

EMCOR GROUP INC
Form DEF 14A
April 21, 2011
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.

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 - (3) Filing party:
 - (4) Date filed:
-

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 Campbell Room, The New York Palace Hotel, 455 Madison Avenue, New York, New York, on Wednesday, June 1, 2011 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 consider a non-binding advisory resolution on the frequency of the advisory vote on executive compensation.
4. To ratify the appointment of Ernst & Young LLP as independent auditors for 2011.
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 6, 2011 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 21, 2011

EMCOR GROUP, INC.

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE 2011 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 2011 Annual Meeting of Stockholders (the Annual Meeting), which will be held on June 1, 2011.

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 (SEC). 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 2011 Annual Meeting of Stockholders and Proxy Statement and our 2010 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 21, 2011.

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 a non-binding advisory resolution on the frequency of an advisory stockholder resolution on executive compensation; and
4. Consider the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2011.

Who is entitled to vote at the Annual Meeting?

Holders of our Common Stock as of the record date of April 6, 2011 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. In favor of holding an advisory vote on executive compensation EVERY YEAR ; and
4. FOR the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2011.

How many shares can vote at the Annual Meeting?

At the close of business on April 6, 2011, we had 66,846,445 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 is by a plurality of the votes cast. This means that the ten individuals nominated for the 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 Item 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 vote 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.

Item 3 also calls for a non-binding, advisory vote. Our Board of Directors has recommended an annual vote. However, if another frequency receives more votes, our Board of Directors will take that fact into account when making its decision on how often to hold executive compensation advisory votes. 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, and FOR ratification of Ernst & Young as our independent auditors for 2011. The Board further recommends a vote for an advisory vote EVERY YEAR to approve executive compensation.

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,
 proxy card
 or voting
 instruction
 form 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. 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 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 are a beneficial owner of shares, 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 Item 4 identified above will have the effect of a vote against that Item. An abstention on Item 1, 2 or 3 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 the broker or such 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 2011. 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.

The approximate date on which this proxy statement and the accompanying proxy are being first sent or given to stockholders is April 21, 2011.

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 delivery 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.

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 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 formerly our Chief Executive Officer who is currently an employee of the Company, and Anthony J. Guzzi, our President and Chief Executive Officer, and, accordingly, are not considered independent.

Executive Sessions of the Board. At each regularly scheduled meeting of the Board, non-management directors meet without any Company representatives present. The chairpersons of the Audit Committee, Compensation Committee, and Corporate Governance Committee rotate presiding over those executive sessions.

Board Leadership Structure. The Company has no formal policy regarding the leadership structure of the Company. Mr. Frank T. MacInnis has served as Chairman of our Board since April 1994. From April 1994 to January 3, 2011, Mr. MacInnis was also our Chief Executive Officer. Our Board believes the Company and its stockholders are best served by having Mr. MacInnis continue 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 recommends Board committee appointments and responsibilities in conjunction with the Corporate Governance Committee.

The Company does not have a lead director but, as indicated above, a chairperson of each committee of the Board presides on a rotating basis over regular executive sessions of the non-management members of the Board. Members of management do not attend those sessions. The Board believes that those executive sessions, together with its strong committee system and substantial majority of independent directors, allow the Board to maintain effective oversight of management.

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;

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, 2010 and ending April 21, 2011, there were only two transactions in which the Company, or any of our subsidiaries, was or is to be a participant and in which any Related Party had or will have a direct or indirect material interest required to be approved by the Board or a Board committee. Those two transactions in which a Related Party (Mr. MacInnis) had a material interest is described below on page 45 under Interested Transactions .

Availability of Corporate Governance Materials. Our categorical Standards for Determining Director Independence, Corporate Governance Guidelines, including 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 2010, our Board met seven times, and committees of our Board held an aggregate of 17 meetings. Each director attended at least 75% of the meetings of our Board and committees on which he served during 2010. As provided in our Corporate Governance Guidelines, all directors are expected to attend all annual meetings of stockholders, and all but one director attended the 2010 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:

The Audit Committee, established in accordance with the rules of the Securities Exchange Act of 1934, 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;

- 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 five times during 2010. 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.

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
Officer's
performance
in light of
those goals
and objectives
and, together
with the other
independent
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,
together with
the other
independent
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

-7-

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 2010, the Compensation Committee held eight 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 2010, 2009 and 2008 on page 21, 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 our Chief Executive Officer and our other 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 the participation of the other independent directors, makes its determination regarding salary adjustments and payment of annual incentive awards. The final determination regarding salary adjustments and payment of annual incentive awards are made at meetings without any members of management present.

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 may be based, and the targeted annual incentive awards for each such executive. Those criteria and targeted annual incentive awards are recommended by our Chief Executive Officer, and are reviewed by and ultimately established by the Compensation Committee, together with the participation of the other independent directors. 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, which we refer to as Mercer. Mercer is a compensation consultant that the Compensation Committee has engaged annually commencing in 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 them and, from time to time, to advise the Corporate Governance Committee with regard to the amount and form of compensation for our Board. 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 large public construction and facilities management companies and with which we may compete for

management talent. 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 2010, we paid Mercer approximately \$60,000 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 consulting on pension related matters, including actuarial services, and for insurance broking and risk consulting. We have paid Mercer and Other Marsh Subsidiaries an aggregate of approximately \$1,109,000 for those services provided to us in 2010. Mercer has been retained for pension related matters, and Other Marsh Subsidiaries have been retained, on behalf of the Company by management, since 1987 and their retention is not subject to Board or Compensation Committee approval.

