

EMCOR GROUP INC
Form DEF 14A
April 21, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Exchange Act of 1934

Filed by the Registrant ☐ S
Filed by a Party other than the Registrant ☐ £

Check the appropriate box:

<input type="checkbox"/> £ Preliminary Proxy Statement	<input type="checkbox"/> £ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
<input type="checkbox"/> S Definitive Proxy Statement	
<input type="checkbox"/> £ Definitive Additional Materials	
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EMCOR GROUP, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of filing fee (Check the appropriate box):

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

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

NOTICE OF ANNUAL MEETING

To the Stockholders of EMCOR Group, Inc.

The Annual Meeting of Stockholders of EMCOR Group, Inc. will be held in the Campbell Room, The New York Palace Hotel, 455 Madison Avenue, New York, New York, on Wednesday, June 1, 2011 at 10:00 A.M. (local time) for the following purposes:

1. To elect ten directors to serve until the next annual meeting and until their successors are duly elected and qualified.
2. To consider a non-binding advisory resolution approving executive compensation.
3. To consider a non-binding advisory resolution on the frequency of the advisory vote on executive compensation.
4. To ratify the appointment of Ernst & Young LLP as independent auditors for 2011.
5. To transact

such other
business as
may properly
come before
the meeting or
any
adjournment
thereof.

The Board of Directors has fixed the close of business on April 6, 2011 as the record date for determination of stockholders entitled to receive notice of, and to vote at, our Annual Meeting and any adjournment thereof.

Your attention is respectfully directed to the accompanying Proxy Statement.

By Order of the Board of Directors
Sheldon I. Cammaker
Corporate Secretary

Norwalk, Connecticut
April 21, 2011

EMCOR GROUP, INC.

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE 2011 ANNUAL MEETING OF STOCKHOLDERS

What is the purpose of this Proxy Statement?

The EMCOR Board of Directors is soliciting proxies from holders of our Common Stock to vote on the items to be considered at the 2011 Annual Meeting of Stockholders (the Annual Meeting), which will be held on June 1, 2011.

What is the Notice of Internet Availability of Proxy Materials?

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

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

Indicates that our
Notice of 2011 Annual
Meeting of
Stockholders and
Proxy Statement and
our 2010 Annual
Report are available at
www.proxyvote.com;

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

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

We will begin distributing the Notice of Internet Availability of Proxy Materials on or about April 21, 2011.

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

At the meeting, we will:

1. Vote for the election of 10 directors;
2. Consider a non-binding advisory resolution approving executive compensation, as described in the Compensation Discussion and Analysis , executive compensation tables, and accompanying narrative disclosures below;
3. Consider a non-binding advisory resolution on the frequency of an advisory stockholder resolution on executive compensation; and
4. Consider the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2011.

Who is entitled to vote at the Annual Meeting?

Holders of our Common Stock as of the record date of April 6, 2011 are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting.

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

The Board of Directors recommends stockholders vote their shares:

1. FOR the election of each of the 10 director nominees identified in this proxy statement;
2. FOR the adoption of the advisory resolution approving executive compensation;
3. In favor of holding an advisory vote on executive compensation EVERY YEAR ; and
4. FOR the ratification of the appointment of Ernst & Young LLP to serve as our independent auditors for 2011.

How many shares can vote at the Annual Meeting?

At the close of business on April 6, 2011, we had 66,846,445 shares of Common Stock outstanding, and each of those shares is entitled to one vote.

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

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

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

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

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

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

Item 3 also calls for a non-binding, advisory vote. Our Board of Directors has recommended an annual vote. However, if another frequency receives more votes, our Board of Directors will take that fact into account when making its decision on how often to hold executive compensation advisory votes. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations.

The Board recommends a vote **FOR** each of the nominees listed in this proxy statement for director, **FOR** approval of the compensation of our named executive officers, and **FOR** ratification of Ernst & Young as our independent auditors for 2011. The Board further recommends a vote for an advisory vote **EVERY YEAR** to approve executive compensation.

How can I vote my shares at the Annual Meeting?

Voting by Proxy

Holders of our Common Stock may submit a proxy by:

following
the
instructions
on the
Notice of
Internet
Availability
of Proxy
Materials,
proxy card
or voting
instruction
form to vote
by
telephone or
the Internet;
or

completing,
signing,
dating and
returning
the proxy
card or
voting
instruction
form by
mail.

Anthony J. Guzzi, Sheldon I. Cammaker and Mark A. Pompa (the proxy holders) have been designated by our Board of Directors to vote the shares represented by proxy at the Annual Meeting. Messrs. Guzzi, Cammaker and Pompa are executive officers of the Company, and Mr. Guzzi is also a director nominee.

