets forth as of April 18, 2013 certain information regarding beneficial ownership of our Common Stock by each person or group known by us to be a beneficial owner of more than five percent of the outstanding shares of our Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent Owned
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	5,189,172 shares ⁽¹⁾	7.7 %
Royce & Associates LLC 745 Fifth Avenue New York, New York 10157	4,015,724 shares ⁽²⁾	6.0 %
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	3,815,098 shares ⁽³⁾	5.7 %
Artisan Partners Holdings LP and Affiliates 875 East Wisconsin Avenue Boston, Massachusetts 02109	3,535,462 shares ⁽⁴⁾	5.3 %

(1) Based on a Schedule 13G Information Statement filed by BlackRock, Inc. The Schedule 13G discloses that BlackRock, Inc. has sole voting power and sole dispositive power of such shares.

(2) Based on a Schedule 13G Information Statement filed by

Royce &
Associates
LLC
(Royce). The
Schedule
13G discloses
that Royce
has sole
voting power
and sole
disposition
power of
such shares.

- (3) Based on a
Schedule
13G
Information
Statement
filed by The
Vanguard
Group
(Vanguard).
The Schedule
13G discloses
that
Vanguard has
sole voting
power of
102,841 of
such shares
and sole
dispositive
power of
3,715,157 of
such shares
and shared
dispositive
power of
99,941 of
such shares.
It also states
that
Vanguard
Fiduciary
Trust
Company
(VFTC) is
the beneficial
owner of
99,941 of

such shares as a result of it serving as investment manager of collective trust accounts and that Vanguard Investments Australia, Ltd. is the beneficial owner of 2,900 of such shares as a result of its serving as investment manager of Australian investment offerings.

- (4) Based on a Schedule 13G Information Statement filed by Artisan Investment Corporation, Artisan Partners Holdings LP, Artisan Partners Limited Partnership, Artisan Investments GP LLC, ZFIC, Inc. Andrew Ziegler and Carlene M. Ziegler (collectively, Artisan). The Schedule

13G discloses that Artisan has shared voting power of 3,344,762 shares and shared dispositive power of 3,535,462 shares.

SECURITY OWNERSHIP OF MANAGEMENT

The following Table sets forth as of April 18, 2013, certain information regarding the beneficial ownership of our Common Stock by each of our directors, including our Chief Executive Officer, our Chief Financial Officer, and each of our other executive officers, and all our directors and executive officers as a group, for the fiscal year ended December 31, 2012. Except as otherwise noted, to our knowledge, each of the persons listed below has sole voting power and investment power with respect to the shares listed next to his name.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent
Frank T. MacInnis	477,695 ⁽²⁾) ⁽⁶⁾	*
Stephen W. Bershad	206,848 ⁽²⁾)	*
David A.B. Brown	65,072 ⁽²⁾)	*
Larry J. Bump	140,827 ⁽²⁾)	*
Albert Fried, Jr.	211,527 ⁽²⁾)	*
Anthony J. Guzzi	811,877 ⁽³⁾) ⁽⁴⁾	1.2 %
Richard F. Hamm, Jr.	132,424 ⁽²⁾)	*
David H. Laidley	74,412 ⁽²⁾)	*
Jerry E. Ryan	99,170 ⁽²⁾)	*
Michael T. Yonker	175,630 ⁽²⁾)	*
Mark A. Pompa	214,024 ⁽³⁾)	*
Sheldon I. Cammaker	269,822 ⁽³⁾)	*
R. Kevin Matz	336,027 ⁽³⁾)	*
All directors and executive officers as a group	3,215,355 ⁽⁵⁾)	4.6 %

* Represents less than 1%.

(1) The information contained in the Table reflects beneficial ownership as defined in Rule 13d-3 of the Securities Exchange Act of 1934,

as amended.