Our Long Term Incentive Plan, which we refer to as the LTIP , provides the methodology for computing the number of stock units annually granted to executives participating in the LTIP. Grants of LTIP cash awards are, as set forth in the LTIP, 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 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 15 in the Section entitled Compensation Discussion and Analysis and in the Section entitled Long Term Incentive Plan commencing on page 22 which follows the Summary Compensation Table on page 21.

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,
including 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 2010, the Corporate Governance Committee held four 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. In the past, when it has considered the amount and form of Board compensation, it has sought the advice of Mercer. No change in compensation or benefits for directors was made in the 2010 calendar year

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 45 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 their 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, referred to in the Summary Compensation Table on page 21, 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

-10-

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
significant
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

longer-term
incentives
under our Long
Term Incentive
Plan, which we
refer to

sometimes as the LTIP and which is discussed below. These incentives come in the form of:

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

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

We generally condition a named executive officer's LTIP incentive 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 2010, our annual contribution to the 401(k) plan for each named executive officer was \$11,000.

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 in the severance agreements in the Section entitled "Potential Post Employment Payments - Severance Agreements" commencing on page 27).

The Compensation Committee has principal responsibility for setting the compensation for our named executive officers and other executive 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 have been 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 annual incentive awards and for our LTIP, and LTIP targeted performance-based cash incentive awards for multi-year periods, as discussed below, Mercer presents compensation information compiled from proxy data and Forms 8-K from companies in a comparator group developed by Mercer with input from management. This information includes annual base salary, annual bonuses, long-term incentives, including stock option and restricted stock awards, and targeted long-term incentive performance plan awards.

For 2010, Mercer's comparator group of companies included the following 16 large public construction and facilities management companies from which we might hire top talent or which might try to recruit our executives.

ABM Industries Incorporated
AECOM Technology Corporation
C.B. Richard Ellis Group, Inc.
Chicago Bridge & Iron, N.V.
Fluor Corp.
Foster Wheeler Ltd.
Granite Construction Incorporated
Jacobs Engineering Group, Inc.
Jones Lang LaSalle Incorporated
KBR, Inc.
McDermott International, Inc.
Quanta Services, Inc.
Republic Services, Inc.
The Shaw Group Inc.
Tutor Perini Corporation
URS Corporation

We refer to these companies as the Comparator Companies.

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 2010 for the named executive officers are set out in the Summary Compensation Table on page 21 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, arrives at its own recommendations, and then with the participation of the other independent 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 may be based. Targeted annual incentive awards for each of our named executive officers for 2011, our 2011 financial goals, and personal goals and objectives for each such executive have been recommended by our Chief Executive Officer, and are reviewed by and ultimately established by the Compensation Committee, together with the participation of the independent 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 LTIP provides 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.

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 the named executive officers, each of whom (other than Mr. Anthony J. Guzzi, who is our President and recently elected 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, when appropriate, and to remain competitive with those paid by Comparator Companies.

In May 2010, we announced that effective January 3, 2011, Mr. MacInnis, our Chairman of the Board and then Chief Executive Officer, would retire as Chief Executive Officer, and Mr. Guzzi, our President and Chief Operating Officer, would succeed Mr. MacInnis as Chief Executive Officer. In connection with his change in position, Mr. MacInnis and the Company agreed that Mr. MacInnis would remain in the Company's employ through December 31, 2011 as an advisor to Mr. Guzzi at a salary of \$320,000 per annum. In December 2010, Mr. Guzzi's annual salary was increased to \$950,000.

Annual Incentive Program

An annual incentive award forms 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.

Annual incentive awards based upon our financial results are made under our Key Executive Incentive Bonus Plan. For 2010, each named executive officer had a targeted annual incentive award based on 2010 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 2010 to Messrs. MacInnis and Guzzi were 250% and 220%, respectively, of their respective 2010 base salaries and to each other named executive officer were 200% of their respective 2010 base salaries. Commencing with 2011, Mr. MacInnis no longer participates in the Key Executive Incentive Bonus Plan, and Mr. Guzzi's maximum potential aggregate incentive award was increased from 220% of his base salary to 250% of his base salary and Mr. Pompa's maximum potential aggregate incentive award was increased from 200% of his base salary to 220% of his base salary. We refer to a named executive's maximum potential aggregate annual incentive awards sometimes as his Maximum Potential Incentive Award.

For Messrs. MacInnis and Guzzi, their 2010 targeted annual incentive awards, based upon our meeting certain financial measurements for 2010, were 100% and 88%, respectively, of their respective annual base salaries, and for Messrs. Mark A. Pompa, our Executive Vice President and Chief Financial Officer, Sheldon I. Cammaker, our Executive Vice President, General Counsel and Secretary, and R. Kevin Matz, our Executive Vice President - Shared Services, their 2010 targeted annual incentive awards, based upon our meeting those 2010 financial measurements, were 80% of their respective 2010 annual base salaries. For 2011, the targeted incentive award based upon our meeting 2011 financial measurements was increased for Mr. Guzzi from 88% of his base salary to 100% of his base salary and for Mr. Pompa from 80% of his base salary to 88% of his base salary. We refer to this targeted annual incentive award sometimes as the Financial Target Bonus. The exact amount of each Executive's 2010 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 2010 earnings per share and the ratio of our 2010 positive operating cash flow to our 2010 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. However, in calculating 2010 and 2011

