

MYR GROUP INC.  
Form DEF 14A  
March 08, 2012

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

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**MYR Group Inc.**

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(Name of Registrant as Specified In Its Charter)

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

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- No fee required.
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**MYR GROUP INC.**  
**THREE CONTINENTAL TOWERS**  
**1701 GOLF ROAD, SUITE 3-1012**  
**ROLLING MEADOWS, IL 60008-4210**

March 8, 2012

Dear Fellow Stockholder:

I am pleased to invite you to attend the 2012 Annual Meeting of Stockholders of MYR Group Inc., which will be held at 9:00 a.m. local time on Wednesday, May 2, 2012, at the DoubleTree Hotel, 75 West Algonquin Road, Arlington Heights, Illinois 60005. The meeting facilities will open to stockholders at 8:30 a.m. local time.

At the Annual Meeting we will report on operations and act on the matters described in the Notice of Annual Meeting of Stockholders and the Proxy Statement that follow this letter. Stockholders of record at the close of business on March 5, 2012, are entitled to notice of, and to vote at, the Annual Meeting.

It is important that your shares are represented and voted at the Annual Meeting regardless of the size of your holdings. **Please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid envelope as soon as possible in order to ensure the presence of a quorum.** If you do not vote promptly, we may incur additional costs in soliciting proxies. Voting by returning your proxy card in advance of the Annual Meeting does not deprive you of your right to attend and vote in person at the Annual Meeting.

The Board and management look forward to your participation at the Annual Meeting and appreciate your continued support.

Sincerely yours,

William A. Koertner  
*Chairman, President and Chief  
Executive Officer*

**YOUR VOTE IS IMPORTANT**

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**MYR GROUP INC.**

**Three Continental Towers  
1701 Golf Road, Suite 3-1012  
Rolling Meadows, IL 60008-4210**

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**NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS  
OF MYR GROUP INC.**

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TIME AND DATE: 9:00 a.m. local time on Wednesday, May 2, 2012  
PLACE: DoubleTree Hotel  
75 West Algonquin Road  
Arlington Heights, Illinois 60005  
ITEMS OF BUSINESS: (1) Election of three Class II directors;  
(2) Advisory resolution to approve our executive compensation;  
(3) Ratification of the appointment of our independent auditors; and  
(4) Consideration of other business properly presented at the meeting.  
BOARD RECOMMENDATION: The Board of Directors recommends that you vote **FOR** the election of each of the nominees in Item 1 and **FOR** Items 2 and 3.  
WHO CAN VOTE: Stockholders of record at the close of business on March 5, 2012, are entitled to vote at the meeting, or any postponement or adjournment thereof.  
DATE OF DISTRIBUTION: This Notice of Meeting, the Proxy Statement, the accompanying proxy card and our 2011 Annual Report to Stockholders are being distributed to stockholders beginning on or about March 8, 2012.

**Important Notice Regarding the Availability of Proxy Materials for our 2012 Annual Meeting of Stockholders to be held May 2, 2012**

This Notice of Meeting, the Proxy Statement, and the 2011 Annual Report to Stockholders on Form 10-K are available at our website [www.myrgroup.com](http://www.myrgroup.com).

Gerald B. Engen, Jr.  
*Senior Vice President, Chief Legal Officer and Secretary*

March 8, 2012

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Three Continental Towers  
 1701 Golf Road, Suite 3-1012  
 Rolling Meadows, IL 60008-4210

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March 8, 2012

**PROXY STATEMENT  
 FOR 2012 ANNUAL MEETING OF STOCKHOLDERS**

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**SUMMARY INFORMATION**

This Summary Information section is designed to make it easier for you to understand the matters to be acted upon at our 2012 Annual Meeting of Stockholders (the "Annual Meeting"). This summary introduces the proposals to be voted on at the Annual Meeting as well as highlights of our corporate governance and executive compensation. We encourage you to review the entire 2012 proxy statement (the "Proxy Statement") prior to determining how you wish to vote your shares. We are holding the Annual Meeting on Wednesday, May 2, 2012 at 9:00 a.m. local time at the DoubleTree Hotel, 75 West Algonquin Road, Arlington Heights, Illinois 60005. Directions to the facilities are included at the end of this Proxy Statement. As used herein, "we," "us," "our," "MYR Group" or the "Company" refers to MYR Group Inc., a Delaware corporation.

**Meeting Agenda and Voting Recommendation**

| Item | Proposal  | Board Vote Recommendation | Page Reference (for details) |
|------|---|---------------------------|------------------------------|
| 1.   | Election of three Class II directors                        | FOR EACH OF THE NOMINEES  | 7                            |
| 2.   | Advisory resolution to approve our executive compensation   | FOR                       | 38                           |
| 3.   | Ratification of the appointment of our independent auditors | FOR                       | 42                           |

***Election of Directors (Item 1)*** This Proxy Statement contains important information about the qualifications and experience of each of our directors, including the three Class II director nominees that you are being asked to elect at the Annual Meeting. As described in the disclosure in this Proxy Statement, all of our directors contribute strong leadership, important insight and a commitment to our success.

***Advisory resolution to approve our executive compensation (Item 2)*** For the second year, you have the opportunity to vote on an advisory resolution to approve the Company's executive compensation as reported in this Proxy Statement. In 2011, over 97% of the votes cast voted in favor of the advisory resolution to approve the Company's executive compensation. As disclosed in this Proxy Statement, we continue to aim to link compensation to the success of the Company. In evaluating this proposal, we urge you to review the "Compensation Discussion and Analysis" section of this Proxy Statement which explains our executive compensation program.

***Ratification of the appointment of our independent auditors (Item 3)*** Finally, we are asking you to ratify the appointment of Ernst & Young LLP ("E&Y") as our independent auditor for the fiscal year ending December 31, 2012. In evaluating this proposal, please review the "Audit Committee" section of this Proxy Statement, which describes E&Y's services and fees.

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**CORPORATE GOVERNANCE**

**Code of Ethics and Corporate Governance Principles**

We have a Code of Business Conduct and Ethics (the "Code of Ethics") applicable to all of our directors, officers and employees. The Code of Ethics aims to deter wrongdoing and promotes honest and ethical conduct, full and accurate public communication and compliance with applicable laws, rules and regulations. We disclose any waiver to the Code of Ethics we grant to our principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions or amendments to the Code of Ethics in our Annual Report on Form 10-K or on a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission ("SEC").

Additionally, the Board has guidelines that provide a framework for MYR Group's corporate governance (the "Corporate Governance Principles"). The Corporate Governance Principles assist the Board in the exercise of its responsibilities to help ensure compliance with governing law and our policies.

Stockholders and others can access our corporate governance materials, including the Articles of Incorporation, Amended and Restated By-Laws, Board committee charters, our Corporate Governance Principles, the Code of Ethics and other corporate governance related materials at our website at [www.myrgroup.com](http://www.myrgroup.com). Copies of these materials are also available free of charge to any stockholder who sends a written request to our Secretary at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210.

The information on our website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the SEC.

**Director Independence**

Our Corporate Governance Principles require that at least a majority of the Board qualify as independent directors under the listing standards of the NASDAQ Stock Market ("Nasdaq"). Nasdaq listing standards have both objective tests and a subjective test for determining who is an independent director. The objective tests state, for example, that an employee director is not considered independent. The subjective test requires the Board to affirmatively determine that the director does not have a relationship that would interfere with the director's exercise of independent judgment in carrying out his or her responsibilities.

After considering the Nasdaq listing standards and information provided by each director, the Board determined that the following directors are independent: Jack L. Alexander, Larry F. Altenbaumer, Henry W. Fayne, Betty R. Johnson, Gary R. Johnson, Maurice E. Moore, and William D. Patterson. William A. Koertner, due to his employment with MYR Group, is not considered an independent director.

**Executive Sessions of the Board**

In accordance with the Corporate Governance Principles, the independent directors meet at least twice per year in executive sessions, which are chaired by the Lead Director. Executive sessions are typically held following Board meetings, without management present.

**Meeting Attendance**

We expect directors to regularly attend Board meetings and meetings of the committees on which they serve. The Board held 7 meetings in 2011 and acted by unanimous consent 4 times. All directors who served as directors in 2011 attended more than 99% of the aggregate number of meetings of the Board and all committees on which they served. All directors are expected to attend the Annual

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Meeting and all directors serving at the time of the 2011 Annual Meeting of Stockholders, including the Class II nominees, attended that meeting.

**Communications with the Board**

The Board values and encourages constructive dialogue with stockholders and other interested parties on topics such as compensation and other important governance topics. Stockholders and other interested parties can communicate with the directors individually or as a group, by writing to our Secretary at MYR Group Inc., 1701 Golf Road Suite 3-1012, Rolling Meadows, Illinois 60008-4210 or by submitting an e-mail to our corporate website at <http://investor.myrgroup.com/contactBoard.cfm>. The Secretary forwards communications relating to matters within the Board's purview to the appropriate directors, communications relating to matters within a Board committee's area of responsibility to the chair of the appropriate committee and communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the appropriate MYR Group officer. The Secretary does not forward complaints about service, new product suggestions, resumes and other forms of job inquiries, surveys, business solicitations or advertisements or inappropriate communications.

**Board Leadership Structure**

Our Corporate Governance Principles provide that the Board is free to choose its Chairman in any way that it deems best for MYR Group at any time. When determining the leadership structure that allows the Board to effectively carry out its responsibilities and represent our stockholders' interests, the Board considers various factors, including our specific business needs, our industries' demands, our operating and financial performance, the economic and regulatory environment, Board self-evaluations, alternative leadership structures and our corporate governance policies and practices. William A. Koertner currently serves as both Chairman of the Board and our Chief Executive Officer ("CEO"). He has held both of those positions since 2007. In accordance with the Corporate Governance Principles, the independent directors selected Gary R. Johnson to serve as the Board's Lead Director. As Lead Director, Mr. Johnson has the authority to call meetings of the independent directors and his duties include, among others, presiding at executive sessions of the independent directors, which are typically held following Board meetings without management present and serving as a liaison between the Chairman and the independent directors and, where appropriate, with the stockholders.

The Board believes the combined Chairman/CEO position, together with an independent Lead Director, is appropriate at this time. In making this determination, the Board has taken into consideration MYR Group's size, structure and business as well as Mr. Koertner's knowledge of the industry, tenure with MYR Group and established relationships with the Board and our customers. Mr. Koertner is generally in the best position to inform our independent directors about our operations, projects and issues important to the company. The Board has the necessary power and authority to request and obtain information from management, to retain outside consultants and to consult with management and employees where it deems appropriate. Our overall corporate governance policies and practices, combined with the strength of our independent directors, minimize any potential conflicts that may result from combined roles of Chairman and CEO. The Nominating & Corporate Governance Committee and the other independent directors periodically review this structure to ensure it is still appropriate.

**Risk Oversight**

We do not view risk in isolation but consider risk as part of our regular consideration of business strategy and business decisions. Assessing and managing risk is the responsibility of management, which establishes and maintains risk management processes, including action plans and controls, to balance risk, mitigation and opportunities to create stockholder value. It is management's responsibility to anticipate, identify and communicate risks to the Board and/or its committees. The Board oversees and



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reviews certain aspects of our risk management efforts, either directly or through its committees. We approach risk management by integrating its strategic planning, operational decision making and risk oversight, and communicating these risks and opportunities to the Board. The Board commits extensive time and effort discussing and agreeing upon the Company's strategic plan, and it reconsiders key elements of the strategic plan as significant events and opportunities arise during the year. As part of the strategic plan review, as well as in evaluating events and opportunities that occur during the year, the Board and management focus on the primary value drivers and risks for the Company.

The Board's standing committees support the Board's oversight functions by regularly addressing various risks in their respective areas of oversight. Specifically, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with public reporting requirements. The Compensation Committee assists the Board in fulfilling its risk management oversight responsibilities associated with risks arising from compensation policies and programs. The Nominating and Corporate Governance Committee assists the Board in fulfilling its risk management oversight responsibilities associated with risks related to corporate governance. Each of the committee chairs reports to the full Board at regular meetings concerning the activities of the committee, the significant issues it has discussed and the actions taken by the committee.

We believe that our leadership structure supports the risk oversight function of the Board. With our CEO serving as Chairman of the Board, he is able to promote open communication between management and directors relating to risk. Additionally, each Board committee is chaired by an independent director and all directors are actively involved in the risk oversight function.

**Committee Membership**

Our Board designates the members and chairs of committees based on the Nominating and Corporate Governance Committee's recommendations. Because he is not an independent director, William A. Koertner does not serve on any of the committees. The Board has three standing committees – Audit, Compensation, and Nominating and Corporate Governance – each comprised entirely of independent directors, membership in 2011 was as follows:

| Name                       | Audit | Compensation | Nominating<br>and Corporate<br>Governance |
|----------------------------|-------|--------------|---|
| Jack L. Alexander          | X     | X            |   |
| Larry F. Altenbaumer       |       | Chair        | X   |
| Henry W. Fayne             | X     | X            |   |
| Betty R. Johnson           | X     |              | X   |
| Gary R. Johnson            |       | X            | Chair                                     |
| Maurice E. Moore           | X     |              | X   |
| William D. Patterson       | Chair | X            |   |
| Number of Meetings in 2011 | 5     | 5            | 2   |

Each of the three standing committees has a written charter adopted by the Board. The charters define each committee's roles and responsibilities. The charters are available on our website at [www.myrgroup.com](http://www.myrgroup.com). MYR Group will provide copies of these charters free of charge to any stockholder who sends a written request to our Secretary at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210.

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**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE MATTERS**

The Board has determined that all of the Nominating and Corporate Governance Committee members are independent within the meaning of the Nasdaq's listing standards. The primary responsibilities of the Nominating and Corporate Governance Committee include (i) identifying and recommending to the Board individuals qualified to serve as director, (ii) advising the Board with respect to the Board's composition, procedures and committees, (iii) developing and recommending to the Board the corporate governance principles applicable to the Company, (iv) overseeing the evaluation of the Board and Board committees, and (v) providing oversight with respect to corporate governance and ethical conduct.

**Criteria for Nomination to the Board of Directors and Diversity**

Candidates for nomination to the Board are selected by the Nominating and Corporate Governance Committee in accordance with the committee's charter, our Certificate of Incorporation, our By-Laws, our Corporate Governance Principles, and additional criteria that may be adopted by the Board regarding director candidate qualifications. The Nominating and Corporate Governance Committee will evaluate all candidates in the same manner and using the same criteria, regardless of the source of the recommendation.

Since the identification and selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors, and will be significantly influenced by the particular needs of the Board from time to time, there is not a specific set of minimum qualifications, qualities or skills that are necessary for a nominee to possess, other than those that are necessary to meet legal, Nasdaq listing requirements and the provisions of our Certificate of Incorporation, By-Laws, Corporate Governance Principles, and charters of the Board's committees. When considering nominees, the Nominating and Corporate Governance Committee may take into consideration many factors including, but not limited to, a candidate's:

record of accomplishment in his or her chosen field;

depth and breadth of experience at an executive, policy-making level in business, financial services, academia, law, government, technology or other areas relevant to the Company's activities;

personal and professional ethics, integrity and values;

commitment to enhancing stockholder value;

ability to exercise good judgment and provide practical insights and diverse perspectives;

absence of real and perceived conflicts of interest;

ability and willingness to devote sufficient time to become knowledgeable about the Company and to effectively carry out the duties and responsibilities of service;

ability to attend all or almost all Board meetings in person;

ability to develop a good working relationship with other members of the Board; and

ability to contribute to the Board's working relationship with senior management.