(2) Includes:

in the
case of
Mr.
Bershad,
163,368
shares;

in the
case of
Mr.
Brown,
56,116
shares;

in the
case of
Mr.
Bump,
117,517
shares;

in the
case of
Mr.
Fried,
25,024
shares;

in the
case of
Mr.
Hamm,
100,000
shares;

in the
case of
Mr.
Laidley,
50,000
shares;

in the
case of
Mr.
Ryan,
70,000

shares;
and

in the
case of
Mr.
Yonker,
147,252
shares;

which shares may be acquired upon the exercise of presently exercisable options or options exercisable within 60 days of the date hereof and granted pursuant to our stock options plans and programs for non-employee directors. Also includes in the case of each of Messrs Brown, Fried, Hamm and MacInnis, 8,903 shares issuable in respect of stock units and in the case of each of Messrs. Bershad, Bump, Laidley, Ryan and Yonker, 18,798 shares issuable in respect of stock units, in each case, on certain dates, as set forth in the Director Award Program described under Director Compensation commencing on page 38.

(3) Includes:

in the case
of Mr.
Guzzi,
288,000
shares;

in the case
of Mr.
Pompa,
144,364
shares;

in the case
of Mr.
Cammaker,
193,480
shares; and

in the case
of Mr.
Matz,
181,080
shares;

which shares may be acquired upon the exercise of presently exercisable options or options exercisable within 60 days of the date hereof and granted pursuant to our stock option plans and programs.

Also includes:

in the case
of Mr.
Guzzi,
204,913
shares;

in the case
of Mr.
Pompa,
46,589
shares;

in the case
of Mr.
Cammaker,
43,537
shares; and

in the case
of Mr.
Matz,
39,817
shares;

which shares are to be issued in respect of stock units provided such holder remaining an employee of the Company until specified dates as more fully described under the Outstanding Equity Awards at 2012 Fiscal Year-End Table on page 27.

(4) Does not include 5,790 shares owned by a trust for the benefit of Mr. Guzzi's wife and children, of which his wife and brother are trustees.

(5) Includes 1,536,201 shares that may be acquired upon the

exercise of
presently
exercisable
options or
options
exercisable
within 60
days of the
date hereof
and granted
pursuant to
our stock
options plans
and
programs
and 464,458
shares
issuable in
respect of
stock units.

- (6) Does not
include
223,688
shares owned
by a trust for
the benefit of
Mr.
MacInnis
children and
other
descendants,
of which his
wife is the
trustee.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

At our Annual Meeting, ten directors are to be elected by the holders of our Common Stock to serve until our next annual meeting of stockholders and until their successors have been duly elected and qualified. To be elected as a director, each nominee must receive the favorable vote of a plurality of the shares present in person or represented by proxy and entitled to vote at our Annual Meeting. Information concerning the nominees for election at our Annual Meeting is set forth below. Each nominee is presently one of our directors. While the Board has no reason to believe that any of those named as a nominee for election to the Board will not be available as a candidate, should such a situation arise, the proxy may be voted for the election of other nominees in the discretion of the persons acting pursuant to the proxy.

Stephen W. Bershad, Age 71. Mr. Bershad is a private investor and since May 2012 our Lead Director. In addition, since July 2010 he also has been Chairman of the Board of Directors of GSI Group Inc., a supplier of laser based solutions and precision motion control systems to the global medical, electronics, and industrial markets. Until September 2009, and for more than five years prior thereto, he had been Chairman of the Board of Directors and Chief Executive Officer of Axsys Technologies, Inc. From 1986 to September 2009 Mr. Bershad was also a member of the

Board of Directors of Axsys. He has been one of our directors since December 15, 1994. As a senior executive with Lehman Brothers for more than 15 years and the Chief Executive Officer of Axsys for more than 20 years, Mr. Bershad has an invaluable background in investment banking, finance, and business.

David A.B. Brown, Age 69. Mr. Brown has been Chairman of the Board of Directors of Layne Christensen Company since June 2005 and serves on the Compensation Committee of that company. Layne Christensen provides drilling services and related products and services in the principal markets of water resources, mineral exploration, geo construction, and energy. Mr. Brown had also been the Chairman of the Board of Directors of Pride International, Inc., a leading provider of offshore contract drilling and related services to oil and natural gas companies worldwide, from May 2005 to May 2011, when, pursuant to an agreement of merger, it became a wholly owned subsidiary of Ensco plc. Mr. Brown has been a director of Ensco since May 2011 and serves on its Compensation Committee. For more than five years prior to May 2005, Mr. Brown was president of The Windsor Group, a management consulting firm of which he was a co-founder. From 2001 to 2006, Mr. Brown was a member of the Board of Directors of Mission Resources, Inc., and from 2001 to 2007, he was a director of NS Group, Inc. In addition, from 2006 to 2007, he was a director of Petrohawk Energy Corp. He has been one of our directors since December 15, 1994. Mr. Brown, who also is a chartered accountant, has a broad breadth of knowledge regarding finance and varied businesses gathered over many years as a business consultant, particularly in the oil and gas sector in which the Company has many interests, and as a director of several public companies, including chairman of the board of two public companies.