earnings per share and operating income for purposes of determining annual incentive awards there is 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) restructuring charges due to a sale or closure of a subsidiary's business, (d) the cumulative effect of any change in accounting principles, (e) for 2010 only, the effect of any changes in statutory tax rates from those in effect on March 29, 2010 and for 2011 only, the effect of any changes in statutory tax rates from then in effect on March 16, 2011. For the purpose of calculating operating cash flow, amounts that are the subject of clauses (a) through (e) above are to be excluded from such calculation. Mr. MacInnis, our Chief Executive Officer during 2010, together with other named executive officers, developed proposed 2010 financial measurements on which to base the payment of annual incentive awards under our Key Executive Incentive Bonus Plan. Mr. MacInnis 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 2010, taking into account the recommendations of management, our 2010 budget, and annual earnings per share guidance for 2010 that we gave to the equity markets. No annual incentive award based on these financial measurements was to be payable unless we achieved earnings per share for 2010 (adjusted to exclude certain charges as described above in this paragraph, which earnings per share we refer to herein as adjusted earnings per share) of at least \$1.21 and 2010 positive operating cash flow (adjusted to exclude certain amounts as described above in this paragraph, which cash flow we refer to herein as adjusted positive operating cash flow) of at least 30% of 2010 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 2010 Financial Target Bonus (a) our 2010 adjusted earnings per share had to be at least \$1.45, the low end of our initial 2010 earnings per share guidance range of \$1.45 to \$1.85 per share that was provided to the equity markets in February 2010, and (b) the ratio of our 2010 adjusted positive operating cash flow to our 2010 adjusted operating income, had to be at least 100%. If adjusted earnings per share were less than \$1.45 but at least \$1.21, 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 2010 adjusted positive operating cash flow to 2010 adjusted operating income was less than 100%. If 2010 adjusted earnings per share were in excess of \$1.45, each named executive officer's actual annual incentive award based on financial measurements for 2010 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 were less than \$1.21, no annual incentive award for 2010 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 2010 adjusted positive operating cash flow to 2010 adjusted operating income was less than 30%.

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 the approval of the other independent 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 2010, our adjusted earnings per share were \$1.97, and the ratio of our 2010 adjusted positive operating cash flow to 2010 adjusted operating income was approximately 44% which, in accordance with the 2010 Matrix, permitted payment to each named executive officer the following approximate percentages of his 2010 annual base salary: Mr. MacInnis, 106%; Mr. Guzzi, 93%, and Messrs. Pompa, Cammaker and Matz, each 85%. This was the actual annual incentive award made by the Compensation Committee to each named executive officer for 2010 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 2010, Messrs. MacInnis and Guzzi were awarded 50% and 44%, respectively, of their respective 2010 base salaries, and Messrs. Pompa, Cammaker and Matz were each awarded 40% of their respective 2010 base salaries.

Under the terms of the program for 2010, 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 these financial measurements called for payment of the percentages provided for in the Matrix. In the exercise of its discretion the Compensation Committee and the independent members of our Board could have taken into account whatever factors they 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 2010 base salary ranging from zero to twice the percentage designated for him.

The 2010 aggregate annual incentive awards made to each named executive officer totalled less than his Maximum Potential Incentive Award and represented the following approximate percentages of his respective 2010 base salary: Mr. MacInnis, 156%; Mr. Guzzi, 137%; and Messrs. Pompa, Cammaker and Matz, each, 125%.

Special Bonuses

The Compensation Committee also decided to award to members of the Company's senior management special bonuses to reflect their efforts during 2010 in successfully disposing of certain non-core operations of the Company, including joint ventures, and in acquiring companies so as to expand our footprint in markets in which we have not previously engaged. Accordingly, in March 2010 the Compensation Committee awarded the following special cash bonuses: Mr. MacInnis, \$459,000; Mr. Guzzi, \$237,000; Mr. Pompa, \$131,000; Mr. Cammaker, \$147,000; and Mr. Matz, \$120,000. These cash bonuses are reflected under the Bonus column of the Summary Compensation Table on page 21 and are in addition to the payments each received in respect of their annual incentive awards for 2010.

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 grant 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. The named executive officer will receive those 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 upon his retirement on or after age 65 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" under our LTIP on page 31 in the Section entitled "Potential Post Employment Payments - Long Term Incentive Plan.") Thus, a significant 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 commencing on or after January 1, 2010 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, and (e) the cumulative effect of any change in accounting principles. 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 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 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. (We
have set forth
the definition
of the terms
cause , good
reason and
disability under
our LTIP on
page 31 in the
Section entitled
Potential Post
Employment
Payments Long
Term Incentive
Plan.)

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 2010 was as follows: Mr. MacInnis, 200%; Mr. Guzzi, 150%; Mr. Pompa, 125%; Mr. Cammaker, 125%; and Mr. Matz, 125%. In the opinion of Mercer, 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 the Comparator Companies. Any change in the Multiplier for a named executive officer would change the basis for computing his potential cash incentive award under the LTIP as well as his annual number of stock units.