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When considering nominees, the Nominating and Corporate Governance Committee may also consider whether the candidate possesses the qualifications, experience and skills it considers appropriate in the context of the Board's overall composition and needs. In addition, our Corporate Governance Principles specify that the Nominating and Corporate Governance Committee should consider the value of diversity on the Board in the director nominee identification and nomination process. Accordingly, while the Company does not have a specific policy regarding diversity, the

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Committee's evaluation of director nominees includes consideration of their ability to contribute to the diversity of personal and professional experiences, opinions, perspectives and backgrounds on the Board. Nominees are not discriminated against on the basis of race, color, religion, sex, ancestry, national origin, sexual orientation, disability or any other basis prescribed by law. The Committee will assess the effectiveness of this approach as part of its review of the Board's composition as well as in the course of the Board's and Committee's self-evaluation process. The Nominating and Corporate Governance Committee also considers candidates for Board membership suggested by stockholders using the criteria discussed above.

Under the heading "Proposal No. 1 Election of Directors," we provide an overview of each nominee's principal occupation, business experience and other directorships of publicly traded companies, together with the qualifications, experience, key attributes and skills the Committee and the Board believe will best serve the interests of the Board, the Company and our stockholders.

**Board and Committee Self-Evaluations**

The Board and each of the Nominating and Corporate Governance, Compensation and Audit committees conduct an annual self-evaluation, which includes both a qualitative and quantitative assessment by each director of the performance of the Board and the committee or committees on which the director sits. The Nominating and Corporate Governance Committee oversees the evaluation process.

**PROPOSAL NO. 1. ELECTION OF DIRECTORS**

The Board currently consists of eight directors. The directors are divided into three classes, designated as Class I, Class II and Class III. The term for each class expires at the conclusion of a three-year term. At the 2012 Annual Meeting, the Class II director positions are up for election.

The Nominating and Corporate Governance Committee recommended to the Board, and the Board approved, the nomination of Jack L. Alexander, Betty R. Johnson and Maurice E. Moore as Class II directors, each for a term ending at the 2015 Annual Meeting of Stockholders or until his successor has been chosen and qualified.

If any nominee should be unavailable to serve due to an unanticipated event, the Board may designate another person as a substitute nominee or, in accordance with our By-Laws, act to reduce the number of directors. If the Board substitutes another nominee, your proxy will be voted for the substitute nominee.

None of the nominees is related to another or to any executive officer of MYR Group or its subsidiaries by blood, marriage or adoption.

**THE BOARD RECOMMENDS A VOTE *FOR* THE ELECTION OF EACH OF THE NOMINEES.**

**Director Qualifications**

When considering whether directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its responsibilities effectively in light of our businesses and structure, the Nominating and Governance Committee and the Board focused primarily on the information discussed in each of the director's individual biographies set forth in the tables below.

When considering whether our current directors should serve as a director, the Board considered their wealth of knowledge in our industry, their particular experiences, individual talents, leadership skills and what each individual would bring to the Board as a whole. Additionally, the Board considered and valued that each of our directors has extensive experience as a business leader and has a strong understanding of business operations in general. In particular, the Board considered that each of the directors has a strong background in the utilities sector, and the Board believes that such relevant experience is important in evaluating and overseeing our business development and strategies.

The following is information as of March 8, 2012, regarding each director who is up for election at the Annual Meeting:

|   |   |
|---|---|
| <b>Jack L. Alexander</b><br>Age: 64<br>Director Since: 2007<br>Director Class: Class II | Mr. Alexander retired from MidAmerican Energy Company ("MidAmerican") in 2005 and provided advisory and consulting services to MidAmerican until 2007. Prior to his retirement, Mr. Alexander spent 32 years serving in various roles with MidAmerican from 1973 to 2005. Most recently, he was Senior Vice President of Supply and Marketing from 2002 to 2005 and was responsible for electric generation, energy trading, marketing and sales, risk management and legislation and regulation. Prior to this, Mr. Alexander held roles in engineering, corporate planning, human resources and energy delivery. He has over 13 years of experience leading MidAmerican Energy's human resources function, with responsibility for labor relations, contract negotiations, compensation and benefits, employment and employee development and training. Mr. Alexander holds a Bachelor of Science degree in business administration and economics from Morningside College. |
|---|---|

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### *Qualifications, Experience, Key Attributes and Skills:*

Mr. Alexander's background as a senior executive at MidAmerican and varied industry experience in transmission and distribution, electric generation, energy trading, marketing and sales, risk management, legislation and regulation, engineering, corporate planning and human resources provides him with an extremely broad and fundamental understanding related to several of our operations and organizational structure, utility operations and the transmission and distribution business sector. He also has extensive experience with mergers and acquisitions including asset valuations and due diligence on a number of utility acquisitions. His knowledge and experience is extremely relevant to Mr. Alexander's role as a member on the Audit Committee. While at MidAmerican, Mr. Alexander was responsible for the construction of over \$2.0 billion of new electric generation in the state of Iowa including one of the world's largest land-based wind energy projects. He also has experience serving as MidAmerican's chief company spokesperson on a number of IBEW labor contract negotiations. His human resources leadership and experience in labor relations, contract negotiations, compensation and benefits, employment and employee development and training provide a unique and thorough perspective that is of great value in Mr. Alexander's role on our Compensation Committee.

### **Betty R. Johnson**

Age: 53

Director Since: 2007

Director Class: Class II

Since 2009, Ms. Johnson has been the Vice President of Global Finance and Chief Financial Officer of Sloan Valve Company, an international manufacturer and distributor of water efficient products to the commercial plumbing industry. Prior to this, Ms. Johnson was Executive Vice President and Chief Financial Officer with Block and Company, Inc., a manufacturer and distributor of money handling and office products from 2003 to 2009. From 1999 to 2003 she served as the Vice President Operations/Finance with Encompass Services Corporation, an electrical and mechanical construction company. Ms. Johnson served as MYR Group's Controller from 1992 to 1998 and Vice President and Controller from 1998 to 1999. In addition, Ms. Johnson has 11 years of experience in various auditing roles within Deloitte and Touche's construction industry group. Ms. Johnson holds a bachelor's degree in business administration and is a certified public accountant.

### *Qualifications, Experience, Key Attributes and Skills:*

Ms. Johnson's experience as a financial officer at a variety of companies as well as her construction background, direct employment with us and understanding of finance and accounting, risk auditing, internal controls and procedures for financial reporting processes for large publicly traded corporations provide her with a strong foundational understanding of our financial requirements as well as the financial challenges and issues facing the Company, industry and market. This combination of

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background and experience ideally positions Ms. Johnson as a key member on both the Audit and Nominating and Corporate Governance Committees.

|                          |  |
|--------------------------|--|
| <b>Maurice E. Moore</b>  | Since 2009, Mr. Moore has been Managing Director and sole proprietor of Primus Financial Group, LLC, a firm providing leasing and project finance advisory services to companies engaged in the renewable energy business. With more than 25 years of professional financial experience, Mr. Moore has an extensive background in originating, negotiating, syndicating and financing large capital projects in various segments, including the electric utility and renewable energy industries. Prior to his position at Primus Financial Group, Mr. Moore served in senior leadership roles with Chase Equipment Leasing, Inc. from 2006 to 2009, a division of JP Morgan Chase offering a variety of financing and lease solutions to help businesses acquire the equipment needed for daily operations; and JP Morgan Capital Corporation, and its predecessor companies, from 1986 to 2005. Prior to serving on the Board, Mr. Moore served on the boards for West Suburban Medical Center and Community Chest of Oak Park & River Forest, Illinois, and was formerly Finance Advisory Committee Chairman for Oak Park & River Forest High School in Illinois. |
| Age: 61                  |  |
| Director Since: 2010     |  |
| Director Class: Class II |  |
|                          | Mr. Moore earned a Bachelor's of Science degree in Civil Engineering from Brown University and a Masters of Business Administration degree from Harvard Graduate School of Business.   |

*Qualifications, Experience, Key Attributes and Skills:*

Mr. Moore has substantial leadership, financial services and capital expenditures experience, and has advised a variety of clients engaged in energy and renewable energy markets. His skills in originating, negotiating and financing large capital projects in both similar and varying environments serve as a guiding force concerning our capital investment and expenditure plans. In addition, his financial advisory involvement in the renewable energy space provides a diverse range of insight that contributes to the Board's understanding of the markets in which we operate. Mr. Moore's business acumen and participation on the Audit and Corporate Governance Committees help to broaden our exposure and understanding of successful financial practices and growth strategies.

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*The following is information regarding Class I and Class III directors serving as of March 8, 2012:*

### **Henry W. Fayne**

Age: 65  
Director Since: 2007  
Director Class: Class I  
Expiration of Term: 2014

Mr. Fayne has 30 years of experience with American Electric Power ("AEP"), an electric utility company servicing 5 million customers in eleven states. During his tenure from 1974 to 2004, he held senior positions in both finance and operations. Most recently, he served as Executive Vice President of Energy Services and was responsible for transmission, distribution and customer relations operations for the AEP system, which consisted of approximately 15,000 line workers. He also served as Chief Financial Officer and Executive Vice President Financial Services and was responsible for financial planning and budgeting, risk management, internal audits, accounting and treasury functions. After retiring from AEP in 2004, Mr. Fayne began providing advisory and consulting services to various companies, including Century Aluminum Company. In addition to serving on the Board, Mr. Fayne currently serves as chairman of the board of directors for Southwest Generation, LCC, a privately held gas fired generating company; director and chairman of the audit committee of the board of directors for Murray Energy Corporation, a privately held coal mining company; and sits on the boards of directors of Youth and Families, a non-profit organization serving at risk children in Franklin County, Ohio and Habitat for Humanity of Greater Columbus, Ohio. Mr. Fayne holds a Bachelor of Arts degree in Economics from Columbia College of Columbia University and a Masters of Business Administration degree from the Columbia Graduate School of Business.

#### *Qualifications, Experience, Key Attributes and Skills:*

With over 35 years of total industry experience, Mr. Fayne's extensive background in financial planning, budgeting, risk management and operational experience with AEP combine to provide extremely relevant insight and guidance related to our primary operations. His substantial executive leadership expertise and consulting experience are directly relevant to our operations and activities as well as to his service on our Audit and Compensation Committees, and help aid the Board's strategic and high-level planning as well as the Board's understanding of our customers and competitors. Mr. Fayne's participation on a variety of other boards provides him with a well-rounded perspective to further enhance the Board's understanding of the industry.

### **Gary R. Johnson**

Age: 65  
Director Since: 2007  
Director Class: Class I  
Expiration of Term: 2014

Most recently, Mr. Johnson was Vice President and General Counsel of Xcel Energy and its wholly-owned subsidiary, Northern States Power Company. Xcel Energy, through its subsidiaries, is a leading electric and natural gas utility company offering a comprehensive portfolio of energy-related products and services to customers throughout the western and midwestern United States. Mr. Johnson occupied this position from 2000 until his retirement in 2007. From 1989 to 2000, Mr. Johnson was Vice President and General Counsel of Northern States Power Company, the predecessor to Xcel Energy. He holds a bachelor's degree in history from the University of Minnesota and a Masters in Public Administration degree from Ohio State University. Mr. Johnson is a graduate of the University of Minnesota Law School.



*Qualifications, Experience, Key Attributes and Skills:*

Through his distinguished career as an executive officer and general counsel at Xcel Energy and Northern States Power Company, Mr. Johnson gained a broad understanding of the business, legal issues and regulatory landscape of the electrical utility industry. Serving as lead director on the Board and the Chairman of the Nominating and Corporate Governance Committee, Mr. Johnson uses his vast knowledge to provide a valuable perspective that assists the Board in its understanding of current legal and regulatory issues facing us and the industry, as well as into the challenges of operating a nationwide company.

**Larry F. Altenbaumer**

Age: 63  
Director Since: 2006  
Director Class: Class III  
Expiration of Term: 2013

Mr. Altenbaumer has over 40 years of experience in the energy industry and is currently an independent consultant providing services to several organizations both inside and outside of the energy industry, including ArcLight Capital Partners, a leading energy investment firm. He is also an independent director for the Southwest Power Pool, a FERC approved regional transmission organization covering portions of nine states, and chair of the Board of Decatur Memorial Health Systems. Mr. Altenbaumer joined Illinois Power Company, an electric and natural gas delivery company in 1970, and spent much of his nearly 34 years there in various financial leadership positions including Treasurer, Controller and Chief Financial Officer, prior to becoming President in 1999. During his tenure, he also served as Executive Vice President for Regulated Delivery for Dynegy Inc., a wholesale power, capacity and ancillary services provider. Illinois Power became a subsidiary of Dynegy in 2000 a transaction led by Mr. Altenbaumer for Illinois Power. Mr. Altenbaumer received a Bachelor's degree in electrical engineering/computer science from the University of Illinois.

*Qualifications, Experience, Key Attributes and Skills:*

Mr. Altenbaumer's long record of achievement in various leadership positions at Illinois Power, including President, enables him to provide valuable insight into key aspects of successfully managing our day-to-day business and management operations. This experience and his current position as a director of the Southwest Power Pool and a member of its Human Resources Committee and Finance Committee support his role as Chairman of the Compensation Committee. His executive management roles and range of consulting experience both inside and outside of the industry strengthen Mr. Altenbaumer's ability to provide strategic leadership to help us better position ourselves for future growth and success. In addition, Mr. Altenbaumer's board service for Decatur Memorial Health Systems and the Southwest Power Pool along with the nature of his activity in support of several ArcLight portfolio companies provide him with relevant expertise in areas related to corporate

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governance issues affecting U.S. publicly traded companies and arm him with a wide base of knowledge related to his membership on the Board's Corporate Governance Committee.

|  |   |
|--|---|
| <b>William A. Koertner</b><br>Age: 62<br>Director Since: 2007<br>Director Class: Class III<br>Expiration of Term: 2013 | <p>Mr. Koertner joined MYR Group in 1998 as Senior Vice President, Treasurer and Chief Financial Officer, responsible for all financial functions including accounting, treasury, risk management, MIS and fleet operations. He was promoted to President and CEO in December 2003. In his role as President and CEO, he has complete profit and loss responsibility for the Company. Prior to joining MYR Group, Mr. Koertner served as Chief Financial Officer for Central Illinois Public Service Company from 1995 to 1998 and President and Chief Executive Officer of CIPSCO Investment Company. CIPSCO manages nonutility investments and provides investment management services for affiliates.</p> <p>Mr. Koertner holds a Bachelor's of Science degree in finance from Northern Illinois University and a Masters of Business Administration degree from the University of Illinois.</p> |
|--|---|

### *Qualifications, Experience, Key Attributes and Skills:*

Through Mr. Koertner's tenure as both CEO and President and Chief Financial Officer of MYR Group, he has gained an in-depth understanding of our day-to-day operations and has helped to develop and set our short- and long-term growth strategies. He has been an instrumental force in building and maintaining key customer, vendor and investor relationships that have played an integral role in helping to further understand our business goals, the markets in which we operate and our competitive climate, all of which have contributed greatly to the success of the Company. Mr. Koertner also brings a wealth of financial expertise and utility background to his role and possesses an expert understanding of accounting practices, treasury, risk management, MIS and fleet operations, providing sound guidance to the board regarding our strategies and management.

|   |  |
|---|--|
| <b>William D. Patterson</b><br>Age: 57<br>Director Since: 2007<br>Director Class: Class III<br>Expiration of Term: 2013 | <p>In October 2010, Mr. Patterson rejoined EnSTAR Management Corporation, a company that he founded to provide advisory and consulting services to utilities. Prior to this, Mr. Patterson served as Senior Vice President of Corporate and Business Development for American Water Works Company, Inc., the largest investor-owned U.S. water and wastewater utility company. From 2005 through mid-2008, Mr. Patterson served as Senior Vice President and Chief Financial Officer of Pennichuck Corporation, an investor-owned water utility holding company. From January 2003 to January 2005, he served as an executive advisor to Concentric Energy Advisors, a private firm located in Marlborough, Massachusetts, providing financial advisory and consulting services for utilities. His experience also includes nearly 20 years of work within the investment banking industry, serving in senior positions at E.F. Hutton, Shearson Lehman and Smith Barney, where he was managing director and co-head of the corporate finance department's regulated utilities practice.</p> <p>Mr. Patterson earned his Masters of Business Administration degree in finance and accounting from the University of Chicago Graduate School of Business, graduating with high honors. He earned his Bachelor's of Science degree in civil engineering from Princeton University, graduating summa cum laude.</p> |
|---|--|

*Qualifications, Experience, Key Attributes and Skills*

Mr. Patterson is a financial executive and expert with 30 years of experience primarily serving the regulated utility and energy/utility infrastructure markets. As an independent director and Chairman of the Audit Committee and a member of the Compensation Committee, Mr. Patterson brings a broad-based track record of success as a banker, investor, and advisor and has held senior management and independent director positions for both public and private companies. His service as a senior executive for various companies in the utility industry provides him with an unparalleled understanding and awareness of our markets and a valuable perspective in the review and analysis of financial statements and results.