Larry J. Bump, Age 73. Mr. Bump, a private investor, was Chairman of the Board of Directors of Willbros Group, Inc., an international engineering and construction company from 1981 until May

2004. From 1977 to 1980, he was President and Chief Operating Officer of Willbros, and from 1980 until 2002, when he retired, he was Chief Executive Officer of that company. Mr. Bump has been one of our directors since February 27, 2003. Mr. Bump has had a long career as a senior executive officer of Willbros, serving Willbros both in the United States and abroad. As such, he has broad knowledge of the engineering, construction, and oil and gas industries in which the Company has extensive interests and has increased the depth of the Board's international experience.

Albert Fried, Jr., Age 83. Mr. Fried has been managing member of Albert Fried & Company, LLC, a broker/dealer and member of the New York Stock Exchange, since 1955. He has been one of our directors since December 15, 1994. Mr. Fried's long involvement with finance provides the Company with a keen insight into the capital markets.

Anthony J. Guzzi, Age 49. Mr. Guzzi has been our President since October 2004, when he joined the Company, and since January 3, 2011, our Chief Executive Officer. He served as our Chief Operating Officer from October 2004 until January 3, 2011. From August 2001 until he joined the Company, Mr. Guzzi was President of the North American Distribution and Aftermarket Division of Carrier Corporation, a manufacturer and distributor of commercial and residential HVAC and refrigeration systems and equipment and a provider of aftermarket services and components of its own products and those of other manufacturers in both the HVAC and refrigeration industry. Mr. Guzzi is also Lead Director of Hubbell International, Inc. Mr. Guzzi was elected to the Board on December 15, 2009. Mr. Guzzi has extensive knowledge of the Company's business and, having served as a senior executive officer of Carrier Corporation, has extensive knowledge of the mechanical services business which accounts for a significant portion of the Company's revenues and profits.

Richard F. Hamm, Jr., Age 53. Since July 2011, Mr. Hamm has been the Managing Member of Siesta Properties LLC, a real estate development company. He had been an Executive Vice President of Dendreon Corporation, a biotechnology company developing targeted therapies for the treatment of cancer, from December 2010 to June 2011 as well as its General Counsel and Secretary from November 2004 to June 2011. He also served as a Senior Vice President of Dendreon from November 2004 to December 2010. From April 2002 until November 2004, he was Deputy General Counsel and a Vice President of Medtronic, Inc., a medical technology company. From August 2000 to September 2009, Mr. Hamm was a member of the board of directors of Axsys Technologies Inc. Mr. Hamm has been one of our directors since June 19, 1998. As a corporate executive, including serving as Chief Financial Officer of Dendreon for a period of time, and a practicing attorney for over 25 years, with a masters degree in business administration, Mr. Hamm has a broad knowledge of many industries with proven business acumen and a strong background in finance.

David H. Laidley, Age 66. Mr. Laidley is Chairman Emeritus of Deloitte LLP (Canada), a professional services firm providing audit, tax, financial advisory and consulting services, where he was a partner from 1975 until his retirement in 2007 specializing in tax and audit services. He served as Chairman of Deloitte LLP (Canada) from 2000 to 2006. Mr. Laidley has been a director of AIMIA Inc. since 2009 and a director of ProSep Inc. since 2008, the shares of both of which companies are traded on the Toronto Stock Exchange. Mr. Laidley has also been a director of the Bank of Canada since 2007. From 2008 to 2010, Mr. Laidley was a member of the Board of Directors of Valeant Pharmaceuticals International, Inc., formerly named Biovail Corporation. Mr. Laidley was first elected to our Board on December 15, 2008. With more than 40 years of accounting experience dealing with businesses in many industries, Mr. Laidley's background provides a strong financial foundation for Board deliberations and a keen knowledge of many industry sectors.