In connection with Mr. MacInnis' retirement as Chief Executive Officer of the Company, and Mr. Guzzi's election to that position, effective January 3, 2011, the Compensation Committee determined that Mr. MacInnis shall no longer be entitled to participate in the LTIP with respect to awards of stock units or with respect to performance-based cash incentive awards for years or measurement periods commencing January 1, 2011, and that Mr. Guzzi's Multiplier for purposes of the LTIP would be increased from 150% to 200% with respect to awards of stock units for 2011 and thereafter and with respect to performance-based cash incentive awards with respect to measurement periods commencing on or after January 1, 2011.

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 2008 the Compensation Committee established a measurement period consisting of calendar years 2008, 2009 and 2010 pursuant to which performance-based cash incentive awards may be paid to LTIP participants, including our named executive officers. The actual amount payable 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, 2007, 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 \$6.93 per share. Because our aggregate earnings per share for the 2008-2010 measurement period was \$3.78, only 54% of the \$6.93 per share earnings objective for that measurement period (due principally to a non-cash impairment charge with respect to goodwill and trade names), in accordance with the LTIP, each named executive officer, as well as each other participant in the LTIP, was paid in March 2011 54% of his LTIP Cash Target Bonus. The amount of this payment to each named executive officer is included under the Non-Equity Incentive Plan Compensation column for 2010 of the Summary Compensation Table on page 21.

In January 2010, 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 2013 an equal number of shares of our Common Stock provided he is continuously employed by us through January 4, 2013. 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 4, 2010 by 50% of the product of the named executive officer's then

Multiplier and his annual base salary rate as of December 31, 2009. The aggregate grant date value of the stock units awarded in 2010 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 2010 of the Summary Compensation Table on page 21.

In connection with the resignation of Mr. MacInnis as Chief Executive Officer effective January 3, 2011 and his agreement to remain in the Company's employ through December 31, 2011, at which time Mr. MacInnis will have reached age 65 and will retire from the Company's employ, Mr. MacInnis will as of December 31, 2011 vest in the LTIP stock units granted to him in January 2009 and January 2010.

In February 2010, under the LTIP, the Compensation Committee also established a measurement period consisting of the 2010-2012 calendar years and established for that period an earnings per share objective, adjusted as indicated on page 16, of \$5.70. 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 2009 and his Multiplier set out in the first full paragraph on page 17 of this Compensation Discussion and Analysis. The amount set out in the Table entitled Grants of Plan-Based Awards in Fiscal Year 2010 on page 24 identified with footnote (4) indicates the range of performance-based cash incentive awards each named executive officer may receive in respect of the 2010-2012 measurement period if we achieve for that measurement period (i) the minimum adjusted earnings per share objective of \$2.85, (ii) the earnings per share objective of \$5.70, or (iii) at least 120% of the earnings per share objective, or \$6.84. As indicated earlier, if we do not achieve the minimum adjusted earnings per share objective for the 2010-2012 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 2010 Table. With respect to cash payments under the LTIP, the Company and Mr. MacInnis have agreed that provided he remains in the Company's employ through December 31, 2011, he will be entitled to a cash award in respect of the 2009-2011 measurement period only in an amount equal to 2/3 of the amount he would otherwise receive had he remained in the Company's employ through December 31, 2011 and in respect of the 2010-2012 measurement period only in an amount equal to 1/3 of the amount he would otherwise receive had he remained in the Company's employ through December 31, 2012.

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 LTIP incentive awards, in part, 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 2010, the percentages of targeted incentive compensation to total targeted compensation of the named executive officers ranged from approximately 45% to 52%, and the equity component percentage of the named executive officers' total targeted compensation ranged from approximately 17% to 23%. Of their 2010 total targeted compensation, the percentages that were forfeitable ranged from approximately 34% to 45% if the named executive officer did not stay employed with us for approximately three years from the award date (unless 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).

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 one of our named executive officers. 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 2010), the award would not, and did not, qualify under Section 162(m). In addition, the special bonuses paid to our named executive officers did not qualify under Section 162(m). Also, awards of stock units under the LTIP, 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. For calendar year 2007, a portion of our annual incentive awards to our named executive officers and certain other employees were made in phantom stock units, which were to be settled in cash and resulted in a liability award being established. This type of award is required to be marked to market at the end of each accounting period. As a consequence, during the accounting periods before which we paid cash for phantom stock units, these awards resulted in additional expense when the value of our Common Stock rose above the value of the phantom units as of the last valuation date and resulted in additional net income when the value of our Common Stock fell below the value of the phantom units as of the last valuation date. For this reason, among others, the Compensation Committee has not granted any phantom stock units since such awards were made in respect of 2007.

Retirement Plans, Severance Arrangements, and Stock Options

Retirement Plans

As indicated above, we provide our sole retirement benefits through our 401(k) plan pursuant to which we made a matching contribution of \$11,000 for the account of each named executive officer for 2010. We base 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. Because there is no retirement benefit enhancement for named executive officers, the Compensation Committee does not consider gains from stock option or stock awards in setting retirement benefits for each named executive officer.

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; however, the severance agreement between the Company and Mr. MacInnis terminated on January 3, 2011 when his resignation as our Chief Executive Officer became effective. The terms of the severance agreements reflect market practice and advice provided at the time they were entered into 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 commencing on page 27 under "Potential Post Employment Payments - Severance Agreements".

In addition, if the named executive officer is terminated without cause or if he terminates his employment for good reason, as those terms are defined on page 31 in the Section entitled Potential Post Employment Payments Long Term Incentive Plan , we will 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

We have entered into change of control agreements with each named executive officer and other senior executives 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; however, the change of control agreement between the Company and Mr. MacInnis terminated on January 3, 2011 when his resignation as our Chief Executive Officer became effective. These 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 below in the Section entitled Potential Post Employment Payments Change of Control Agreements commencing on page 33. Those terms and provisions 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 terms cause , good reason and change of control as used in the change of control agreements are defined on pages 33 and 34.