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**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires our executive officers, directors and persons who own more than 10% of our common stock to report their ownership of our common stock and changes in that ownership.

We reviewed copies of reports filed pursuant to Section 16(a) of the Exchange Act and written representations from reporting persons that all reportable transactions were reported. Based solely on that review, we believe that during the fiscal year ended December 31, 2011, all required filings were timely made in accordance with Exchange Act requirements.

**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

**Review, Approval and Ratification of Transactions with Related Persons**

We have a written policy and procedures for the review, approval and ratification of transactions with related persons, which has been adopted by the Board. Under our policy, the definition of related persons includes, among others, our named executive officers, directors, beneficial owners of more than 5% of our common stock and any of the foregoing person's immediate family members. In considering the approval of any related party transaction, the Audit Committee will consider whether or not the terms of the transaction are fair to the Company.

Pursuant to our policy, there were no reported transaction in 2011 that qualified as a related person transaction, and therefore no reported transaction was referred to the Audit Committee or any other committee of the Board for review.

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**COMPENSATION COMMITTEE MATTERS**

The Board established the standing Compensation Committee in accordance with our By-Laws. The Board has determined that each member of the Compensation Committee qualifies as an "independent" director as defined under the Nasdaq rules, as a "non-employee" director as defined in Rule 16b-3(b)(3) under the Exchange Act and as an "outside" director within the meaning of Section 162(m)(4)(c)(i) of the Internal Revenue Code of 1986, as amended (the "IRS Code").

The Compensation Committee firmly believes that the compensation of our executive officers should emphasize paying for performance, and it is committed to getting compensation right, both for the Company's stockholders and the Company's long-term success. The Compensation Committee is responsible for assisting the Board in overseeing the Company's compensation and employee benefit plans and practices, including its executive compensation plans and its incentive-compensation and equity-based plans. To represent and assist the Board in its oversight of the Company's compensation practices and under our charter, the Compensation Committee performs, among other tasks, the following duties:

reviews and recommends any changes to the goals and objectives of the Company's executive compensation plans;

reviews and recommends any changes to the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans;

evaluates annually the performance of named executive officers in light of the goals and objectives of the Company's executive compensation plans, and determines and approves, or recommends to the Board for its approval, the compensation levels of named executive officers based on this evaluation;

evaluates annually the appropriate level of compensation for Board and Committee service by non-employee members of the Board; and

establishes and reviews stock ownership guidelines for directors and officers.

The Compensation Discussion and Analysis, included in this Proxy Statement, goes into further detail about the Compensation Committee's processes for determining the appropriate levels of compensation for executive officers and directors.

***Compensation Consultants***

In order to fulfill its duties, the Compensation Committee has the authority to retain, at the Company's expense, its own advisors and compensation consultants and to approve their compensation. These external compensation consultants provide the Compensation Committee with guidance on compensation trends, program designs and market research and advice and recommendations on both executive and director compensation. They also help evaluate the competitive position of named executive officers' and directors' compensation, and provide advice on incentive award programs. Their findings are discussed in more detail in the Compensation Discussion and Analysis.

The compensation consultants are engaged by and report directly to the Compensation Committee on executive compensation matters and meet separately with the Compensation Committee outside the presence of management. Interaction between the compensation consultants and management is generally limited to providing necessary information and data.

Since November 2009, the Compensation Committee has retained Mercer to serve as its compensation consultant. In addition to executive compensation related services, in 2011, Mercer conducted a market survey of compensation for officers and managers, other than our named executive

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officers, and an assessment of compensation related risks discussed below. Mercer's fees for these services did not exceed \$120,000.

***Compensation Risk Assessment***

In reviewing and approving compensation programs, the Compensation Committee considers whether the programs are likely to promote risk-taking behavior that could adversely affect the Company. The Compensation Committee has designed the Company's compensation programs, including the Company's incentive compensation plans, with specific features to address potential risks while rewarding employees for achieving long-term financial and strategic objectives through prudent business judgment and appropriate risk taking. The following elements have been incorporated into our programs available for our executive officers:

*A Balanced Mix of Compensation Components* The target compensation mix for the Company's executive officers is composed of salary, annual cash incentives and long-term equity incentives, representing a mix that is not overly weighted toward short-term cash incentives.

*Multiple Performance Factors* The Company's incentive compensation plans use multiple Company-wide metrics, which encourage focus on the achievement of objectives for the overall benefit of the Company:

The 2011 annual cash incentive was dependent on multiple performance metrics including pretax income, as adjusted for unusual or nonrecurring items, and safety performance.

The long-term incentives are equity-based with three-year and five-year vesting schedules and performance shares based on achieving certain targets.

*Capped Incentive Awards* Annual cash incentive awards are capped at 150% of target and the amount of performance shares that can be earned is limited to 200% of target award.

*Stock Ownership Guidelines* Guidelines call for significant share ownership, which aligns the interests of our executive officers with the long-term interests of stockholders.

The Compensation Committee also retained Mercer to conduct an assessment of compensation-related risks for all of our employees. Mercer's assessment included a review of multiple factors including, but not limited to, the design of compensation policies and programs, controls and approval processes and the negative discretion provided in the oversight of these programs. Based on Mercer's assessment and the Compensation Committee's independent assessment of compensation-related risks, the Compensation Committee has concluded that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. In the event that the Company's risk profile were to change, the Compensation Committee would consider appropriate adjustments in policies and practices.

***Compensation Committee Report for the Year Ended December 31, 2011***

The Compensation Committee oversees our compensation program on behalf of the Board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis included in this Proxy Statement.

In reliance on the review and discussion referred to above, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in our Proxy Statement to be filed with the SEC in connection with our Annual Meeting and incorporated by

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reference in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC ("2011 Form 10-K").

**Compensation Committee:** Larry F. Altenbaumer, Chair  
Jack L. Alexander  
Henry W. Fayne  
Gary R. Johnson  
William D. Patterson

**DIRECTOR COMPENSATION**

The Compensation Committee reviews director compensation periodically and recommends changes to the Board, when it deems them appropriate. We use a combination of cash and equity-based compensation to attract and retain non-employee directors and to compensate such directors for their service on the Board in an amount that is commensurate with their role and involvement. In setting director compensation, the Compensation Committee and the Board considered an analysis prepared by Mercer in December 2010 of reported non-employee director compensation practices at the same peer companies used for the Compensation Committee's evaluation of named executive officers' compensation, discussed more fully in the "Compensation Discussion and Analysis" section of this Proxy Statement. This analysis included information on prevalent practices for retainers, fees and equity compensation.

**Cash Compensation**

For the year ended December 31, 2011, the Board approved the following cash compensation for our non-employee directors for service on the Board and Board committees:

annual compensation retainer of \$35,000 for each member of the Board, plus an additional \$10,000 annually for each chairperson of the Audit and Compensation Committees, and \$5,000 annually for the chairperson of the Nominating and Corporate Governance Committee;

cash compensation of \$2,000 for each meeting of the Board attended in person and \$1,000 for each meeting attended telephonically; and

cash compensation of \$1,000 for each meeting of any committee attended, whether in person or by phone.

In addition, our directors are entitled to reimbursement for reasonable costs and expenses incurred in connection with attendance at Board and committee meetings.

**Equity Compensation**

In 2011, the Board approved time-based restricted stock grants with a value of approximately \$60,000 to each non-employee director. Each grant vests ratably over a three-year period, but may be accelerated upon a change in control, as defined in the Long-Term Incentive Plan (Amended and Restated as of May 5, 2011) ("LTIP"), provided the grantee is a member of the Board. Unvested restricted stock grants are forfeited when a director leaves the Board.

**Other Features**

The Board established stock ownership guidelines for our non-employee directors to reinforce the importance of aligning the interests of the members of the Board with the interests of our stockholders. The guideline requires directors to meet an equity ownership level with a value equal to or greater than four times the annual retainer within five years from the later of March 31, 2011 and the date the non-employee director was appointed to the Board. We also have an insider trading policy which, among other things, prohibits directors from hedging the economic risk of their stock ownership.

Table of Contents**2011 DIRECTOR COMPENSATION TABLE**

The following table sets forth the annual compensation earned by each of our non-employee directors for the fiscal year ended December 31, 2011.

| <b>Name</b>          | <b>Fees<br/>Earned<br/>or Paid in<br/>Cash \$(1)</b> | <b>Stock<br/>Awards<br/>\$(2)</b> | <b>Total<br/>\$(3)</b> |
|----------------------|--|-----------------------------------|------------------------|
| Jack L. Alexander    | 58,000   | 59,991                            | 117,991                |
| Larry F. Altenbaumer | 67,500   | 59,991                            | 127,491                |
| Henry W. Fayne       | 58,000   | 59,991                            | 117,991                |
| Betty R. Johnson     | 56,000   | 59,991                            | 115,991                |
| Gary R. Johnson      | 64,250   | 59,991                            | 124,241                |
| Maurice E. Moore     | 56,000   | 59,991                            | 115,991                |
| William D. Patterson | 69,500   | 59,991                            | 129,491                |

- (1) Our directors have the option of receiving between 10% and 60% of their annual retainer in the form of our common stock. In 2011, the following directors received stock as a portion of their annual retainer: Mr. Alexander: 283 shares or approximately 20% of his annual retainer; Mr. Altenbaumer: 851 shares or approximately 60% of his annual retainer; and Mr. Johnson: 709 shares or approximately 50% of his annual retainer.
- (2) Each director was awarded 2,481 shares of restricted stock on March 24, 2011, and all shares in this column represent the aggregate grant date fair value of those awards in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. The aggregate grant date fair value is the amount that we would expense in our financial statements over the award's vesting schedule, which is three years. These amounts reflect our accounting expense for these awards and may not correspond to the actual value that may be recognized by the directors. Assumptions used in the calculation of these amounts are included in footnote 14 to our audited consolidated financial statements for the fiscal year ended December 31, 2011 included in our 2011 Form 10-K.
- (3) As of December 31, 2011, each director held the aggregate number of stock awards set forth under the "Ownership of Equity Securities" section of this Proxy Statement.



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**COMPENSATION DISCUSSION AND ANALYSIS**

**Introduction**

This Compensation Discussion and Analysis describes the material components of our executive officer compensation program for the officers who are named in the Executive Compensation Tables below and who are referred to as our "named executive officers." For more information on our named executive officers and our other executive officers, please refer to Part I, Item I of our 2011 Form 10-K under the header: "Executive Officers." Our named executive officers for 2011 were as follows:

William A. Koertner, President and CEO;

Marco A. Martinez, Vice President, Chief Financial Officer and Treasurer;<sup>(1)</sup>

Gerald B. Engen, Jr., Senior Vice President, Secretary and Chief Legal Officer;

John A. Fluss, Group Vice President;

William H. Green, Senior Vice President and Chief Operating Officer;<sup>(2)</sup> and

Richard S. Swartz, Jr., Senior Vice President and Chief Operating Officer.<sup>(2)</sup>

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(1) Mr. Martinez served as our Chief Financial Officer until January 3, 2012. Paul J. Evans was appointed as Chief Financial Officer effective January 3, 2012.

(2) On May 5, 2011, as part of the Company's long-term succession plan, the Board appointed Richard S. Swartz, Jr. as Senior Vice President and Chief Operating Officer. Mr. Swartz had previously served as Senior Vice President since 2009 and as a Group Vice President from 2004 to 2009. On May 5, 2011, the Board also appointed William H. Green, the Company's previous Chief Operating Officer, to continue to serve as the Company's Senior Vice President.

**Executive Summary**

*2011 Company Performance*

MYR Group is a leading specialty contractor serving the electrical infrastructure market in the United States. We are one of the largest national contractors servicing the transmission and distribution sector of the United States electric utility industry. Our transmission and distribution customers include electric utilities, cooperatives and municipalities. To those customers, we provide a broad range of services which includes design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair throughout the continental United States. We also provide commercial and industrial electrical contracting services to facility owners and general contractors in the western United States. Fiscal year 2011 was a year of major progress and accomplishment for our company on many fronts:

Our full-year 2011 revenues were \$780.4 million compared to full-year 2010 revenues of \$597.1 million, a 30.7% increase.

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Our full-year 2011 diluted Earnings Per Share (EPS) were \$0.87 compared to full-year 2010 diluted EPS of \$0.78, an 11.5% increase.

At December 31, 2011, our backlog was \$692.8 million compared to December 31, 2010 backlog of \$520.9 million, a 33.0% increase.

We entered into a new five-year syndicated credit agreement for an initial facility of \$175.0 million to replace the previous \$75.0 million revolving credit facility and \$10.0 million term loan. We expect this new credit agreement will give us increased capital to finance our growth.

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We are proud of our strong performance and credit much of our success to a sound compensation program, which aims to pay for performance and align compensation with both the short- and long-term interests of our stockholders.

*Pay-For-Performance*

We have designed our compensation programs to reward our key executive officers for their contributions to our short-term and long-term performance and to be competitive with programs offered by companies with which we compete for executive officer talent. We believe that the pay of our named executive officers should be directly linked to performance, thus our compensation programs are designed to reward strong financial performance and safe operations.

