

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)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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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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**MYR GROUP INC.**

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:

<b>Name</b>	<b>Audit</b>	<b>Compensation</b>	<b>Nominating and Corporate Governance</b>
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
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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>  Age: 64 Director Since: 2007 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> Age: 61 Director Since: 2010 Director Class: Class II	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. 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.
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*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:*

<b>Henry W. Fayne</b> 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.
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*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.

<b>Gary R. Johnson</b> 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.
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### *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>  Age: 62 Director Since: 2007 Director Class: Class III Expiration of Term: 2013	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.  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.
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*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>  Age: 57 Director Since: 2007 Director Class: Class III Expiration of Term: 2013	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.  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.
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*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