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, we would 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. We would provide these gross-up payments, 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

Most of the stock options granted to each of the named executive officers provide that if his employment is terminated 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, and one grant of stock options provides that the options are exercisable for their entire term whether or not the named executive officer remains in the Company's employ and regardless of the reason for the termination of his employment. The balance of their stock options provide that such options are exercisable for the shorter of two years from such employment termination date or the remainder of the option term if the named executive officer is terminated without cause or if he terminates his employment for good reason. 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. All stock options granted to our named executive officers are presently vested. However, in connection with his resignation as our Chief Executive Officer, Mr. MacInnis agreed that if during 2011 his employment with the Company is terminated without cause or if he terminates his employment for good reason, he may exercise his stock options only until the earlier of March 30, 2012 or the date as of which the options would otherwise expire in accordance with their terms.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

The following Table sets forth information with respect to the compensation of our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers, who we refer to collectively as the named executive officers, based on total compensation for fiscal 2010.

Summary Compensation Table for Fiscal Years 2010, 2009 and 2008

Name and Principal Position	Year	Salary(\$)	Bonuses(\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾
Frank T. MacInnis Chairman of the Board and formerly Chief Executive Officer (until January 3, 2011)	2010	\$ 975,000	\$ 459,000	\$ 949,983		\$ 2,007,000	\$ 98,816
	2009	\$ 950,000	\$ 217,500	\$ 949,993		\$ 3,859,500	\$ 112,625
	2008	\$ 950,000	\$ 210,000	\$ 908,835		\$ 3,845,000	\$ 90,688
Anthony J. Guzzi President and Chief Executive Officer (since January 3, 2011)	2010	\$ 709,615	\$ 237,000	\$ 487,482		\$ 1,212,060	\$ 77,150
	2009	\$ 650,000		\$ 487,497		\$ 2,307,120	\$ 94,800
	2008	\$ 650,000		\$ 464,985		\$ 2,240,000	\$ 75,160
Mark A. Pompa Executive Vice President and Chief	2010	\$ 510,000	\$ 131,000	\$ 281,226		\$ 774,855	\$ 66,760

Financial
Officer

2009	\$	450,000		\$	281,237	\$	1,354,350	\$	69,344
2008	\$	450,000		\$	256,228	\$	1,325,000	\$	65,500

Sheldon I.
Cammaker
Executive
Vice
President,
General
Counsel
and
Corporate
Secretary

2010	\$	490,000	\$	147,000	\$	296,866	\$	766,770	\$	124,740
2009	\$	475,000		\$	296,854	\$	1,491,050	\$	96,730	
2008	\$	475,000		\$	287,487	\$	1,493,750	\$	99,270	

R. Kevin
Matz
Executive
Vice
President,
Shared
Services

2010	\$	425,000	\$	120,000	\$	256,245	\$	656,963	\$	89,840
2009	\$	410,000		\$	256,237	\$	1,256,880	\$	74,130	
2008	\$	410,000		\$	234,359	\$	1,257,500	\$	62,960	

- (1) Stock awards reflected in this Table represent for 2008, 2009, and 2010 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 which are set out in detail below will be realized. These

stock awards consist of, for 2008, 2009 and 2010, time-based stock units granted under our LTIP, and for 2008 5,000 additional time-based stock units awarded to Mr. MacInnis in respect of 2008. The values of 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 2008, 2009, and 2010.
- (3) The amounts reported in this column for 2010 include the annual incentive awards paid in 2011 in respect

of 2010, all of which were paid in cash. These annual incentive awards for each of the named executive officers are as follows: Mr. MacInnis, \$1,521,000; Mr. Guzzi, \$960,960; Mr. Pompa, \$636,480; Mr. Cammaker, \$611,520; and Mr. Matz, \$530,400. The amounts reported in this column for 2010 also include amounts paid in 2011 under the LTIP in respect of the Cash Target Bonuses for the 2008-2010 measurement period. These LTIP amounts for each of the executive officers are as follows: Mr. MacInnis, \$486,000; Mr. Guzzi, \$251,100; Mr. Pompa, \$138,375; Mr. Cammaker, \$155,250; and Mr. Matz, \$126,563.

(4)

The amounts reported in this column for 2010 for each named executive officer include: 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; premiums paid for excess liability insurance of \$10 million; reimbursement for monthly dues in a club suitable for entertaining clients and other business contacts; the incremental cost of the spouse of the named executive

officer
accompanying
him to one
weekend Board
meeting where
applicable, and,
in the case of
Messrs.

Cammaker and
Matz, capital
cost reductions
paid in
connection
with new leases
of vehicles.

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.
MacInnis,
\$20,642; Mr.
Guzzi, \$4,620;
Mr. Pompa,
\$2,559; Mr.
Cammaker,
\$15,523; and
Mr. Matz
\$1,472. 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.
MacInnis,
\$35,719; Mr.

Guzzi,
\$26,910; Mr.
Pompa,
\$22,682; Mr.
Cammaker,
\$48,093; and
Mr. Matz,
\$32,072. For
2010, the
amounts also
include
matching
contributions
of \$11,000,
provided by us
under our
401(k)
Retirement
Savings Plan
for the account
of each named
executive
officer.