Although we do not use a specific formula to determine the mix of performance-based and fixed compensation paid to our named executive officers, our emphasis on pay-for-performance resulted in performance-based compensation (which we define as stock option awards, performance shares awards and cash awards tied to performance) representing a significant part of named executive officer's compensation in 2011. In 2011, performance-based compensation represented 54.9% of the target Total Direct Compensation (which we define as base salary, target bonus under our Senior Management Incentive Plan (the "SMIP") and target value of equity awards under our LTIP for our CEO and an average of 48.3% for our other named executive officers, as shown in the chart below.

**2011 Target Performance Based Compensation**

The target Total Direct Compensation for our CEO and named executive officers was below the median for the Peer Group (as discussed below under "Benchmarking and Use of Compensation Consultants").

|  | <b>2011 Target<br/>Total Direct<br/>Compensation<br/>(\$000)</b> | <b>Peer Group Median<br/>Total Direct<br/>Compensation<br/>(\$000)</b> |
|--|--|--|
| Chief Executive Officer                  | \$ 1,908   | \$ 1,924   |
| Other named executive officers (average) | \$ 746   | \$ 757   |

*2011 Compensation Highlights and Philosophy*

We endeavor to maintain strong compensation practices, which requires effective governance standards with respect to the oversight of our executive compensation policies and practices, which are described throughout this Compensation Discussion and Analysis. The following policies and practices were in effect during 2011:

We authorized the performance of a risk assessment to analyze whether any element of our compensation programs is reasonably likely to have a material adverse effect on our company;

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We put our 2010 executive compensation to an advisory vote of our stockholders, receiving a positive response of over 97%;

We reaffirmed our stock ownership guidelines for our named executive officers to align their interests with our stockholders' interests;

We keep open dialogue with stockholders to solicit input and feedback on our compensation practices and policies;

We entered into indemnification agreements with each of our current directors and named executive officers providing indemnification to the fullest extent permitted by Delaware law;

We instituted a policy that we would no longer include gross-up payments for excise taxes in new employment agreements;

We sought, and received, stockholder approval to certain amendments to our LTIP;

We granted equity awards under our LTIP that provide a mix of retention-based awards and awards that will reward our executives for the achievement of long-term performance goals that are intended to maximize stockholder value; and

We included clawback provisions in our LTIP award agreements, which makes all equity awards under the LTIP subject to the Company's right to recover awards in the event that the Committee determines that a participant has engaged in conduct that contributed to any material restatement of our earnings.

**Objectives of our Compensation Programs**

We seek to maintain the competitiveness of our executive compensation program with those of our peers and competitors. Adjustments to both overall compensation and the individual components of compensation are based on various factors including results of compensation benchmarking studies, published compensation survey data, general economic conditions, the effects of inflation or other economic forces, changes in our business operations and the related financial results, results from our stockholder vote on Say on Pay and changes in the compensation practices of our competitors. We also take into account each executive officer's individual performance when making compensation adjustments.

The primary goals of our executive compensation program are to:

encourage the achievement of meeting financial and safety performance goals;

attract and retain the most talented and dedicated executives possible;

motivate executive leadership and promote behavior that aligns our executive officers' interests with those of our stockholders;

develop and maintain an understanding of our industries' competitive environment and position ourselves as a leader within our industries;

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encourage our executives to develop business models and systems that seek out strategic opportunities, which benefit us and our stockholders;

implement a culture of legal and regulatory compliance and a commitment to operating our business with the highest standards of professional conduct, ethics and compliance;

achieve accountability for performance by linking compensation to the achievement of financial and safety performance goals; and

develop business and build backlog of profitable business to ensure our long-term success.

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**Management's Role in Setting Compensation**

The Compensation Committee oversees the executive compensation program for our named executive officers. Our management also plays an important role in setting the compensation of our named executive officers by initially recommending various components of compensation, including financial performance goals, safety performance goals and strategic goals relating to each named executive officer. Management also makes recommendations regarding the base salary, cash bonus and equity awards for our named executive officers (other than with respect to our CEO). While our management makes recommendations as to the goals and awards for named executive officers' compensation (other than with respect to our CEO), the Compensation Committee has final authority and complete discretion to ultimately set the compensation of our named executive officers.

At the request of the Compensation Committee, our CEO presents to the Compensation Committee his evaluation of the performance of our named executive officers and his recommendations regarding their compensation. The Compensation Committee considers these evaluations and recommendations in determining our named executive officers' salaries and the amounts that may be paid under our incentive plans.

To assist the Compensation Committee, management also prepares information "tally sheets." The purpose of the tally sheets is to provide the Compensation Committee the information on key elements of actual compensation and potential compensation for our named executive officers so that the Compensation Committee may fully evaluate our total compensation packages. Further, the Compensation Committee typically discusses compensation decisions with its independent compensation consultant and deliberates on such decisions without management present.

**Benchmarking and Use of Compensation Consultants**

We annually compare our compensation program with those companies in a peer group (the "Peer Group") that the Compensation Committee developed together with Mercer. Upon the request of the Compensation Committee, management provides limited support in the development of the Peer Group. The companies selected for inclusion in the Peer Group, which are listed below, were selected either because we believe they are direct competitors in our industry (in terms of both market share and management talent resources) or because they provided similar electrical contracting services. Additionally, the criteria used to identify the Peer Group included construction and engineering companies in our industry with annual revenue between 1/3<sup>rd</sup> and three times our annual revenue. The Compensation Committee reviews the makeup of the Peer Group annually to ensure that it provides a sound benchmark.

| <b>Peer Group</b>   |   |
|---|---|
| <p>Ameron International Corporation<br/>                     Astec Industries, Inc.<br/>                     Michael Baker Corporation<br/>                     Comfort Systems USA, Inc.<br/>                     Dycom Industries, Inc.<br/>                     Granite Construction Incorporated<br/>                     Insituform Technologies, Inc.<br/>                     Integrated Electrical Services, Inc.</p> | <p>MasTec, Inc.<br/>                     Matrix Service Company<br/>                     Pike Holdings, Inc.<br/>                     Tetra Tech, Inc.<br/>                     TRC Companies, Inc.<br/>                     Willbros Group Inc.<br/>                     Primoris Services Corporation<br/>                     ENGlobal Corporation</p> |

In 2010, Mercer performed an executive compensation study (the "Mercer Executive Compensation Review") which was presented to the Compensation Committee in October 2010. We used comparisons to the Peer Group and a review of the Mercer Executive Compensation Review to ensure that our executive compensation program for 2011 was competitive with the Peer Group and the market. The Compensation Committee generally seeks to target total executive compensation at or

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near the size-adjusted median total compensation of the group and allows business and individual performance to determine whether actual pay is above or below the median. The Compensation Committee believes that the Mercer Executive Compensation Review and a review of the Peer Group programs provide valuable information during the Compensation Committee's review and design of both named executive officer's overall compensation levels as well as individual components of compensation including the allocation of compensation between long-term and short-term compensation and cash and non-cash compensation. In November 2011, the Compensation Committee reviewed the Peer Group to assess its appropriateness as a benchmark for our comparison, and we expect to update the Peer Group in 2012 to reflect changes in the marketplace.

The Compensation Committee believes that it is appropriate to utilize compensation benchmarking studies of our peer and competitor companies to establish compensation targets because the competitiveness of our compensation practices greatly influences our ability to attract, motivate and retain top executive officer talent, which is an important determinant of our business success. However, the Compensation Committee believes compensation benchmarking studies should only be considered as a point of reference for measurement, but not as the determinative factor for our named executive officers' compensation. The results of the studies do not supplant the significance of the individual performance of our named executive officers that the Compensation Committee considers when making compensation decisions. Because the information provided by compensation benchmark studies is just one of the pieces of information that is used in setting executive compensation, the Compensation Committee has discretion in determining the nature and extent of their use. Further, the Compensation Committee has discretion to determine the frequency of performing benchmarking and other studies.

**Communications with Stockholders on Executive Compensation**

At our 2011 Annual Meeting, our stockholders voted on an advisory resolution regarding the compensation of our named executive officers, which was approved by more than 97% of the votes cast on the proposal (the "say on pay proposal"). These results demonstrated strong stockholder support for our overall executive compensation approach and the actions set forth in our 2011 proxy statement. The Compensation Committee considered and will continue to consider the outcome of these advisory votes when considering future executive compensation arrangements.

In addition to our annual say on pay proposal, management has also opened a dialogue with our stockholders. As part of this dialogue, stockholders are encouraged to provide feedback on our executive compensation programs and to provide us feedback on its various components. We believe that these conversations will better situate our company to modify the compensation programs to address shareholder concerns on an ongoing basis. Management reports to the Compensation Committee on issues or concerns our stockholders provide with respect to our executive compensation programs. We encourage shareholders to reach out to the Board or the Compensation Committee with any feedback on our executive compensation programs. For more information on providing feedback and the related procedures, please see "Corporate Governance Communications with the Board" in this Proxy Statement.

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**Summary of Compensation Programs**

This table summarizes the material elements of our named executive officers' compensation program.

| <b>Compensation Element</b>              | <b>Objectives</b>   | <b>Key Features</b>  |
|--|---|--|
| Base Salary                              | To provide a fixed level of cash compensation to reward demonstrated experience, skills and competencies relative to the market value of the job.   | Varies based on skills, experience, level of responsibility and other factors.<br><br>Adjustments are considered annually based on individual performance, level of pay relative to the market, and internal pay equity.   |
| Senior Management Incentive Plan         | To reward annual corporate performance.<br><br>To align named executive officer's interests with those of our stockholders by linking compensation with financial and safety performance.<br><br>To retain named executive officers by providing market-competitive compensation.   | Annual incentive payments are cash awards based on financial and safety performance objectives.<br><br>Annual cash incentive awards are capped at 150% of target.  |
| Long-Term Incentive Plan (Equity Awards) | To align named executive officers' interests with long-term stockholder interests by linking part of each named executive officer's compensation to long-term corporate performance.<br><br>To provide opportunities for wealth creation and ownership, which promotes retention and enables us to attract and motivate our named executive officers.<br><br>To retain named executive officers through multi-year vesting of equity grants and multi-year performance periods. | Targeted at levels that will provide total direct compensation (base salary plus annual incentive plus equity awards) competitive with our Peer Group's total direct compensation.<br><br>Utilizes different equity types, including stock options, restricted stock and performance shares to balance the multiple objectives.<br><br>Long-term equity awards generally vest annually over three-year or five-year periods and the amount of performance shares that can be earned is capped at 200% of target award. |



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| <b>Compensation Element</b>  | <b>Objectives</b>   | <b>Key Features</b>  |
|--|---|--|
| Profit Sharing Contributions to Diversified Holdings Savings Plan  | To reward annual corporate performance.   | Contribute up to 10% of salary depending on the profitability of the Company.  |
| 401(k) Matching Contributions to Diversified Holdings Savings Plan | To provide certain retirement income for our employees, including our named executive officers. | Provide a match of 100% of an employee's contributions up to the first 6% of such employee's base salary, up to the maximum allowed by the plan. |
| Financial Planning Services  | To provide financial planning services to our named executive officers                          | Use of a financial planning service  |
| Executive Perquisites  | To attract and retain named executive officers  | Use of a Company vehicle or a car allowance.   |
| <b>Base Salary</b>   |   |  |

Base salary is a critical element of our named executive officers' compensation because it provides named executive officers with a base level of guaranteed monthly income to compensate them for services provided to us.

Based on the Compensation Committee's review of the overall economy and the named executive officers' salaries relative to the market data, the Compensation Committee typically reviews base salary on an annual basis, and, when market or merit increases are warranted, changes in base salary are generally made effective in April.

**Senior Management Incentive Plan**

The SMIP, which replaced the Management Incentive Plan for our named executive officers in fiscal year 2010, is designed to provide our named executive officers with cash performance awards payable annually to reward the achievement of certain financial and safety performance goals that we believe are strongly linked to stockholder value creation. An important factor in our decision to pay our SMIP awards in cash rather than in equity has been to ensure that our compensation program remains competitive with the programs of our direct competitors, which include private companies that primarily pay their executives with cash. Our SMIP performance targets are measured against financial performance and safety goals that are established annually by the Compensation Committee and that encourage our named executive officers to increase stockholder value by focusing on growth in revenue and earnings and safety in operations.

The payout for each named executive officer under the SMIP is dependent on a percentage of each named executive officer's salary that the Compensation Committee determines to be subject to the plan and our performance measured against the financial and safety goals established by the Compensation Committee pursuant to the SMIP.

Consistent with our compensation objective of linking named executive officers' compensation with performance, each named executive officer's 2011 award pursuant to the SMIP was based on pretax income as the financial performance goal and total case rate and lost time cases as the safety performance goals because we believe these metrics are strongly correlated with our company's success.

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The performance goals are intended to be challenging and ambitious but also realistic enough to be reasonably attainable given a concerted effort by our named executive officers in consideration of current conditions and trends. Target payouts have been attained once in the previous three years.

Each named executive officer's bonus opportunity under the SMIP is expressed as a percentage of his base salary and depends on the level of achievement of the performance goals, as provided in the table below.

| Named Executive Officer         | Performance Rating <sup>(1)</sup> |              |              |
|---------------------------------|-----------------------------------|--------------|--------------|
|                                 | 75% of Goal                       | 100% of Goal | 150% of Goal |
|                                 | (Threshold)                       | (Target)     | (Maximum)    |
|                                 | (percentage of base salary)       |              |              |
| Mr. Koertner                    | 25%                               | 80%          | 150%         |
| Messrs. Engen, Green and Swartz | 25%                               | 65%          | 125%         |
| Messrs. Fluss and Martinez      | 25%                               | 60%          | 110%         |

(1) There is no payout under the SMIP unless 75% of the performance goal, the threshold, is achieved. The SMIP provides for a range of payouts based upon the achievement of our performance goals determined by linear interpolation.

The performance goals for target, threshold and maximum, as well as the actual level of performance achieved for SMIP plan year 2011, are displayed in the following table (dollars in thousands):

|                 | Threshold | Target    | Maximum   | 2011 Results |
|-----------------|-----------|-----------|-----------|--------------|
| Pretax Income   | \$ 20,483 | \$ 27,310 | \$ 40,965 | \$ 29,057    |
| Total Case Rate | 4.13      | 3.10      | 2.07      | 2.36         |
| Lost Time Rate  | 1.27      | 0.95      | 0.63      | 0.30         |

The following table shows performance goals weighting, based on each individual named executive officers' level of responsibility within the company, that are applied to that named executive officers' base salary to determine payout for awards under the SMIP in 2011:

|              | Pretax Income (%) |        |       | Total Case Rate (%) |        |       | Lost Time Rate (%) |        |       |
|--------------|-------------------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|
|              | Thres.            | Target | Max   | Thres.              | Target | Max   | Thres.             | Target | Max   |
| Mr. Koertner | 17.5              | 56.0   | 105.0 | 3.75                | 12.0   | 22.5  | 3.75               | 12.0   | 22.5  |
| Mr. Martinez | 17.5              | 42.0   | 77.0  | 3.75                | 9.0    | 16.5  | 3.75               | 9.0    | 16.5  |
| Mr. Engen    | 17.5              | 45.5   | 87.5  | 3.75                | 9.75   | 18.75 | 3.75               | 9.75   | 18.75 |
| Mr. Fluss    | 17.5              | 42.0   | 77.0  | 3.75                | 9.0    | 16.5  | 3.75               | 9.0    | 16.5  |
| Mr. Green    | 17.5              | 45.5   | 87.5  | 3.75                | 9.75   | 18.75 | 3.75               | 9.75   | 18.75 |
| Mr. Swartz   | 17.5              | 45.5   | 87.5  | 3.75                | 9.75   | 18.75 | 3.75               | 9.75   | 18.75 |

Under our SMIP, target incentive opportunities are expressed as a percentage of base salary, which percentage is determined by the Compensation Committee, based on position, market pay levels and our overall compensation philosophy, which emphasizes performance-based compensation. The table below sets forth for SMIP plan year 2011 target annual incentive opportunities for threshold, target and maximum performance levels. The actual payout amounts are computed based on the actual performance, as outlined above, under our SMIP for plan year 2011.