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

If you do not
specify

instructions on
your proxy when
you submit it, the
proxy holders will
vote the shares
represented by the
proxy in
accordance with
the
recommendations
of our Board of
Directors on each
item of business
listed above.

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

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

Voting other than by Proxy

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

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

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

sending
written
notice to
Corporate
Secretary,
EMCOR
Group,
Inc., 301

Merritt
Seven,
Norwalk,
CT 06851;

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

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

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker or other holder of record.

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

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

Broker non-votes may occur because certain beneficial holders of our Common Stock hold their shares in street name through a broker or other nominee, which is a member of the New York Stock Exchange. Under the rules of the New York Stock Exchange, the only Item to be acted upon at our Annual Meeting with respect to which the broker or such nominee will be permitted to exercise voting discretion is Item 4, the ratification of the appointment of Ernst & Young LLP to serve as our

independent auditors for 2011. Therefore, if a beneficial holder of our Common Stock does not give the broker or nominee specific voting instructions on Items 1, 2, or 3, the holder's shares will not be voted on those Items and a broker non-vote will occur. Broker non-votes will have no effect on the voting results for such Items.

Who will count the votes?

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

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

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

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

What is Householding?

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

COMPANY INFORMATION AND MAILING ADDRESS

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

CORPORATE GOVERNANCE

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

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

Independence of Directors. To assist our Board in determining the independence of each director, our Board has adopted categorical Standards for Determining Director Independence, a copy of which is attached to this Proxy Statement as Exhibit A and available at our website at www.emcorgroup.com. To be considered independent our Board must affirmatively determine that the director has no material relationship with us. Our Board has determined that eight of our ten directors, including all members of the Audit Committee of our Board, which we refer to as the Audit Committee, the Compensation and Personnel Committee of our Board, which we refer to as the Compensation Committee, and the Corporate Governance Committee of our Board are independent, as defined by the listing standards of the New York Stock Exchange and all applicable rules and regulations of the Securities and Exchange Commission and for purposes of Rule 162(m) of the Internal Revenue Code of 1986, as amended. These eight directors are: Stephen W. Bershad, David A. B. Brown, Larry J. Bump, Albert Fried, Jr., Richard F. Hamm, Jr., David H. Laidley, Jerry E. Ryan, and Michael T. Yonker. The other two directors are Frank T. MacInnis, Chairman of our Board and formerly our Chief Executive Officer who is currently an employee of the Company, and Anthony J. Guzzi, our President and Chief Executive Officer, and, accordingly, are not considered independent.

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

Board Leadership Structure. The Company has no formal policy regarding the leadership structure of the Company. Mr. Frank T. MacInnis has served as Chairman of our Board since April 1994. From April 1994 to January 3, 2011, Mr. MacInnis was also our Chief Executive Officer. Our Board believes the Company and its stockholders are best served by having Mr. MacInnis continue as Chairman. In this capacity, he can serve as a bridge between the Board and management. As Chairman, Mr. MacInnis presides at meetings of our Board of Directors. In addition, he sets the agenda for our Board meetings in collaboration with our Chief Executive Officer and recommends Board committee appointments and responsibilities in conjunction with the Corporate Governance Committee.

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

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

Standards of Conduct. Our Code of Business Conduct and Ethics applies to all of our directors, officers and employees and those of our subsidiaries. In addition, our Board has adopted a separate

Code of Ethics for our Chief Executive Officer and senior financial officers which imposes additional ethical obligations upon them.

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

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

an
executive
officer;

a director;

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

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

an entity
which is
owned or
controlled
by one of

the above
persons or
in which
one of the
above
persons has
a
substantial
ownership
interest.

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

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

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

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

During the period from January 1, 2010 and ending April 21, 2011, there were only two transactions in which the Company, or any of our subsidiaries, was or is to be a participant and in which any Related Party had or will have a direct or indirect material interest required to be approved by the Board or a Board committee. Those two transactions in which a Related Party (Mr. MacInnis) had a material interest is described below on page 45 under Interested Transactions .

Availability of Corporate Governance Materials. Our categorical Standards for Determining Director Independence, Corporate Governance Guidelines, including policies and procedures for Related Party Transactions, Code of Business Conduct and Ethics, Code of Ethics for our Chief Executive Officer and senior financial officers, and other corporate governance materials may be obtained at our

website at www.emcorgroup.com or by writing to us at 301 Merritt Seven, Norwalk, Connecticut 06851, Attention: Corporate Secretary.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During 2010, our Board met seven times, and committees of our Board held an aggregate of 17 meetings. Each director attended at least 75% of the meetings of our Board and committees on which he served during 2010. As provided in our Corporate Governance Guidelines, all directors are expected to attend all annual meetings of stockholders, and all but one director attended the 2010 annual meeting of stockholders.