Proportion of 2010 Salaries and Bonuses to Total 2010 Compensation

The approximate percentage of each named executive officer's 2010 salary and bonus of his total 2010 compensation reported in the Summary Compensation Table on page 21 is as follows: Frank T. MacInnis, 32%; Anthony J. Guzzi, 35%; Mark A. Pompa, 36%; Sheldon I. Cammaker, 35%; and R. Kevin Matz, 35%. 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, as authorized by and pursuant to the terms of our Key Executive Incentive Bonus Plan, 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 2010 and the basis on which they were made are discussed on pages 13 through 15 in the Section entitled "Compensation Discussion and Analysis". For 2010, the maximum annual incentive awards for Messrs. MacInnis and Guzzi were 250% and 220%, respectively, of their respective 2010 annual base salaries and for Messrs. Pompa, Cammaker, and Matz were 200% of their respective 2010 annual base salaries. For 2010, the annual incentive award for each named executive officer based on our 2010 financial performance was equal to an approximate percentage of his annual base salary as follows: Frank T. MacInnis, 106%; Anthony J. Guzzi, 93%; Mark A. Pompa, 85%; Sheldon I. Cammaker, 85%; and R. Kevin Matz, 85%. In addition, each such officer received, based on the accomplishment of his 2010 individual goals and objectives, the following percentages of his annual base salary: Frank T. MacInnis, 50%; Anthony J. Guzzi, 44%; Mark A. Pompa, 40%; Sheldon I. Cammaker, 40%; and R. Kevin Matz, 40%. The estimated payouts under the 2010 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 2010 Table on page 24 and have footnote (3) next to them. The 2010 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 21.

Special Bonuses

For 2010, each of our named executive officers was awarded a special bonus in the amount set opposite his name in the Bonus column of the Summary Compensation Table. These bonuses were to reward the named executive officers for the successful disposition of certain non-core operations of the Company and the acquisition of companies expanding our footprint in markets where we have not previously been engaged.

Long Term Incentive Plan

Our Board adopted the LTIP in December 2005. Under the terms of the LTIP, for 2010, we granted each named executive officer stock units in January 2010. These stock units, which generally vest in full three years from their respective grant dates, represent the right to receive an equal number of shares of Common Stock, generally on or about the fourth week in February 2013.

A named executive officer has to be employed by us generally until January 4, 2013 to receive shares in respect of his 2010 stock unit award. If a named executive officer's employment terminates before January 4, 2013, he will forfeit his 2010 stock unit award, unless such termination is by the

Company without cause (defined on page 31 under Potential Post Employment Payments Long Term Incentive Plan) or by him for good reason (defined on page 31 under Potential Post Employment Payments Long Term Incentive Plan) or due to his disability, death or retirement at age 65 or older.

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 17 in the Section entitled Compensation Discussion and Analysis .

The 2010 stock award amounts reflected in the Stock Awards column of the Summary Compensation Table on page 21 relate to those stock units awarded in January 2010 under the LTIP. There can be no assurance that the amounts reported in the Stock Awards column of that Table for 2010 will be realized. The stock awards reflected in the All Other Stock Awards column of the Grants of Plan-Based Awards in Fiscal Year 2010 on page 24 represent the number of stock units awarded in January 2010 under the LTIP.

We also provide for performance-based cash incentive awards under the LTIP based on our performance for a three calendar year measurement period commencing in the grant year. In 2008, 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 2008 2010. During this period, principally as a result of impairment charges of intangibles, we only reached 54% of our targeted financial performance, and, accordingly, each named executive officer was paid an amount equal to 54% of his LTIP Cash Target Bonus for this measurement period, and the amounts paid in respect of these performance based cash incentive awards are included for 2010 in the Summary Compensation Table under the Non-Equity Incentive Compensation column on page 21.

In addition, in 2010, we granted each named executive officer an LTIP Cash Target Bonus based upon the measurement period consisting of calendar years 2010 2012, 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 2010 Table on page 24. We will base the payment of these awards (next to which the footnote (4) appears) on the achievement of the predetermined earnings per share objectives for the measurement period consisting of calendar years 2010 2012. We will pay to each 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 2010 Table on page 24 if we achieve aggregate earnings per share, adjusted as indicated on page 16, of \$5.70 for the 2010 2012 measurement period. If, for this period, we achieve aggregate adjusted earnings per share of \$2.85, each 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 adjusted earnings per share of \$6.84, each named executive officer will be entitled to the maximum performance-based cash incentive award amount set opposite his name in that Table. For aggregate adjusted earnings per share falling between \$2.86 and \$5.69, and between \$5.71 and \$6.83, for the 2010 2012 measurement period, the performance- based cash incentive award is interpolated from 51% to 99% of the target performance-based cash incentive award and from 101% to 199% of the target performance-based cash incentive award.

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 on or after age 65. If during a measurement period he is terminated without cause, terminates for good reason, dies, is disabled or retires on or after age 65, then for the measurement period, he will be entitled to all or a portion of the awards under the LTIP as described under the Section entitled Potential Post Employment Payments Long Term Incentive Plan, commencing on page 29, 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 2010 fiscal year to the named executive officers.