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|              | 2011 SMIP<br>Base Salary<br>(\$) | Target<br>Award<br>(% Base<br>Salary) | Threshold<br>Award<br>(75%<br>Target)<br>(\$) | Target<br>Award<br>(\$) | Maximum<br>Award<br>(150%<br>Target)<br>(\$) | 2011<br>Actual<br>Award<br>(\$) | 2011 Actual<br>(% Base<br>Salary) |
|--------------|----------------------------------|---------------------------------------|---|-------------------------|--|---------------------------------|-----------------------------------|
| Mr. Koertner | 554,615                          | 80%                                   | 138,654                                       | 443,692                 | 831,923                                      | 571,808                         | 103.10%                           |
| Mr. Martinez | 267,404                          | 60%                                   | 66,851  | 160,442                 | 294,144                                      | 204,564                         | 76.50%                            |
| Mr. Engen    | 305,039                          | 65%                                   | 76,260  | 198,275                 | 381,299                                      | 258,673                         | 84.80%                            |
| Mr. Fluss    | 272,212                          | 60%                                   | 68,053  | 163,327                 | 299,433                                      | 208,242                         | 76.50%                            |
| Mr. Green    | 327,962                          | 65%                                   | 81,991  | 213,175                 | 409,953                                      | 278,111                         | 84.80%                            |
| Mr. Swartz   | 318,538                          | 65%                                   | 79,635  | 207,050                 | 398,173                                      | 270,121                         | 84.80%                            |

**Long-Term Incentive Compensation**

We believe that long-term performance is achieved through an ownership culture that rewards and encourages our named executive officers to foster our long-term success. We believe that an effective method to reward and encourage such success is through the use of stock-based awards. The purposes of the LTIP are to attract, motivate and retain our key employees and directors upon whose judgment, initiative and efforts the financial success and growth of our business largely depends, to provide additional incentive to our employees and directors through stock ownership and other rights that promote and recognize our financial success and growth, and to align management's interests to that of our stockholders. As part of the LTIP, we include a "Change in Control" provision that more closely aligns our interests with the named executive officers in the event of a possible change in control by allowing the Compensation Committee to adjust the LTIP awards to maintain and protect the rights of the participants in the LTIP in case of a change in control. Under the terms of the LTIP, the Compensation Committee has the authority to determine who will receive awards under the LTIP, the amounts of the awards and the limitations on those awards.

The Compensation Committee approved equity awards to the named executive officers in 2011 after considering the target value of equity for each named executive officer recommended by Mercer in its Mercer Executive Compensation Review, compensation levels of our compensation peer companies, and general individual and corporate performance. The Compensation Committee elected to award equity compensation to our named executive officers during 2011 composed of one-third stock options, one-third restricted stock and one-third performance shares. The Compensation Committee elected this mix because it concluded that doing so represented an appropriate balance between the incentives provided by the different types of equity. For example, stock options only generate value if the value of the stock appreciates; restricted stock provides a benefit by helping to retain key employees; and performance shares are designed to vary the level of rewards a named executive officer receives dependent on actual corporate performance results that are critical to stockholders.

The Compensation Committee approved equity award grants to our named executive officers in the following amounts based on grant-date fair value, consistent with the presentation in the Summary Compensation Table:

|                        | Nominal Value of<br>Equity Awards<br>(\$) | Value of<br>Options<br>(\$) | Value of<br>Restricted<br>Stock<br>(\$) | Value of<br>Performance<br>Shares<br>(\$) |
|------------------------|---|-----------------------------|---|---|
| William A. Koertner    | 899,944                                   | 299,990                     | 299,977                                 | 299,977                                   |
| Marco A. Martinez      | 209,945                                   | 69,991                      | 69,977                                  | 69,977                                    |
| Gerald B. Engen, Jr.   | 259,977                                   | 86,655                      | 86,661                                  | 86,661                                    |
| John A. Fluss          | 209,945                                   | 69,991                      | 69,977                                  | 69,977                                    |
| William H. Green       | 299,961                                   | 99,993                      | 99,984                                  | 99,984                                    |
| Richard S. Swartz, Jr. | 299,961                                   | 99,993                      | 99,984                                  | 99,984                                    |

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The performance shares granted in 2011 will be earned based on the achievement of the target level of return on equity ("ROE"), a non-GAAP financial measure, which we define as net income divided by total stockholders equity. The number of performance shares earned from this award is dependent on the actual level of ROE achieved for the performance period running from January 1, 2011 through December 31, 2013, and the number of earned shares can vary between 0% and 200% of the target number. However, in no case will the earned number of shares exceed 200% of the target number. We do not publicly disclose future target levels of ROE under the performance shares granted because that information constitutes confidential commercial or financial information, the disclosure of which could cause us competitive harm with regard to short-term strategies and goals. We intend to disclose this information after the conclusion of the applicable performance period.

In addition to the above, in connection with Mr. Swartz's promotion to the office of Chief Operating Officer, the Compensation Committee also approved a one-time grant of restricted stock to Mr. Swartz with the number of shares of common stock of such grant to be determined by dividing \$165,000 by the closing price of our common stock on May 12, 2011, rounded down to the next whole number of shares. This restricted stock will cliff vest on May 12, 2016 provided that Mr. Swartz remains employed by us until that date.

**Other Compensation**

At its discretion, the Compensation Committee may authorize profit sharing contributions to the Diversified Holdings Savings Plan (our 401(k) plan) accounts of our employees, including our named executive officers, subject to applicable limitations. In 2011, we paid 6% of base salary in profit sharing contributions.

Additionally, our employees, including our named executive officers, receive matching contributions under our 401(k) plan. We match 100% of an employee's contributions up to the first 6% of such employee's base salary, up to the maximum allowed by the plan.

Each named executive officer is eligible to utilize the financial service planning offered by the company as perquisite. In 2011, only Messers. Engen, Green and Swartz elected to use this service.

Each named executive officer is also eligible to participate in all other benefit plans and programs that are or in the future may be available to our other executive employees, including any health insurance or health care plan, life insurance, disability insurance, retirement plan, vacation and sick leave plan and other similar plans. In addition, each named executive officer is eligible for certain other benefits that are generally available to our employees, including reimbursement of business and entertainment expenses, reimbursement of relocation expenses and perquisites including the choice of a car allowance or the use of a company car with a gas card. The Board may revise, amend or add to the executive officer's benefits and perquisites as it deems advisable.

**Exercise of Discretion in Executive Compensation Decisions**

The Compensation Committee has complete discretion to withhold payment pursuant to any of our incentive compensation plans regardless of whether we or our named executive officers have successfully met the goals set under these plans. For 2011, the Compensation Committee did not exercise such discretion in the payment or non-payment of awards to our named executive officers.

**Employment Agreements, Severance Benefits and Change in Control Provisions**

In connection with our private placement in 2007, we entered into employment agreements with each of our named executive officers (each, as amended, an "Employment Agreement") serving at the time. The Employment Agreements provide for severance payments and benefits upon a termination of a named executive's employment without cause or for "good reason," as further described below in the

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description of the Employment Agreements in the narrative to the 2011 Grants of Plan-Based Awards Table. We compete for executive talent in a highly competitive market in which companies routinely offer similar benefits to named executive officers. We view the cash severance and continuation of health and welfare benefits as appropriate for the named executive officers who may not be in a position to readily obtain comparable employment within a reasonable period of time due to the restrictive covenants, including a one-year non-compete covenant, in the Employment Agreements.

In addition, the Employment Agreements provide for additional severance payments and benefits upon a termination of a named executive's employment without cause or for "good reason" within one year following a change in control (i.e., only on a so-called "double trigger" basis). We believe that providing change in control benefits reduces the reluctance of our named executive officers to pursue potential change in control transactions that may be in our best interest while simultaneously preserving neutrality in negotiating and executing transactions that are favorable to us. In 2011, the Compensation Committee instituted a policy that it would no longer include gross-up payments for excise taxes as a result of a change in control pursuant to any new employment agreement.

**Deductibility of Executive Compensation**

In developing the compensation packages for the named executive officers, the Compensation Committee considered the deductibility of executive compensation under Section 162(m) of the IRS Code. Section 162(m) generally disallows a tax deduction for compensation that we pay to our CEO or any of the next three most highly compensated executive officers (other than our Chief Financial Officer) to the extent that the compensation for any such individual exceeds \$1,000,000 in any taxable year. However, this deduction limitation does not apply to compensation that is "performance-based" under 162(m).

In order to maintain flexibility in making compensation decisions, the Compensation Committee has not adopted a policy requiring all compensation to be deductible under Section 162(m) of the IRS Code. Portions of the compensation we pay to certain of the named executive officers may not be deductible due to the application of Section 162(m) of the IRS Code. In 2010, our stockholders approved a plan applicable to annual bonuses for our named executive officers, the SMIP. The Committee anticipates that this plan will result in tax deductibility for any compensation we pay to such executive officers that exceeds \$1,000,000 in any taxable year. However, the Committee may from time to time approve compensation that is not deductible under Section 162(m) if it determines that it is in our best interest to do so.

**Stock Ownership Guidelines**

In order to align the interests of our executives with those of our stockholders, we require our named executive officers to attain the levels of beneficial stock ownership measured based on a multiple of his or her annual base salary, as set forth below:

| Name                               | Stock<br>Ownership<br>Guideline |
|------------------------------------|---------------------------------|
| Chief Executive Officer            | 5×base salary                   |
| All Other Named Executive Officers | 3×base salary                   |

Named executive officers have five years from the later of March 31, 2011 and their appointment to a position subject to the guidelines to attain these levels of beneficial stock ownership. As of December 31, 2011 all named executive officers at that time had met the applicable stock ownership guideline. Stock ownership does not include unvested options, SARs, restricted stock, performance awards, stock bonus, phantom stock or dividend equivalents.

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**Trading Restrictions**

We also have an insider trading policy which, among other things, prohibits named executive officers from hedging the economic risk of their stock ownership. Among other restrictions, the policy also prohibits trading in our securities outside of window periods (following earnings releases) or without pre-clearance. The policy also prohibits short-selling of the company's securities.

**Clawback Arrangements**

Each of the agreements underlying equity awards granted to our named executive officers under our LTIP permits the Compensation Committee to cause us to recover shares of common stock or cash paid to the named executive officer with respect to the applicable award if:

we restate any part of our financial statements for any fiscal year or years covered by the respective award due to a material noncompliance with any applicable financial reporting requirement; and

the Compensation Committee determines that the respective named executive officer is personally responsible for causing the restatement as a result of his or her personal misconduct or any fraudulent activity on the part of the named executive officer.

In the case of stock options, to the extent an applicable named executive officer exercises a stock option within a period of 18 months prior to the restatement, we may recover from the named executive officer any equity acquired by the named executive officer or any net proceeds of any exercises and sales. For grants of restricted stock, we may recover any shares that vested within the period of 18 months prior to the restatement or the net proceeds of any sales of such shares. With respect to performance shares, the amount of any cash or shares recoverable is limited to the amount by which the payments exceeded the amount that would have been paid to the named executive officer had our financial statements for the applicable restated fiscal year or years been initially filed as restated, as reasonably determined by the Compensation Committee.

**Conclusion**

We have designed and administer our compensation programs in a manner that emphasizes the retention of our named executive officers and rewards them appropriately for positive results. We monitor the programs in recognition of the dynamic marketplace in which we compete for talent and will continue to emphasize pay-for-performance and equity-based incentive plans that reward our named executive officers for results aligned with the interests of our stockholders.

Table of Contents**EXECUTIVE COMPENSATION TABLES****2011 Summary Compensation Table**

The following table shows the annual compensation earned by our named executive officers, for the fiscal years ended December 31, 2011, 2010 and 2009.

| Name/Position   | Year | Salary<br>(\$) | Stock<br>Awards(1)<br>(\$) | Option<br>Awards(1)<br>(\$) | Non-Equity<br>Incentive<br>Plan | All Other<br>Comp(3)<br>(\$) | Total<br>(\$) |
|---|------|----------------|----------------------------|-----------------------------|---------------------------------|------------------------------|---------------|
|   |      |                |                            |                             | Comp(2)<br>(\$)                 |                              |               |
| William A. Koertner<br>Chairman, President and<br>Chief Executive Officer             | 2011 | 554,615        | 599,954                    | 299,990                     | 571,808                         | 36,000                       | 2,062,367     |
|   | 2010 | 500,000        | 499,972                    | 249,998                     | 296,400                         | 21,300                       | 1,567,670     |
|   | 2009 | 500,000        |                            |                             | 389,150                         | 28,443                       | 917,593       |
| Marco A. Martinez<br>Vice President, Chief<br>Financial Officer<br>and Treasurer      | 2011 | 267,404        | 139,954                    | 69,991                      | 204,564                         | 35,650                       | 717,563       |
|   | 2010 | 255,000        | 99,988                     | 49,993                      | 118,320                         | 22,150                       | 545,451       |
|   | 2009 | 255,000        |                            |                             | 153,026                         | 27,179                       | 435,205       |
| Gerald B. Engen, Jr<br>Senior Vice President,<br>Chief Legal<br>Officer and Secretary | 2011 | 305,039        | 173,322                    | 86,655                      | 258,673                         | 36,322                       | 860,011       |
|   | 2010 | 275,000        | 166,646                    | 83,327                      | 138,105                         | 16,640                       | 679,718       |
|   | 2009 | 268,269        |                            |                             | 160,988                         | 19,380                       | 448,637       |
| John A. Fluss<br>Group Vice President   | 2011 | 272,212        | 139,954                    | 69,991                      | 208,242                         | 29,573                       | 719,972       |
|   | 2010 | 245,000        | 99,988                     | 49,993                      | 153,370                         | 15,181                       | 563,532       |
|   | 2009 | 245,000        |                            |                             | 147,025                         | 75,663                       | 467,688       |
| William H. Green<br>Senior Vice President and<br>Chief Operating Officer              | 2011 | 327,962        | 199,968                    | 99,993                      | 278,111                         | 33,650                       | 939,684       |
|   | 2010 | 310,000        | 166,646                    | 83,327                      | 155,682                         | 14,700                       | 730,355       |
|   | 2009 | 310,000        |                            |                             | 203,794                         | 21,444                       | 535,238       |
| Richard S. Swartz, Jr.<br>Senior Vice President and<br>Chief Operating Officer        | 2011 | 318,538        | 364,961                    | 99,993                      | 270,121                         | 37,437                       | 1,091,050     |
|   | 2010 | 275,000        | 166,646                    | 83,327                      | 138,105                         | 16,622                       | 679,700       |
|   | 2009 | 261,539        |                            |                             | 156,949                         | 21,744                       | 440,232       |

- (1) Represents the aggregate grant date fair value of restricted stock and performance shares and stock option awards granted under the LTIP during the applicable period in accordance with FASB ASC Topic 718. The aggregate grant date fair value is the amount that we would expense in our financial statements over the award's vesting schedule. Assumptions used in the calculation of these amounts and vesting details are included in footnote 14 to our audited consolidated financial statements for the fiscal year ended December 31, 2011 included in our 2011 Form 10-K. These amounts reflect our accounting expense for these awards and do not correspond to the actual value that may be recognized by the officers.
- (2) Represents the dollar value of the cash awards earned under our SMIP for fiscal 2010 and 2011 and under our Management Incentive Plan for fiscal 2009. For further details regarding the SMIP, see "Compensation Discussion and Analysis Elements of Executive Compensation Senior Management Incentive Plan" above.