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

The Audit Committee, established in accordance with the rules of the Securities Exchange Act of 1934, is comprised of Messrs. Bershad, Brown, Hamm and Laidley. Among other things, it is responsible for:

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

- setting our
independent
auditors' fees;

- reviewing the
scope and
audit
procedures of
our
independent
auditors;

- approving
audit and
permitted
non-audit
services;

- reviewing with
management
and our
independent

auditors our
annual and
quarterly
financial
statements;

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

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

reviewing our
internal
auditing and
accounting
personnel.

The Audit Committee met five times during 2010. Our Board has determined that each of the members of the Audit Committee, Messrs. Bershad, Brown, Hamm and Laidley, are audit committee financial experts, within the meaning of the rules of the Securities and Exchange Commission.

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

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

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

Executive
Officer's
performance
in light of
those goals
and objectives
and, together
with the other
independent
directors,
determining
our Chief
Executive
Officer's
compensation
based on this
evaluation;

reviewing and
approving,
based on
proposals
made by our
Chief
Executive
Officer,
compensation
for our
executive
officers as
well as the
compensation
for each of
our and our
subsidiaries
other officers
and
employees
whose
proposed
annual base
salary is
\$400,000 or
more and for
approving,
together with
the other
independent
directors, any
employment,
severance or

similar
contracts for
our and our
subsidiaries
officers and
employees
whose
proposed
annual base
salary is
\$400,000 or
more; and

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

During 2010, the Compensation Committee held eight meetings.

Each year the Compensation Committee reviews the annual salaries of, and considers annual incentive awards for, our Chief Executive Officer and our other executive officers, each of whom is referred to in the Summary Compensation Table for Fiscal Years 2010, 2009 and 2008 on page 21, which we refer to as the Summary Compensation Table. It also reviews the annual salary of each of our and our subsidiaries' other officers and employees whose proposed annual base salary is \$400,000 or more. Our Chief Executive Officer participates in portions of the Compensation Committee's meetings to make recommendations to the Compensation Committee for salary adjustments for those individuals and for the payment of annual incentive awards to our Chief Executive Officer and our other executive officers, who we refer to collectively as the named executive officers. Annual incentive awards for our named executive officers are based upon our performance in meeting pre-established financial objectives during our most recently completed year and an evaluation of the individual executive's performance in meeting his pre-established personal goals and objectives for the most recently completed year. Our Chief Executive Officer participates in a portion of the meetings of our Compensation Committee and our entire Board during which various compensation issues are discussed. The Compensation Committee considers our Chief Executive Officer's recommendations regarding salary adjustments and payment of annual incentive awards, arrives at its own recommendations, and then with the participation of the other independent directors, makes its determination regarding salary adjustments and payment of annual incentive awards. The final determination regarding salary adjustments and payment of annual incentive awards are made at meetings without any members of management present.

Annually, during the first quarter of each year, the Compensation Committee establishes that year's objectives for our financial performance and the personal goals and objectives for each of the named executive officers, upon which the payment of that year's annual incentive awards for the executive may be based, and the targeted annual incentive awards for each such executive. Those criteria and targeted annual incentive awards are recommended by our Chief Executive Officer, and are reviewed by and ultimately established by the Compensation Committee, together with the participation of the other independent directors. When incentive compensation plans for our named executive officers and other senior executives have been established, those plans have been proposed by management, reviewed by the Compensation Committee, and, at times, reviewed by Mercer, which we refer to as Mercer. Mercer is a compensation consultant that the Compensation Committee has engaged annually commencing in 2006 to advise the Compensation Committee with regard to the amount and form of compensation for our named executive officers and to review compensation plans for them and, from time to time, to advise the Corporate Governance Committee with regard to the amount and form of compensation for our Board. Mercer reviews the salaries and other compensation we pay to our named executive officers so that it may advise the Compensation Committee whether compensation paid to those executives is competitive with that paid to executives holding comparable positions at Mercer-selected companies, which are large public construction and facilities management companies and with which we may compete for

management talent. Mercer also reports upon its assessment of the appropriateness and fairness of our compensation plans when compared to compensation plans for comparable executives at those comparable companies. For 2010, we paid Mercer approximately \$60,000 for its services to the Compensation Committee. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies, Inc. (Marsh). We also use Mercer and other Marsh subsidiaries (Other Marsh Subsidiaries) for consulting on pension related matters, including actuarial services, and for insurance broking and risk consulting. We have paid Mercer and Other Marsh Subsidiaries an aggregate of approximately \$1,109,000 for those services provided to us in 2010. Mercer has been retained for pension related matters, and Other Marsh Subsidiaries have been retained, on behalf of the Company by management, since 1987 and their retention is not subject to Board or Compensation Committee approval.