Grants of Plan-Based Awards in Fiscal Year 2010

Name	Grant Date	Threshold (\$)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards Number of Shares of Stock or Units (#)	Grants of Stock Awards Fair Value of Stock Awards
			Target (\$)	Maximum (\$)			
Frank T. MacInnis	1/03/10					34,074 ⁽¹⁾	\$ 9
	3/25/10	\$ 253,500 ⁽³⁾	\$ 1,218,750 ⁽³⁾	\$ 2,437,500 ⁽³⁾			
	3/25/10	\$ 158,333 ⁽⁴⁾	\$ 316,667 ⁽⁴⁾	\$ 633,333 ⁽⁴⁾			
Anthony J. Guzzi	1/03/10					17,485 ⁽¹⁾	\$ 4
	3/25/10	\$ 160,160 ⁽³⁾	\$ 770,000 ⁽³⁾	\$ 1,540,000 ⁽³⁾			
	3/25/10	\$ 243,750 ⁽⁴⁾	\$ 487,500 ⁽⁴⁾	\$ 975,000 ⁽⁴⁾			
Mark A. Pompa	1/03/10					10,087 ⁽¹⁾	\$ 2
	3/25/10	\$ 106,080 ⁽³⁾	\$ 510,000 ⁽³⁾	\$ 1,020,000 ⁽³⁾			
	3/25/10	\$ 140,625 ⁽⁴⁾	\$ 281,250 ⁽⁴⁾	\$ 562,500 ⁽⁴⁾			
Sheldon I. Cammaker	1/03/10					10,648 ⁽¹⁾	\$ 2
	3/25/10	\$ 101,920 ⁽³⁾	\$ 490,000 ⁽³⁾	\$ 980,000 ⁽³⁾			
	3/25/10	\$ 148,438 ⁽⁴⁾	\$ 296,875 ⁽⁴⁾	\$ 593,750 ⁽⁴⁾			
R. Kevin Matz	1/03/10					9,191 ⁽¹⁾	\$ 2
	3/25/10	\$ 88,400 ⁽³⁾	\$ 425,000 ⁽³⁾	\$ 850,000 ⁽³⁾			
	3/25/10	\$ 128,125 ⁽⁴⁾	\$ 256,250 ⁽⁴⁾	\$ 512,500 ⁽⁴⁾			

(1) Consists of time-vested stock units awarded in January 2010 under our LTIP.

(2) Represents the

aggregate grant date fair value of stock units awarded in January 2010 under our LTIP. The aggregate grant date fair values referred to in this column were computed in accordance with FASB ASC Topic 718. There were no option awards in 2010.

- (3) These amounts represent possible payouts pursuant to our Annual Incentive Program for 2010. The amounts paid in respect of this program for 2010 are disclosed in the Summary Compensation Table on page 21.
- (4) These estimated payouts are pursuant to our LTIP in respect of the measurement period 2010-2012. However, pursuant to the

terms of his separation agreement with the Company, Mr. MacInnis agreed, among other things, that the payment to him in respect of the LTIP 2010 - 2012 measurement period would be only 1/3 of the amount he would be entitled to under the LTIP had he continued in the Company's employ through December 31, 2012 and the amounts opposite Mr. MacInnis name identified with footnote (4) reflects this agreement.

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 2010.

Outstanding Equity Awards at 2010 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)
Frank T. MacInnis					45,188 ^(d)	\$ 1,309,548
					41,001 ^(e)	\$ 1,188,209
					34,074 ^(f)	\$ 987,465
	202,400 ^(a)		\$ 10.425	12/13/11		
	227,200 ^(b)		\$ 11.588	1/01/12		
	221,772 ^(b)		\$ 13.683	1/01/13		
	296,516 ^(b)		\$ 10.958	1/01/14		
	368,000 ^(c)		\$ 11.270	1/02/15		
Anthony J. Guzzi					20,305 ^(d)	\$ 588,439
					21,040 ^(e)	\$ 609,739
					17,485 ^(f)	\$ 506,715
	106,000 ^(c)		\$ 9.67	10/24/14		
	202,000 ^(c)		\$ 11.270	1/02/15		
Mark A. Pompa					11,189 ^(d)	\$ 324,257
					12,138 ^(e)	\$ 351,759
					10,087 ^(f)	\$ 292,321
	66,000 ^(a)		\$ 10.425	12/13/11		
	44,400 ^(b)		\$ 11.588	1/01/12		
	43,244 ^(b)		\$ 13.683	1/01/13		
	63,164 ^(b)		\$ 10.958	1/01/14		
101,200 ^(c)		\$ 11.270	1/02/15			
Sheldon I. Cammaker					12,554 ^(d)	\$ 363,815
					12,812 ^(e)	\$ 371,292
					10,648 ^(f)	\$ 308,579

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73,600 ^(a)	\$	10.425	12/13/11		
70,000 ^(b)	\$	11.588	1/01/12		
68,196 ^(b)	\$	13.683	1/01/13		
91,180 ^(b)	\$	10.958	1/01/14		
134,800 ^(c)	\$	11.270	1/02/15		
R. Kevin Matz				10,234 ^(d)	\$ 296,581
				11,059 ^(e)	\$ 320,490
				9,191 ^(f)	\$ 266,355
76,000 ^(a)	\$	10.425	12/13/11		
51,200 ^(b)	\$	11.588	1/01/12		
49,900 ^(b)	\$	13.683	1/01/13		
71,880 ^(b)	\$	10.958	1/01/14		
109,200 ^(c)	\$	11.270	1/02/15		

(a) Options granted 12/14/2001 vested and became exercisable in full on their grant date and expire 12/13/2011.