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(3)

The following supplemental table describes the items of compensation reported in this column:

| Name                   | Year | 401(k)<br>Matching<br>Contribution<br>(\$) | Profit<br>Sharing<br>Contribution<br>(\$) | Automobile<br>and Other<br>Travel<br>Expenses<br>\$(A) | Financial<br>Planning<br>Services<br>(\$) | Taxable<br>Relocation<br>Expenses<br>(\$) |
|------------------------|------|--|---|--|---|---|
| William A. Koertner    | 2011 | 14,700                                     | 14,700                                    | 6,600  |   |   |
|                        | 2010 | 14,700                                     |   | 6,600  |   |   |
|                        | 2009 | 14,493                                     | 7,350                                     | 6,600  |   |   |
| Marco A. Martinez      | 2011 | 14,700                                     | 14,700                                    | 6,250  |   |   |
|                        | 2010 | 14,700                                     |   | 7,450  |   |   |
|                        | 2009 | 13,325                                     | 7,350                                     | 6,504  |   |   |
| Gerald B. Engen, Jr.   | 2011 | 14,700                                     | 14,700                                    | 2,672  | 4,250                                     |   |
|                        | 2010 | 14,279                                     |   | 2,361  |   |   |
|                        | 2009 | 12,030                                     | 7,350                                     |  |   |   |
| John A. Fluss          | 2011 | 14,700                                     | 14,700                                    | 173  |   |   |
|                        | 2010 | 14,700                                     |   | 481  |   |   |
|                        | 2009 | 13,175                                     | 7,350                                     | 983  |   | 54,155                                    |
| William H. Green       | 2011 | 14,700                                     | 14,700                                    |  | 4,250                                     |   |
|                        | 2010 | 14,700                                     |   |  |   |   |
|                        | 2009 | 12,050                                     | 7,350                                     | 2,044  |   |   |
| Richard S. Swartz, Jr. | 2011 | 14,700                                     | 14,700                                    | 3,787  | 4,250                                     |   |
|                        | 2010 | 14,700                                     |   | 1,922  |   |   |
|                        | 2009 | 13,625                                     | 7,350                                     | 769  |   |   |

(A)

Represents the named executive officer's personal use of a company automobile or automobile and fuel allowance and related expenses and reimbursement for certain personal travel-related expenses.



Table of Contents**2011 Grants of Plan-Based Awards**

The following tables set forth the target and range for grants of awards made to each of the named executive officers under the SMIP and LTIP for 2011.

| Name                   | Grant Date         | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards(2) |            |             | All Other Stock Awards(3) | All Other Option Awards(4) | Exercise or Base Price of Option Awards(5) | Grant Date Fair Value of Option and Stock Awards(5) |
|------------------------|--------------------|--|-------------|--------------|--|------------|-------------|---------------------------|----------------------------|--|---|
|                        |                    | Threshold (\$)   | Target (\$) | Maximum (\$) | Threshold (#)  | Target (#) | Maximum (#) | (#)                       | (#)                        | (\$/sh)                                    | (\$)  |
| William A. Koertner    | 3/24/11            | 138,654  | 443,692     | 831,923      | 6,203  | 12,406     | 24,812      | 12,406                    | 25,258                     | 24.18                                      | 899,944   |
| Marco A. Martinez      | 3/24/11            | 66,851   | 160,442     | 294,144      | 1,447  | 2,894      | 5,788       | 2,894                     | 5,893                      | 24.18                                      | 209,945   |
| Gerald B. Engen, Jr.   | 3/24/11            | 76,260   | 198,275     | 381,299      | 1,792  | 3,584      | 7,168       | 3,584                     | 7,296                      | 24.18                                      | 259,977   |
| John A. Fluss          | 3/24/11            | 68,053   | 163,327     | 299,433      | 1,447  | 2,894      | 5,788       | 2,894                     | 5,893                      | 24.18                                      | 209,945   |
| William H. Green       | 3/24/11            | 81,923   | 213,000     | 409,615      | 2,068  | 4,135      | 8,270       | 4,135                     | 8,419                      | 24.18                                      | 299,961   |
| Richard S. Swartz, Jr. | 3/24/11<br>5/12/11 | 79,635   | 207,050     | 398,173      | 2,068  | 4,135      | 8,270       | 4,135<br>6,688            | 8,419                      | 24.18                                      | 299,961<br>164,993                                  |

- (1) The target amounts represent the potential cash payout if performance is at target levels under the SMIP. For further details regarding the SMIP, see "Compensation Discussion and Analysis Elements of Executive Compensation Senior Management Incentive Plan" above. Actual amounts awarded under the SMIP were paid in 2012 and are disclosed in the 2011 Summary Compensation Table.
- (2) These columns contain the performance-based stock awards only. The "Target" column represents the number of shares payable if the Target Return on Equity level is met. The "Maximum" column represents the maximum number of shares payable if the performance target is exceeded. The performance period for these shares is January 1, 2011 through December 31, 2013.
- (3) Represent the restricted stock awards granted under the LTIP. The restricted shares granted on March 24, 2011 vest ratably over a five-year period. The restricted shares granted on May 12, 2011 to Richard S. Swartz, Jr., upon his promotion to Chief Operating Officer, cliff vest on May 12, 2016.
- (4) Represent the non-qualified stock options granted under the LTIP on March 24, 2011. These options vest ratably over a three-year period.
- (5) Represents the aggregate grant date fair value of options, restricted stock and performance shares granted under the LTIP during the fiscal year ended December 31, 2011 in accordance with FASB ASC Topic 718. The aggregate grant date fair value is the amount that we would expense in our financial statements over the award's vesting schedule. The fair value per share of the options was approximately \$11.88. The fair value per share of the restricted stock and performance awards granted on March 24, 2011 was \$24.18. The fair value per share of the restricted stock granted on May 12, 2011 was \$24.67. Assumptions used in the calculation of these amounts and vesting details are included in footnote 14 to our audited consolidated financial statements for the fiscal year ended December 31, 2011 included in our 2011 Form 10-K. These amounts reflect our accounting expense for these awards and do not correspond to the actual value that may be recognized by the officers.

Table of Contents**Outstanding Equity Awards at 2011 Fiscal Year End**

The following table set forth for each named executive officer, outstanding equity awards as of the end of the 2011 fiscal year.

| Name (a)               | OPTION AWARDS  |   |                               |                           | STOCK AWARDS                                      |   |   |  |
|------------------------|--|---|-------------------------------|---------------------------|---|---|---|--|
|                        | Number of Securities Underlying Unexercised Options (# Exercisable) (b)(1) | Number of Securities Underlying Unexercised Options (# Unexercisable) (c) | Option Exercise Price (\$)(d) | Option Expiration Date(e) | Number of Shares of Stock That Have Not Vested(f) | Market Value of Shares of Stock that Have Not Vested \$(g)(7) | Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested(h) | Equity Incentive Plan Awards: Market Value of Unearned Shares That Have Not Vested\$(i)(7) |
| William A. Koertner    | 265,449  |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 110,000  |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 9,560  | 19,119  | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 25,258  | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 11,640(2)   | 222,790   | 14,551(5)   | 278,506  |
|                        |  |   |                               |                           | 12,406(3)   | 237,451   | 12,406(6)   | 237,451  |
| Marco A. Martinez      | 30,591   |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 32,000   |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 1,912  | 3,823   | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 5,893   | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 2,328(2)  | 44,558  | 2,910(5)  | 55,697   |
|                        |  |   |                               |                           | 2,894(3)  | 55,391  | 2,894(6)  | 55,391   |
| Gerald B. Engen, Jr.   | 20,894   |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 32,000   |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 3,187  | 6,372   | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 7,296   | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 3,880(2)  | 74,263  | 4,850(5)  | 92,829   |
|                        |  |   |                               |                           | 3,584(3)  | 68,598  | 3,584(6)  | 68,598   |
| John A. Fluss          | 29,385   |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 32,000   |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 1,912  | 3,823   | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 5,893   | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 2,328(2)  | 44,558  | 2,910(5)  | 55,697   |
|                        |  |   |                               |                           | 2,894(3)  | 55,391  | 2,894(6)  | 55,391   |
| William H. Green       | 52,301   |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 32,000   |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 3,187  | 6,372   | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 8,419   | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 3,880(2)  | 74,263  | 4,850(5)  | 92,829   |
|                        |  |   |                               |                           | 4,135(3)  | 79,144  | 4,135(6)  | 79,144   |
| Richard S. Swartz, Jr. | 63,155   |   | 3.65                          | 06/02/16                  |   |   |   |  |
|                        | 32,000   |   | 13.00                         | 12/20/17                  |   |   |   |  |
|                        | 3,187  | 6,372   | 17.18                         | 03/24/20                  |   |   |   |  |
|                        |  | 8,419   | 24.18                         | 03/24/21                  |   |   |   |  |
|                        |  |   |                               |                           | 3,880(2)  | 74,263  | 4,850(5)  | 92,829   |
|                        |  |   |                               |                           | 4,135(3)  | 79,144  | 4,135(6)  | 79,144   |
|                        |  |   |                               |                           | 6,688(4)  | 128,008   |   |  |

(1) The options in column (b) with an option expiration date of June 2, 2016 were granted under the MYR Group Inc. 2006 Stock Option Plan and vested upon the closing of the 2007 Private Placement. All other options were granted under the stockholder-approved LTIP and vest ratably over a three-year period.

(2)

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These restricted stock awards were granted on March 24, 2010 and vest ratably over a five-year period. These restricted stock awards are subject to certain claw-back provisions.

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- (3) These restricted stock awards were granted on March 24, 2011 and vest ratably over a five-year period. These restricted stock awards are subject to certain claw-back provisions.
- (4) These restricted stock awards were granted on May 12, 2011 to Richard S. Swartz, Jr. upon his promotion to Chief Operating Officer. The awards will cliff vest on May 12, 2016. These restricted stock awards are subject to certain claw-back provisions.
- (5) These performance stock awards will cliff vest on December 31, 2012, and are subject to the achievement of certain specified levels of the Company's ROE over a performance measurement period from January 1, 2010 to December 31, 2012. These performance stock awards are subject to certain claw-back provisions.
- (6) These performance stock awards will cliff vest on December 31, 2013, and are subject to the achievement of certain specified levels of the Company's ROE over a performance measurement period from January 1, 2011 to December 31, 2013. These performance stock awards are subject to certain claw-back provisions.
- (7) The closing price (\$19.14) of the Company's shares on December 30, 2011 was used to determine the market values shown in columns (g) and (i).

Table of Contents**2011 Option Exercises and Vesting of Stock Awards**

The following table sets forth for each named executive officer, the activity for stock option exercises and vesting of stock awards during the year ended December 31, 2011.

| Name                  | Option Awards                             |                                      | Stock Awards                               |                                  |
|-----------------------|---|--------------------------------------|--|----------------------------------|
|                       | Number of Shares Acquired Upon Exercise # | Value Realized Upon Exercise (\$)(1) | Number of Shares Acquired Upon Vesting (#) | Value Realized Upon Vesting (\$) |
| William A. Koertner   | 100,000                                   | 2,038,981                            | 2,911                                      | 70,388                           |
| Marco A. Martinez     | 25,000                                    | 558,655                              | 582  | 14,073                           |
| Gerald B. Engen, Jr.  |   |                                      | 970  | 23,455                           |
| John A. Fluss         | 58,770                                    | 1,268,380                            | 582  | 14,073                           |
| William H. Green      |   |                                      | 970  | 23,455                           |
| Richard S. Swartz, Jr |   |                                      | 970  | 23,455                           |

- (1) Amounts reflect the difference between the exercise price of the option and the market price of our common stock on the date of exercise.

**Employment Agreements**

Under each Employment Agreement, the named executive officer is eligible to receive base salary, an annual target bonus, as defined under the SMIP (for 2011, the annual target bonus was equal to 80% of the executive's base salary for our CEO, 65% for our COO and two other Senior Vice Presidents, and 60% for our two other named executive officers), use of a company car and gas card or a car allowance in accordance with the Company's policy, and is eligible to participate in all incentive, 401(k), profit sharing, retirement and welfare benefit plans, policies and arrangements applicable generally to our other similarly-situated executive officers. Subject to prior notice, each Employment Agreement automatically renews annually for an additional one-year term following an initial term of 3 years, which began in 2007.

Each Employment Agreement contains non-competition covenants restricting the ability of the named executive officer to compete with us, to solicit our clients or to recruit our employees during the term of his employment and for a period of one year thereafter and prohibiting him from disclosing confidential information and trade secrets at any time during or after his employment.

The Employment Agreements generally terminate upon a named executive officer's:

death;

disability;

termination for "cause" by the Company or without "good reason" by the employee (as both are defined in the Employment Agreements and generally described below);

termination without cause or for good reason; or

termination without cause or for good reason following a "Change in Control" (as defined in each Employment Agreement and generally described below).

If termination results from any of the foregoing, each named executive officer would be entitled to all compensation earned and all benefits and reimbursements due through the date of termination.



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Additionally, if termination results from any of the reasons below, the named executive officer would be entitled to the following additional payments and/or benefits:

#### **Reason for Termination**

#### **Potential Payment(s)**

Disability

Long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly-situated employees of the Company in which the named executive officer participates

Without cause or for good reason

Lump-sum payment of twice the named executive officer's base salary and target bonus

Company-funded benefit continuation coverage for the named executive officer and eligible dependents for a period of two years, subject to forfeiture in the event the named executive officer breaches the restrictive covenants or becomes reemployed in the two-year period following his termination

Without cause or for good reason within twelve months following a change in control, a so-called "double trigger" provision

Lump-sum payment of three times the named executive officer's base salary and target bonus

Company-funded benefit continuation coverage for the named executive officer and eligible dependents for a period of two years, subject to forfeiture in the event the named executive officer becomes reemployed in the two-year period following his termination

Gross-up payments for excise taxes, if applicable (the Company will not be including such payments in future new employment agreements for named executive officers)

Each Employment Agreement for the named executive officers generally defines "Cause" as a named executive officer's:

material breach of the non-competition provisions of the named executive officer's Employment Agreement;

commission of a criminal act by the named executive officer against the Company, including but not limited to fraud, embezzlement or theft;

conviction or plea of no contest or nolo contendere to a felony or any crime involving moral turpitude; or

failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board that is not cured within thirty days after the receipt of written notice from the Company.