Frank T. MacInnis, Age 66. Mr. MacInnis has been our Chairman of the Board since April 1994 and served as our Chief Executive Officer from April 1994 to January 3, 2011 when he resigned as our Chief Executive Officer. During the balance of 2011, Mr. MacInnis was employed as an Advisor to Mr. Guzzi, our current Chief Executive Officer. At the end of 2011, Mr. MacInnis retired from the Company's employ. Mr. MacInnis also served as our President from April 1994 to April 1997 and from February 2004 to October 2004. Mr. MacInnis is also Chairman of the Board of Directors of The Williams Companies, Inc. and Chairman of the Board of Directors of ITT Corporation. Mr. MacInnis

was first elected to our Board on December 15, 1994. Mr. MacInnis long career in the electrical

contracting and pipeline industries, including over 19 years with the Company, has provided him with in-depth knowledge of all sectors in which the Company is involved.

Jerry E. Ryan, Age 70. Mr. Ryan, who is retired, served, from January 2000 through December 2002, as a consultant to Fintube Technologies, Inc., a manufacturer of large heat recovery steam generators utilized in the electrical power generating industry and heavy welded finned tubes used in a variety of heat recovery operations and a subsidiary of Lone Star Technologies, Inc. Mr. Ryan served as Chairman of the Board of Directors and Chief Executive Officer of the general partner of Fintube Limited Partnership from 1985 until its sale to Lone Star Technologies in January 2000. Mr. Ryan also served on the Boards of Directors of Lone Star Technologies from 2000 to 2007, AAON, Inc. from 2001 to 2007, and Global Power Equipment Group from 2002 to 2008. He has been one of our directors since December 15, 2007. As an entrepreneur for more than 40 years, Mr. Ryan has an extensive background in business and manufacturing operations and in-depth knowledge of the heat exchanger business in which the Company has a significant investment.

Michael T. Yonker, Age 70. For more than nine years prior to his retirement in June 1998, Mr. Yonker was President and Chief Executive Officer of Portec, Inc., a diversified industrial products company with operations in the construction equipment, materials handling and railroad products industries. Mr. Yonker is also a director of Woodward Governor Company and previously served as a director of Modine Manufacturing Company from 1993 to 2012. He has been one of our directors since October 25, 2002. Having served as Chief Executive Officer of Portec and a senior executive officer and director of other companies, Mr. Yonker has a depth of business experience.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote **FOR** the election of each of the above nominees.

PROPOSAL NO. 2 NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

The following resolution gives our stockholders the opportunity to vote to approve or not approve, on a non-binding advisory basis, the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and our compensation philosophy, policies and practices, as disclosed in the Compensation Discussion and Analysis, executive compensation tables, and accompanying narrative disclosures in this Proxy Statement. We are providing this vote as required by Section 14A of the Securities Exchange Act of 1934, as amended.

As discussed previously in the Compensation Discussion and Analysis section beginning on page 12, the objectives of our compensation program for our named executive officers are to attract, retain, and motivate key executives with skills necessary to assure our long-term success. Broadly stated, the purpose of the key components of the program that are geared to both our short-term and long-term performance insofar as they relate to named executive officers are:

to reward
named
executive
officers
expertise and
experience;

to reward
named
executive

officers
performance
that drives
achievement
of our
short-term and
long-term
goals by
providing a
strong link
between pay
and
performance;
and

to align
named
executive
officers
compensation
with the
interests of
our
stockholders
by paying a
meaningful
portion of
incentive
awards in
equity.

Accordingly, we ask our stockholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that the stockholders of EMCOR Group, Inc. (EMCOR) approve, on an advisory basis, the compensation of EMCOR s named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables, and accompanying narrative disclosures in EMCOR s proxy statement for the 2013 Annual Meeting of Stockholders.

While we intend to carefully consider the voting results of this proposal, the final vote is advisory in nature and therefore not binding on us, our Board of Directors or its Compensation and

Personnel Committee. Our Board and its Compensation and Personnel Committee value the opinions of our stockholders and will consider the outcome of this vote when making future compensation decisions for our named executive officers.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote **FOR** the adoption of the above resolution indicating approval of the compensation of our named executive officers.