(b) Options granted 1/02/2002, 1/02/2003, 1/02/2004 vested and became exercisable 25% on their respective grant dates and 25% on each of the succeeding three anniversaries of their respective grant dates

and expire on the respective dates shown in column (E) which is the day before the tenth anniversary of their respective grant dates. However, those options granted to Mr. MacInnis on January 2, 2003 and 2004 will, in accordance with their terms, expire on March 30, 2012, 90 days following his retirement as an employee of the Company as of December 31, 2011.

- (c) Options granted 10/25/2004 and 1/03/2005 vested and became exercisable 33-1/3% on each of the first, second and third anniversaries of their respective grant dates and expire on the respective dates shown in column (E)

which is the day before the tenth anniversary of their respective grant dates. However, the options granted to Mr. MacInnis on January 3, 2005 will,

in accordance with their terms, expire on March 30, 2012, 90 days following his retirement as an employee of the Company as of December 31, 2011.

(d) Represents LTIP stock units awarded in January 2008 and, in the case of Mr. MacInnis, an additional 10,800 stock units awarded to him in March 2008 with the same terms and conditions as those pertaining to the 2008 LTIP stock units; these stock units vested on January 3, 2011.

(e) Represents LTIP stock

units
awarded in
January
2009; these
stock units
generally
will vest on
January 2,
2012.

- (f) Represents
LTIP stock
units
awarded in
January
2010; these
stock units
generally
will vest on
January 4,
2013.

In the event a named executive officer who is a holder of any of the options set out in the Outstanding Equity Awards at 2010 Fiscal Year End Table on page 25 is terminated by us without cause or terminates his employment for good reason, the options reported in that Table remain exercisable for the balance of their term except in the case of the options expiring 12/13/11, 10/24/14, and 1/02/15. The options expiring 12/13/11 are exercisable for the balance of their term whether or not the named executive officer remains in the employ of the Company and regardless of the reason for the termination of his employment. In the case of the options expiring 10/24/14 and 1/02/15, following termination of the named executive officer's employment by us without cause or by him for good reason, the options are exercisable only for two years following such termination of employment. However, Mr. MacInnis and the Company have agreed that if his employment is terminated by the Company without cause or by him for good reason, then his stock options (other than those expiring 12/13/11) shall terminate on the earlier of March 30, 2012 or the date they would otherwise expire in accordance with their terms. Except in the case of the options expiring 12/13/11, if the named executive officer's employment terminates because of his retirement after age 65, 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 a period of three months following termination of employment in the case of such retirement or disability or termination for cause or without good reason and six months in the case of his death. The terms "cause" and "good reason" are defined in the option agreements substantially as they are defined in the Severance Agreements discussed on page 28 under the Section entitled "Potential Post Employment Payments - Severance Agreements".

Unvested stock units reported in the Outstanding Equity Awards at 2010 Fiscal Year End Table on page 25 were awarded in 2008, 2009, and 2010 under our LTIP, and in the case of Mr. MacInnis' unvested stock units, an additional 10,800 stock units were awarded to him in March 2008, 5,800 in respect of 2007 and 5,000 in respect of 2008. Stock units awarded in 2008 vested in full in January 2011; those awarded in 2009 are to vest in full in January 2012; and those awarded in 2010 are to vest in full in January 2013. However, if we experience a change of control prior to the scheduled vesting date, unvested stock units 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, his stock units will vest in full at such time and the shares of our Common Stock to be issued in respect of his stock units will then be issued unless he is one of the fifty highest paid employees of us or our subsidiaries, in which case the shares will be issued six months after his termination. 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. The terms "cause" and "good reason" insofar as they pertain to the stock units, are defined on page 31 in the Section entitled "Potential Post Employment Payments - Long Term Incentive Plan". The stock units awarded to Mr. MacInnis in January 2009 and January 2010 will, in accordance with their terms, vest upon his retirement on December 31, 2011, and the underlying shares will be paid to him six months thereafter.

The following Table sets forth with respect to each named executive officer certain information with respect to options exercised in 2010 by him and his stock awards that vested during fiscal year 2010.

Option Exercises and Stock Vested in Fiscal Year 2010

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 (\$)
Frank T. MacInnis	100,000	\$ 2,117,326	40,592	\$ 1,091,925
Anthony J. Guzzi			23,994	\$ 645,439
Mark A. Pompa	20,000	\$ 462,400	12,496	\$ 336,142
Sheldon I. Cammaker	10,000	\$ 190,550	14,830	\$ 398,927
R. Kevin Matz	20,000	\$ 469,400	11,996	\$ 322,692

POTENTIAL POST EMPLOYMENT PAYMENTS

Severance Agreements

Messrs. Guzzi, Pompa, Cammaker, and Matz, each a named executive officer, is a party to a severance agreement with us, which we refer to as the Severance Agreements. Mr. MacInnis had been a party to a severance agreement but that agreement terminated upon his retirement on January 3, 2011 as our Chief Executive Officer. 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 award 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 33.

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 his 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, at a future date, we will issue an equal number of shares of our Common Stock. (The LTIP is more fully described commencing on page 15 in the Section entitled "Compensation Discussion and Analysis" and under the heading "Long Term Incentive Plan" commencing on page 22 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. As of January 1, 2011, Mr. MacInnis ceased to be entitled to any additional LTIP awards.

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 if:

-29-