"Good Reason" exists under each Employment Agreement if, among other things, such named executive officer's base salary and/or annual target bonus opportunity is reduced, his duties are materially reduced, he is required to relocate to a work site more than fifty miles from his current work site or if the Company materially breaches a material provision of the named executive officer's





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Employment Agreement and fails to cure such breach within thirty days of the receipt of written notice of the breach.

Each Employment Agreement for the named executive officers generally defines a "Change in Control" as the occurrence of a "change in the ownership of the Company," a "change in the effective control of the Company" or a "change in the ownership of a substantial portion of the Company's assets" as defined in Treasury Regulation §§ 1.409A-3(i)(5)(v), (vi) and (vii), respectively. As described above, if a named executive officer is terminated without cause or for good reason within twelve months following a "Change in Control," the named executive officer would be entitled to all compensation earned and all benefits and reimbursements due through the date of termination, as well as to lump-sum payment of three times the named executive officer's base salary, target bonus and company-funded benefit continuation coverage for the named executive officer and eligible dependents for a period of two years, subject to forfeiture in the event the named executive officer becomes reemployed in the two-year period following his termination and gross-up payments for any excise taxes incurred under Sections 280G.

"Change in Control" is similarly defined in the LTIP. Under the terms of the LTIP award agreements may provide for the effect of a change in control, which may include any one or more of the following:

the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from any award granted under the LTIP;

the waiver or modification of performance or other conditions related to the payment or other rights under an award;

provision for the cash settlement of an award for an equivalent cash value, as determined by the Compensation Committee;  
or

other modifications or adjustments to an award as the Compensation Committee deems appropriate to maintain and protect the rights and interests of plan participants upon or following a change in control.

Table of Contents**Potential Payments Upon Termination or Change in Control**

As described above, our named executive officers have severance and change in control clauses in their employment agreements. The following table summarizes and quantifies the compensation that would have become payable upon termination or a change in control on December 31, 2011, given the named executive officers compensation and service levels as of such date.

| Name                   | Benefit               | Termination due to Disability(1) | Termination without Cause or for Good Reason(2) | Termination without Cause or for Good Reason within 12 months following a Change in Control(3) |
|------------------------|-----------------------|----------------------------------|---|--|
| William A. Koertner    | Severance pay(5)      | \$ 826,552                       | \$ 2,025,205                                    | \$ 3,033,205   |
|                        | Welfare benefits      | 15,996                           | 63,984  | 63,984   |
|                        | Accelerated equity(6) | 739,704                          | 739,704   | 1,013,671  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |
|                        | Car allowance         | 3,300                            |   |  |
|                        | Total(4)              | \$ 1,614,952                     | \$ 2,858,293                                    | \$ 4,140,260   |
| Marco A. Martinez(7)   | Severance pay(5)      | \$ 325,112                       | \$ 208,920                                      | \$ 208,920   |
|                        | Welfare benefits      |                                  |   |  |
|                        | Accelerated equity(6) | 157,993                          | 157,993   | 218,531  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |
|                        | Car allowance         |                                  |   |  |
|                        | Total(4)              | \$ 512,505                       | \$ 396,313                                      | \$ 456,851   |
| Gerald B. Engen, Jr.   | Severance pay(5)      | \$ 398,782                       | \$ 1,021,463                                    | \$ 1,529,663   |
|                        | Welfare benefits      | 17,046                           | 68,184  | 68,184   |
|                        | Accelerated equity(6) | 199,375                          | 199,375   | 316,777  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |
|                        | Car allowance         | 3,300                            |   |  |
|                        | Total(4)              | \$ 647,903                       | \$ 1,318,422                                    | \$ 1,944,024   |
| John A. Fluss          | Severance pay(5)      | \$ 333,339                       | \$ 884,521                                      | \$ 1,324,521   |
|                        | Welfare benefits      | 20,982                           | 83,928  | 83,928   |
|                        | Accelerated equity(6) | 137,739                          | 137,739   | 218,531  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |
|                        | Car allowance         | 3,300                            |   |  |
|                        | Total(4)              | \$ 524,760                       | \$ 1,135,588                                    | \$ 1,656,379   |
| William H. Green       | Severance pay(5)      | \$ 426,408                       | \$ 1,081,159                                    | \$ 1,619,059   |
|                        | Welfare benefits      | 14,556                           | 58,224  | 58,224   |
|                        | Accelerated equity(6) | 246,554                          | 246,554   | 337,869  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |
|                        | Car allowance         | 3,300                            |   |  |
|                        | Total(4)              | \$ 720,218                       | \$ 1,415,337                                    | \$ 2,044,552   |
| Richard S. Swartz, Jr. | Severance pay(5)      | \$ 418,418                       | \$ 1,081,159                                    | \$ 1,619,059   |
|                        | Welfare benefits      | 17,148                           | 68,592  | 68,592   |
|                        | Accelerated equity(6) | 338,696                          | 338,696   | 465,877  |
|                        | 401(k) benefits       | 29,400                           | 29,400  | 29,400   |

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|               |       |
|---------------|-------|
| Car allowance | 3,300 |
|---------------|-------|

|          |            |              |              |
|----------|------------|--------------|--------------|
| Total(4) | \$ 806,962 | \$ 1,517,847 | \$ 2,182,928 |
|----------|------------|--------------|--------------|

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(1)

Represents the amount of salary continuation and other benefits to which the named executive officer is entitled under the terms of our long-term disability policy for a period of 180 days from the date of

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termination due to long-term disability. After six months of salary continuation as provided by us, the named executive officer will be eligible for benefits under the terms of our long-term disability insurance plan, which provides a benefit equal to 60% of the named executive officer's monthly base salary (up to a maximum monthly benefit of \$10,000) until age 65 or older, as defined in the plan.

- (2) Represents the sum of (a) twice the sum of the named executive officer's base salary and target bonus (for 2011, the target bonus was 80% of annual salary for our CEO, 65% of annual salary for our COO and our two other Senior Vice Presidents; and 60% for our other named executive officers) and (b) company-funded benefit continuation coverage for the named executive officer and eligible dependents under our welfare benefit plans in which the named executive officer is a participant for a period of two years.
- (3) Represents the sum of (a) three times the sum of the named executive officer's base salary and target bonus (for 2011, the target bonus was 80% of annual salary for our CEO, 65% of annual salary for our COO and our two other Senior Vice Presidents; and 60% for our other named executive officers) and (b) company-funded benefit continuation coverage for the named executive officer and eligible dependents under our welfare benefit plans in which the named executive officer is a participant for a period of two years.
- (4) The amounts shown above do not include any gross-up payment which may be due with respect to the excise tax imposed pursuant to section 4999 of the IRS Code. Based on the following assumptions: a termination of employment without cause (or for good reason) on December 31, 2011 and a per share value on that date of \$19.14, would have entitled these named executive officers to the following gross-up payments: \$1,320,043 (Mr. Koertner); \$658,220 (Mr. Engen); \$527,092 (Mr. Fluss); \$714,255 (Mr. Green); and \$719,335 (Mr. Swartz). The foregoing does not take into account any values that could be attributed to a covenant not to compete. A covenant not to compete would reduce the amounts subject to an excise tax (and therefore potentially any amount necessary to gross up the executive in respect of such excise tax). Each of our executives is subject to a one-year non-compete.
- (5) Severance pay includes the named executive officer's base salary and target bonus applicable to the type of severance or change in control payment shown.
- (6) Accelerated equity reflects the amount of compensation that each named executive officer would receive upon the accelerated vesting of any outstanding unvested stock-based awards as of the date of termination. The compensation amount shown is based upon (1) the amount of unvested stock options and unvested restricted shares outstanding as of December 31, 2011, (2) the amount of performance shares outstanding as of December 31, 2011 that are expected to be earned prorated for the length of service completed as of December 31, 2011 for termination without cause or for good reason or all performance shares outstanding for termination without cause or for good reason within twelve months following a change of control and (3) the closing market price of a share of our common stock as reported on the NASDAQ Global Market on December 31, 2011, which was \$19.14 per share. The compensation amount for the unvested stock options is calculated by multiplying the amount of unvested stock options outstanding times the difference between the closing market price and the exercise or strike price of the option. The compensation amount for the unvested restricted stock is calculated by multiplying the number of shares of unvested restricted stock times the closing market price. The compensation amount for the unvested performance shares for termination without cause or for good reason is calculated by multiplying the unvested performance shares by the closing price and then multiplying that amount by the percentage earned (number of months the executive worked from date of grant to date of termination divided by the number of months in the vesting period for the performance shares). The compensation amount for unvested performance shares for termination without cause or for good reason within twelve months following a change of control is calculated by multiplying the unvested performance shares by the market closing price on the date of termination.
- (7) Mr. Martinez's employment agreement terminated in accordance with its terms prior to December 31, 2011. Therefore, he was not eligible for certain change-in-control and other termination payments.

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**PROPOSAL NO. 2. ADVISORY RESOLUTION TO APPROVE OUR EXECUTIVE COMPENSATION**

We are asking stockholders to approve an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. As described above in the "Compensation Discussion and Analysis" section of this Proxy Statement, the Compensation Committee has designed our executive compensation program to align each executive officer's compensation with our short-term and long-term performance and to provide the compensation and incentives needed to attract, motivate and retain the named executive officers who are crucial to our success. We urge stockholders to read the "Compensation Discussion and Analysis," which describes in more detail how our named executive officer compensation policies and procedures operate and how they achieve our compensation objectives. The "Compensation Discussion and Analysis" also sets out the Summary Compensation Table and other related compensation tables and narrative. All of this information provides detailed discussion and analysis of the compensation of our named executive officers including the following:

***We pay for performance.*** We align executive compensation with short- and long-term Company-wide, business unit and individual performance. Approximately 50% of our named executive officer compensation is performance-based. In fiscal 2011, we exceeded the target performance objectives for financial and safety performance, resulting in awards to our executive officers, of annual cash incentive amounts that were above target amounts.

***We have compensation practices that ensure leadership, decision-making and actions that are aligned with the Company's short- and long-term goals without taking inappropriate or unnecessary risks.*** The practices are discussed in detail in the "Compensation Discussion and Analysis" and include:

We have stock ownership guidelines for directors and executive officers.

We have a long-standing insider trading policy, which prohibits, among other activities hedging transactions with respect to our common stock.

We offer limited executive officer perquisites.

We periodically review the risk profile of our compensation programs and have significant risk mitigators, such as limits on incentive awards, stock holding requirements and clawback provisions.

***The Compensation Committee acts prudently in making decisions.*** Members of the Compensation Committee are independent directors. The Compensation Committee has established a thorough process for the review and approval of compensation program design, practices and amounts awarded to our executive officers. The Compensation Committee engaged and received advice from an independent, third-party compensation consultant, and, using that advice, it selected a peer group of companies to compare to our executive officers' compensation.

We ask our stockholders to participate annually in this review and indicate their support for our named executive officer compensation set forth in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. We are asking our stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2012 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the 2012 Summary Compensation Table and the other related tables and disclosure."

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The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board. Our Board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any compensation actions are necessary to address those concerns.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE APPROVAL OF THE ADVISORY RESOLUTION REGARDING OUR EXECUTIVE COMPENSATION, AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SECURITIES AND EXCHANGE COMMISSION.**

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**AUDIT COMMITTEE MATTERS**

The Board established the standing Audit Committee in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board has determined that all of the Audit Committee members are independent within the meaning of the Nasdaq's listing standards and Rule 10A-3 of the Exchange Act. The Board has also determined that all committee members are financially literate within the meaning of the Nasdaq rules and that Mr. Patterson is an "audit committee financial expert" within the meaning of SEC regulations. None of the Audit Committee members have participated in the preparation of our financial statements during the past three years.

The Board values the integrity of MYR Group's financial statements and internal controls. The Audit Committee is responsible for assisting the Board in monitoring the integrity of MYR Group's financial statements, MYR Group's compliance with legal and regulatory requirements and the independence and performance of MYR Group's internal and external auditors. To represent and assist the Board in its oversight of the Company's financial statements and under our charter the Audit Committee performs, among other tasks, the following duties:

review of the audit plans and findings of our independent registered public accounting firm and our internal audit staff, as well as the results of regulatory examinations and tracking management's corrective action plans where necessary;

review of our financial statements, including any significant financial items and/or changes in accounting policies, with our senior management and independent registered public accounting firm;

review of our financial risk and control procedures, compliance programs and significant tax, legal and regulatory matters; and

annual appointment of our independent registered public accounting firm, evaluation of its independence and performance and setting clear hiring policies for employees or former employees of the independent registered public accounting firm.

The Audit Committee established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by the Company. The Audit Committee encourages employees and outsiders to report concerns about our accounting controls, auditing matters or anything else that appears to involve financial or other wrongdoing. To report such matters, you should call the Company's fraud hotline number at 1-800-461-9330. All complaints received are confidential and anonymous and will be retained for the Audit Committee's records. At least annually, the Audit Committee reviews the Company's disclosure controls and procedures and our committee charter. During this review, the Audit Committee is able to analyze our responsibilities and progress as well as ensure that these documents comply with current regulatory requirements.

***Audit Committee Report for the Year Ended December 31, 2011 to our Stockholders:***

As part of our activities, we reviewed and discussed MYR Group's audited financial statements with management. Additionally, we received E&Y's written disclosures and a letter dated March 1, 2012, as required by the applicable requirements of the U.S. Public Company Accounting Oversight Board ("PCAOB"), regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and have discussed with E&Y its independence. We also reviewed and discussed with E&Y the matters required to be discussed under *Statement on Auditing Standards No. 61 (Communications with Audit Committees)*, as adopted by the PCAOB in Rule 3200T. Based upon this review and discussions referred to above, the Audit Committee

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recommended to the Board that the audited consolidated financial statements be included in our 2011 Form 10-K.

**Audit Committee:** William D. Patterson, Chair  
 Jack L. Alexander  
 Henry W. Fayne  
 Betty R. Johnson  
 Maurice E. Moore

*The information contained in the above Audit Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, as amended, except to the extent that MYR Group specifically incorporates it by reference in such filing.*

**Pre-Approval Policies**

Consistent with SEC and PCAOB requirements regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established procedures to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm.

During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the independent registered public accounting firm.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decision to the Audit Committee at its next scheduled meeting.

**Independent Auditors' Fees**

MYR Group's financial statements for the year ended December 31, 2011 were audited by E&Y, an independent registered public accounting firm. Aggregate fees paid for professional services rendered by our independent auditors, E&Y, for 2010 and 2011, were as follows:

|                    | 2010              | 2011              |
|--------------------|-------------------|-------------------|
| Audit Fees         | \$ 460,572        | \$ 474,586        |
| Audit-Related Fees |                   |                   |
| Tax Fees           | 48,219            | 18,000            |
| All Other Fees     |                   |                   |
| <b>Total</b>       | <b>\$ 508,791</b> | <b>\$ 492,586</b> |

In the above table, in accordance with the SEC rules, "Audit Fees" are fees that we paid to E&Y for the audit of our annual financial statements included in the 2011 Form 10-K, review of financial statements included in Quarterly Reports on Form 10-Q, and for services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.

"Audit-Related Fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and internal control over financial reporting. "Tax Fees" are fees for tax compliance, tax advice and tax planning.



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**PROPOSAL NO. 3. RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT AUDITORS**

The Audit Committee is responsible for the selection, retention, termination and oversight of our independent auditors. Ernst & Young, LLP ("E&Y"), an independent registered public accounting firm, has served as our independent auditors since 2010.