PROPOSAL NO. 3 REAPPROVAL OF KEY EXECUTIVE INCENTIVE BONUS PLAN

Our Board of Directors adopted and we have in effect a Key Executive Incentive Bonus Plan that was approved by stockholders in 2003 and reapproved by stockholders in 2008. The purpose of the Key Executive Incentive Bonus Plan is to establish a program of incentive compensation for certain key executives of the Company and to make such compensation eligible for exemption from otherwise applicable deduction limits under Section 162(m) of the Internal Revenue Code (the **Code**).

With specified exceptions, Section 162(m) of the Code (**Section 162(m)**) limits the Company's tax deduction to \$1,000,000 per year for compensation paid to each of its chief executive officer and the other three most highly compensated executive officers, other than the chief financial officer, in office at the end of the Company's taxable year. One exception to the Section 162(m) deduction limitation is available for performance-based compensation that satisfies certain requirements, including a requirement that the material terms of the plan under which the compensation is paid be approved by stockholders. For plans that provide flexibility in the determination of performance goals, the regulations under Section 162(m) generally require that the material terms be disclosed to and reapproved by stockholders at least every five years.

The Board recommends stockholder reapproval of the recently amended and restated Key Executive Incentive Bonus Plan (the **Bonus Plan**) so that the Company may, if all other requirements of the regulations are met, continue to provide a range of incentive compensation opportunities that are eligible to be deducted in full. The complete text of the Bonus Plan is attached as Exhibit B to this Proxy Statement. The term **Bonuses** is used below to refer to incentive compensation subject to the Bonus Plan.

The Board believes that the Bonus Plan provides the Company with an effective vehicle to focus and motivate the annual performance of selected key executives of the Company and offer them opportunities to attain competitive levels of compensation. The description of the Bonus Plan set forth below is a summary, does not purport to be complete, and is qualified in its entirety by reference to the provisions of the Bonus Plan itself.

Because amounts payable under the Bonus Plan are based on satisfaction of performance goals and on incentive award targets to be determined for each applicable performance period, it cannot be determined at this time what amounts, if any, will be eligible to be earned by any selected key executive with respect to any year under the Bonus Plan. However, award opportunities based on annual (2013) and three-year (2013-2015) performance measures have already been granted subject to the terms of the Key Executive Incentive Bonus Plan as in effect at the beginning of 2013 (the **Prior Plan**). These already granted award opportunities are not subject to stockholder approval of the Bonus Plan; however, the maximum amount of the actual award under such award opportunities will be the amount submitted for approval hereunder, and payment of any amount above the maximum amount contained in the Prior Plan is contingent upon stockholder approval of the Bonus Plan. The following tables describe the threshold, target, and maximum for each annual and three-year incentive award opportunity(s) for each of the named executive officers individually and as a group and for three-year incentive award opportunities for non-executive officer employees as a group.

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Annual Award Opportunity (2013)

Name and Position	Threshold	Target	Maximum
Anthony J. Guzzi President and Chief Executive Officer	\$ 254,800	\$ 1,225,000	\$ 2,450,000
Mark A. Pompa Executive Vice President and Chief Financial Officer	\$ 139,568	\$ 671,000	\$ 1,342,000
Sheldon I. Cammaker Executive Vice President, General Counsel and Corporate Secretary	\$ 107,120	\$ 515,000	\$ 1,030,000
R. Kevin Matz Executive Vice President Shared Services	\$ 99,840	\$ 480,000	\$ 960,000
Executive Group ⁽¹⁾ Total	\$ 601,328	\$ 2,891,000	\$ 5,782,000

Three-Year Award Opportunity (2013-2015)

Name and Position	Threshold	Target	Maximum
Anthony J. Guzzi President and Chief Executive Officer	\$ 735,000	\$ 1,470,000	\$ 2,940,000
Mark A. Pompa Executive Vice President and Chief Financial Officer	\$ 181,250	\$ 362,500	\$ 725,000
Sheldon I. Cammaker Executive Vice President, General Counsel and Corporate Secretary	\$ 159,375	\$ 318,750	\$ 637,500
R. Kevin Matz Executive Vice President Shared Services	\$ 143,750	\$ 287,500	\$ 575,000
Executive Group Total	\$ 1,219,375	\$ 2,438,750	\$ 4,877,500
Non-Executive Officer Employee Group Total	\$ 646,704	\$ 1,293,409	\$ 2,586,817

(1) Non-executive directors are not eligible participants under the Bonus Plan

and
non-executive
officer
employees do
not participate
in annual
award
opportunities
under the
Bonus Plan.