At its February 2012 meeting, the Audit Committee appointed E&Y as our independent auditors for the fiscal year ending December 31, 2012. The Audit Committee and the Board are requesting, as a matter of policy, that stockholders ratify the appointment of E&Y as our independent auditors. The Board and the Audit Committee are not required to take any action as a result of the outcome of the vote on this proposal. However, if the stockholders do not ratify the appointment, the Audit Committee may investigate the reasons for such rejection. Even if the appointment is ratified, the Audit Committee may direct the appointment of a different independent auditor at any time.

We expect that representatives of E&Y will be present at the Annual Meeting and that they will have an opportunity to respond to appropriate questions from stockholders.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT AUDITORS.**

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**OTHER MATTERS THAT MAY BE PRESENTED AT THE ANNUAL MEETING**

Neither the Board nor management knows of any business, other than that described in this Proxy Statement, that may be presented for action at the Annual Meeting. If any other matters properly come before the meeting, your proxy authorizes the persons named as proxies to vote on such matters in accordance with the Board's recommendation or, if no recommendation is given, in accordance with the proxies' best judgment.

Table of Contents**OWNERSHIP OF EQUITY SECURITIES**

The following table shows the number of shares of MYR Group common stock beneficially owned (as defined in accordance with Rule 13d-3 under the Exchange Act) as of February 29, 2012 by each director and executive officer named in the Summary Compensation Table, as well as the number of shares beneficially owned by all of our directors and executive officers as a group. None of the common stock owned by these individuals is subject to any pledge. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown.

| Name of Beneficial Owner  | Common Stock | Restricted Stock(1) | Stock Options(2) | Total Beneficial Ownership | Percentage |
|---|--------------|---------------------|------------------|----------------------------|------------|
| <i>Named Executive Officers and Directors</i>                       |              |                     |                  |                            |            |
| William A. Koertner   | 165,312      | 24,046              | 402,989          | 592,347                    | 2.9%       |
| Paul J. Evans   |              | 11,562              |                  | 11,562                     | *          |
| Marco A. Martinez   | 26,385       | 5,222               | 68,380           | 99,987                     | *          |
| William H. Green  | 32,891       | 8,015               | 93,481           | 134,387                    | *          |
| Gerald B. Engen, Jr.  | 8,892        | 7,464               | 61,699           | 78,055                     | *          |
| John A. Fluss   | 48,423       | 5,222               | 67,174           | 120,819                    | *          |
| Richard S. Swartz, Jr.  | 6,693        | 14,703              | 104,335          | 125,731                    | *          |
| Jack L. Alexander   | 477          | 2,869               | 8,000            | 11,346                     | *          |
| Larry F. Altenbaumer  | 1,045        | 2,869               | 8,000            | 11,914                     | *          |
| Henry W. Fayne  | 194          | 2,869               | 8,000            | 11,063                     | *          |
| Betty R. Johnson(3)   | 2,135        | 2,869               | 8,000            | 13,004                     | *          |
| Gary R. Johnson   | 842          | 2,869               | 8,000            | 11,711                     | *          |
| Maurice E. Moore  | 160          | 2,939               |                  | 3,099                      | *          |
| William D. Patterson(4)   | 2,633        | 2,869               | 8,000            | 13,502                     | *          |
| <i>All executive officers and directors as a group (14 persons)</i> | 296,082      | 96,387              | 846,058          | 1,238,527                  | 6.1%       |

\*

Percentage less than 1% of outstanding common stock.

- (1) This column reflects holdings of restricted stock. The shares of restricted stock vest ratably over a five-year period from the date of grant for named executive officers, except that 6,688 shares of restricted stock held by Mr. Swartz will cliff vest on May 12, 2016. The shares of restricted stock held by non-employee directors vest ratably over a three year period from the date of grant.
- (2) This column reflects shares of common stock that may be acquired within 60 days of February 29, 2012 by the exercise of stock options.
- (3) This includes 1,000 shares of common stock held by Ms. Johnson's spouse.
- (4) This includes 2,000 shares of common stock beneficially owned by EnSTAR Management Corporation, of which Mr. Patterson is President, and 500 shares of common stock held by Mr. Patterson's spouse.

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The following table displays information about persons we know to be the beneficial owners of 5% or more of our issued and outstanding common stock as of December 31, 2011:

| Name and Address of Beneficial Owner                                    | Amount and Nature of Beneficial Ownership | Percent of Common Stock |
|---|---|-------------------------|
| BlackRock, Inc.<br>40 East 52 <sup>nd</sup> St.<br>New York, NY 10022   | 1,089,613(1)                              | 5.34%                   |
| FMR LLC<br><br>82 Devonshire St.<br>Boston, MA 02109                    | 1,270,050(2)                              | 6.225%                  |
| Lord, Abbett & Co. LLC<br><br>90 Hudson Street<br>Jersey City, NJ 07302 | 1,262,575(3)                              | 6.19%                   |

- (1) Based on the Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 13, 2012. BlackRock stated in its 13G/A filing that, of the 1,089,613 shares beneficially owned as of December 30, 2011, it has sole voting power with respect to all such shares.
- (2) Based on the Schedule 13G/A filed by FMR LLC ("FMR") with the SEC on February 14, 2012. FMR stated in its 13G/A filing that, of the 1,270,050 shares beneficially owned as of December 30, 2011, it has sole voting power with respect to 112,950.
- (3) Based on the Schedule 13G filed by Lord, Abbett & Co. LLC ("Lord Abbett") with the SEC on February 14, 2012. Lord Abbett stated in its 13G filing that, of the 1,262,575 shares beneficially owned as of December 31, 2011, it has sole voting power with respect to 1,193,029.

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**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

**Why am I receiving these proxy solicitation materials?**

We are providing you these materials in connection with the Board's solicitation of proxies to be voted at our 2012 Annual Meeting. These materials provide information regarding the voting procedures and the matters to be voted on at the Annual Meeting. We began distributing these materials on or around March 8, 2012, to all stockholders entitled to vote at the Annual Meeting. These materials are also available on our website at [www.myrgroup.com](http://www.myrgroup.com).

In addition, copies of the 2011 Annual Report to Stockholders or this Proxy Statement will be sent free of charge to any stockholder who sends a written request to Secretary at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210 or by calling (303) 853-7621.

**Who is entitled to vote at the Annual Meeting?**

The Board established March 5, 2012, as the record date (the "Record Date") for the Annual Meeting. Stockholders owning our common stock at the close of business on the Record Date are entitled to receive notice of the Annual Meeting and vote their shares at the Annual Meeting. At the close of business on the Record Date, 20,425,576 shares of our common stock were outstanding and entitled to vote. Each share is entitled to one vote on each matter to be voted upon at the Annual Meeting.

**What vote is required to approve each proposal?**

With respect to the election of directors, you may vote FOR or WITHHOLD with respect to each of the nominees. Directors will be elected by a plurality of the votes cast FOR, which means that the three director nominees with the most FOR votes will be elected. You may vote FOR, AGAINST, or ABSTAIN the advisory resolution to approve the Company's executive compensation and the ratification of the appointment of our independent auditors. In order to be approved, each of these two proposals requires the affirmative FOR vote of a majority of those shares present (either in person or represented by proxy) and entitled to vote on those proposals. Any ABSTAIN vote will have the same effect as a vote AGAINST a matter.

**What effect do broker non-votes have on the proposals?**

A broker is entitled to vote shares held for a beneficial holder on routine matters, such as the ratification of the appointment of E&Y as our independent auditors, without instructions from the beneficial holder of those shares. On the other hand, absent instructions from the beneficial holders of such shares, a broker will not be entitled to vote shares held for a beneficial holder on certain non-routine items, such as the election of directors. Consequently, if your shares are held by a broker on your behalf (that is, in "street name"), and you do not instruct the broker as to how to vote these shares on Proposal Nos. 1 or 2, the broker may not exercise discretion to vote for or against those proposals. This would be a "broker non-vote" and these shares will not be counted as having been voted on the applicable proposal. With respect to Proposal No. 3, the broker may exercise its discretion to vote for or against that proposal in the absence of your instruction. **Please instruct your bank or broker on how you would like to vote so your vote can be counted on all proposals.**

**How will my shares be voted?**

Your shares will be voted as you direct if you vote by signing and returning your proxy card. If you sign and return your proxy card but do not specify how you would like your shares voted, they will be voted in accordance with the Board's recommendations on all matters or, if no recommendation is given, in accordance with the proxies' best judgment.

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**What is the quorum requirement?**

A quorum of stockholders is necessary to validly hold the Annual Meeting. A quorum will be present if at least a majority of our outstanding shares on the Record Date are represented at the Annual Meeting, either in person or by proxy. Abstentions and broker non-votes (i.e., when a stockholder does not provide voting instructions to their broker or nominee) will count for purposes of determining whether a quorum exists.

**Can I change my vote?**

If you would like to change your vote after submitting your proxy and prior to the Annual Meeting, you can revoke your proxy and change your proxy instructions by (a) signing and submitting another proxy card with a later date, or (b) voting at the Annual Meeting. Alternatively, you may provide a written statement of your intention to revoke your proxy to our Secretary at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210. If your shares are held in street name (i.e., your shares are held in an account through your broker), you may contact your bank or broker for specific instructions on how to change your vote.

**Who will bear the cost of soliciting votes for the Annual Meeting?**

MYR Group bears the cost of soliciting your vote. In addition to mailing these proxy materials, our directors, officers or employees may solicit proxies or votes in person, by telephone or by electronic communication. They will not receive any additional compensation for these solicitation activities. We may enlist the help of banks and brokerage houses in soliciting proxies from their customers and reimburse the banks and brokerage houses for related out-of-pocket expenses. We retained Morrow & Co., LLC to aid in soliciting votes for the Annual Meeting for a total fee of \$7,500 plus reasonable expenses.

**I received only one set of proxy materials. Is it possible to obtain duplicates?**

Unless you advised otherwise, if you hold your shares in street name and you and other residents at your mailing address share the same last name and also own shares of our common stock in an account at the same broker, bank or other nominee, we delivered a single Notice of Meeting or set of proxy materials to your address. This method of delivery is known as householding. Householding reduces the number of mailings you receive, saves on printing and postage costs and helps the environment. Stockholders who participate in householding will continue to receive separate voting instruction forms. We will deliver promptly, upon written or oral request, a separate copy of the Notice of Meeting or set of proxy materials to a stockholder at a shared address to which a single copy of the materials was delivered. A stockholder who wishes to receive a separate copy of the Notice or proxy materials for the Annual Meeting should submit this request by contacting Morrow & Co., LLC in writing at 470 West Avenue, 3rd Floor, Stamford, CT 06902 or by calling 1-800-662-5200. If you would like to opt out of householding, please contact your broker, bank or other nominee. Beneficial owners sharing an address who are receiving multiple copies of the proxy materials and who wish to receive a single copy of these materials in the future will need to contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.

If you are a registered stockholder, we sent you and each registered stockholder at your address separate Notices or sets of proxy materials.

**Who counts the vote?**

As the appointed independent tabulator, IST Shareholder Services will receive the proxies and tabulate the votes cast. IST Shareholder Services will act as the independent inspector of election and

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will certify the results. Your vote will not be disclosed to our directors, officers or employees, except (a) as necessary to meet legal requirements and to assert or defend claims for or against us; (b) in the case of a contested proxy solicitation; (c) if you provide a comment with your proxy or otherwise communicate your vote to us; or (d) as necessary to allow the independent inspector of election to certify the results

**How do I find out the voting results?**

Voting results will be included in a Form 8-K to be filed with the SEC on or before May 9, 2012. This Form 8-K will also be available on our website at *www.myrgroup.com*.

**May I ask questions at the Annual Meeting?**

Yes. As a stockholder, during the voting, you may ask questions and make remarks related to the matters being voted on. The Chairman of the Annual Meeting will entertain stockholders' questions and comments of a general nature following the voting.

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**2013 ANNUAL MEETING OF STOCKHOLDERS**

**Stockholder Proposals and Nominations for the 2013 Annual Meeting**

Under our Amended and Restated By-Laws, a stockholder may nominate a candidate for election as a director or propose business for consideration at an annual meeting of stockholders by delivering written notice that contains certain required information to our Corporate Secretary. We must receive this written notice not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. However, if the annual meeting is called for a date that is not within 30 days of such anniversary, we must receive stockholder proposal submissions no later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or other public disclosure was made. Accordingly, to be considered at the 2013 Annual Meeting of Stockholders, we must receive a stockholder's written notice of nomination or proposal on or after January 2, 2013 and not later than February 1, 2013.

Under SEC Rule 14a-8, a stockholder may submit a proposal for possible inclusion in a proxy statement for an annual meeting of stockholders by submitting the proposal and other required information to our principal executive offices. We must receive the proposal no later than 120 calendar days before the one-year anniversary date of our proxy statement for the previous year's annual meeting. If we change the date of an annual meeting by more than 30 days from the date of the previous year's annual meeting, then the deadline is a reasonable time before we print and send our proxy materials for the annual meeting. Accordingly, to be considered for inclusion in our 2013 proxy statement, we must receive a stockholder's submission of a proposal on or before on or before November 8, 2012.

Stockholder proposals must be sent to our Corporate Secretary at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210. For additional information about the stockholder proposal submission process, please see our By-Laws which are available on the Investor Relations page of our website at [www.myrgroup.com](http://www.myrgroup.com), under "Corporate Governance."

**2011 Annual Report and SEC Filings**

Our financial statements for the fiscal year ended December 31, 2011 are included in our 2011 Form 10-K, which we will make available to stockholders at the same time as this Proxy Statement. Our Annual Report and this Proxy Statement are posted on our website at [www.myrgroup.com](http://www.myrgroup.com), and are available from the SEC at its website at [www.sec.gov](http://www.sec.gov). If you do not have access to the Internet or have not received a copy of our Annual Report, you may request a copy of it without charge by writing to our Corporate Secretary, at MYR Group Inc., 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210.

By Order of the Board of Directors

March 8, 2012

Gerald B. Engen, Jr.  
*Senior Vice President, Chief Legal Officer and Secretary*

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**The DoubleTree Hotel is located at:  
75 W. Algonquin Road  
Arlington Heights, IL 60005**

**The closest major intersection is Algonquin Road and  
Arlington Heights Road**

**Directions to the DoubleTree by Hilton Hotel:  
Chicago-Arlington Heights**

From O'Hare International Airport and Downtown Chicago: Take 90 West, exit Arlington Heights Road and make a right turn (North) to 1st traffic light (0.1 mile), which will be Algonquin Road. Make a left turn (West) (0.1 mile) and we are located on the left hand side of the street on the Southwest corner of Arlington Heights Road and Algonquin Road

**Directions from Chicago-O'Hare International Airport**

**Distance from hotel:** 8 mi. **Drive time:** 20 min.

**Directions:** 90 West to Arlington Heights Rd. exit and make a right. Take to Algonquin Rd. and turn left. Hotel located on the left hand side.

**Directions from Chicago Midway Airport**

**Distance from hotel:** 30 mi. **Drive time:** 45 min.

**Directions:** Cicero north to 290 West to 294 North to 90 West. Exit Arlington Heights Rd. right to Algonquin Rd. and turn left. Hotel located on the left hand side.

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