Description of the Bonus Plan. The purpose of the Bonus Plan is to advance the interests of the Company and its stockholders by providing incentives in the form of periodic bonus awards to certain key executives of the Company who contribute significantly to the strategic and long-term performance objectives and growth of the Company. Bonuses subject to the Bonus Plan include cash and equity incentive awards granted under or made subject to any other bonus compensation rules of the Company not inconsistent with the Bonus Plan that are intended to qualify for the performance-based compensation exception under Section 162(m). Bonuses may also be awarded under the Bonus Plan or other programs of the Company that are not intended to be exempt from the deduction limitations of Section 162(m).

The Bonus Plan is administered by the Compensation and Personnel Committee of the Board of Directors of the Company (or, in certain situations, its delegate) (the Compensation Committee). The Compensation Committee has the exclusive power to select the key executives of the Company who may participate. As of April 18, 2013, four individuals were eligible to participate in the Bonus Plan with respect to annual award opportunities and sixteen individuals were eligible to participate in the Bonus Plan with respect to three year award opportunities.

Entitlement to any Bonus will be based on the satisfaction of one or more objectively determinable measures of performance (each, a performance goal) relating to any or any combination of the following (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; revenues; assets; working capital; book value; expenses, including without limitation expense management; income, earnings or profits, including margins, determined before or after deduction for all or any portion of interest, taxes,

depreciation, amortization or other specified adjustments, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; changes in capital structure; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A performance goal need not be based upon an increase, a positive or improved result or avoidance of loss. The Compensation Committee may adjust performance goals as it deems appropriate; *provided*, that in the case of any Bonus expected to be subject to Section 162(m) and eligible for the performance-based compensation exception under Section 162(m), as determined by the Compensation Committee in its discretion, any such adjustment must be objectively determinable, nondiscretionary, and based on provisions set forth in the performance goal established above (for example, but without limitation, an automatic and nondiscretionary adjustment to reflect an acquisition or disposition or a change in accounting principles occurring during the performance period).

The Compensation Committee has the authority to determine in its sole discretion the applicable performance period relating to any Bonus, consistent with any applicable restrictions imposed by Section 162(m) of the Code.

At the end of the applicable performance period, the Compensation Committee must certify as to the attainment of the applicable performance goals prior to payment of a Bonus, and may reduce (but not increase) the amount of any Bonus. Bonuses will be paid, as soon as practicable after certification of attainment of performance goals by the Compensation Committee. Payment may be deferred, in part or whole, on a mandatory basis by the Compensation Committee or electively by participants with Compensation Committee approval. The maximum amount of a Bonus under the Bonus Plan that may be granted in any calendar year to any one participant is \$10,000,000. The maximum amount need not be awarded.

The Bonus Plan may be amended or suspended in whole or in part at any time and from time to time by the Compensation Committee.

ADOPTION OF PROPOSAL 3

We believe that the Company's best interests will be served by reapproval of the adoption of the Key Executive Incentive Bonus Plan inasmuch as it will enable the Company to be in a position to preserve, where appropriate, the tax deductibility of Bonuses to key executives.

Approval of Proposal No. 3 requires the affirmative vote of a majority of shares of our Common Stock represented at the Annual Meeting and entitled to vote thereon.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote **FOR** reapproval of the adoption of the Key Executive Incentive Bonus Plan.

PROPOSAL NO. 4 RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee, which is comprised entirely of independent directors, has appointed Ernst & Young LLP, certified public accountants, as our independent auditors for 2013, subject to ratification by stockholders, and presents this selection to the stockholders for ratification. Ernst & Young LLP has acted as our independent auditors since May 14, 2002.

Representatives of Ernst & Young LLP are expected to be present at our Annual Meeting to respond to appropriate questions and will have an opportunity to make a statement if they desire to do so.

Fees

The aggregate fees for professional services rendered to the Company by Ernst & Young LLP for the years ended December 31, 2012 and 2011 were as follows:

Services Provided	Fee Amount	
	2012	2011