Our Long Term Incentive Plan, which we refer to as the LTIP , provides the methodology for computing the number of stock units annually granted to executives participating in the LTIP. Grants of LTIP cash awards are, as set forth in the LTIP, based upon us achieving an earnings per share objective for a measurement period of three years. The earnings per share objectives for measurement periods are, in accordance with the LTIP, set by the Compensation Committee after receiving recommendations of our Chief Executive Officer. The LTIP was proposed by management, reviewed by Mercer and, after review and modification by the Compensation Committee, approved by it and the other independent directors. The LTIP is further discussed commencing on page 15 in the Section entitled Compensation Discussion and Analysis and in the Section entitled Long Term Incentive Plan commencing on page 22 which follows the Summary Compensation Table on page 21.

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

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

recommending to
the Board
nominees for
election to the
Board;

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

making
recommendations
with respect to:

corporate
governance
guidelines;

compensation
and benefits

for
non-employee
directors; and

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

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

management
and our
internal
auditors
relating to
risk
assessment
and risk
management.

During 2010, the Corporate Governance Committee held four meetings.

The Corporate Governance Committee annually reviews compensation and other benefits for non-employee members of our Board. When the Corporate Governance Committee determines that a change in director compensation or benefits is appropriate, it submits such recommendation to the Board for its approval. In the past, when it has considered the amount and form of Board compensation, it has sought the advice of Mercer. No change in compensation or benefits for directors was made in the 2010 calendar year

RECOMMENDATIONS FOR DIRECTOR CANDIDATES

The Corporate Governance Committee will consider recommendations for candidates for Board membership suggested by Corporate Governance Committee members, other members of our Board, and stockholders. A stockholder who wishes the Corporate Governance Committee to consider his/her recommendations for nominees for the position of director should submit his/her recommendations in writing to the Corporate Governance Committee, c/o Corporate Secretary, EMCOR Group, Inc., 301 Merritt Seven, Norwalk, Connecticut 06851, together with whatever supporting material the stockholder considers appropriate. The material, at a minimum, should include such background and biographical material as will enable the Corporate Governance Committee to make an initial determination as to whether the prospective nominee satisfies the criteria for directors set out in our Corporate Governance Guidelines. The Corporate Governance Guidelines are available at our website at www.emcorgroup.com. A stockholder may also nominate director candidates by complying with our bylaw provisions discussed commencing on page 45 under Other Matters Stockholder Proposals.

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

consideration of those individuals recommended by stockholders as candidates for Board membership and those individuals recommended in response to requests for recommendations made of Board members and others, including those suggested by any third party executive search firm retained by the Corporate Governance Committee, from time to time;

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

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

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

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

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The objectives of our executive compensation program for our named executive officers, referred to in the Summary Compensation Table on page 21, are to attract, retain and motivate key executives with skills necessary to assure our long-term success. Broadly stated, the purposes of the key components of the program insofar as they relate to named executive officers are:

to reward
named
executive
officers
expertise and
experience;

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

to align
named
executive
officers
compensation
with the

interests of
our
stockholders.

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

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

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

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

than their
respective
targeted
incentive
awards based
on financial
performance.
When our
financial
performance
does not meet
the
established
financial

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objectives, our
named
executive
officers
receive either
no incentive
awards based
on this criteria
or incentive
awards that are
less than their
targeted
incentive
awards. The
Compensation
Committee
sets the
objectives for
a particular
performance
period;

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

incentives
should align
the interests of
our
stockholders
and named
executive
officers by
paying a
significant
portion of
incentive
awards in
equity; and

incentive
awards should
serve as a
recruitment
and retention

device so that
named
executive
officers are
motivated to
join and stay
with us.

The key components of our compensation program are:

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

short-term
incentives in
the form of
annual
incentive
awards; and

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

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

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

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

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

We also maintain a 401(k) savings plan. The 401(k) plan provides retirement benefits to the named executive officers. For 2010, our annual contribution to the 401(k) plan for each named executive officer was \$11,000.

In severance agreements with our named executive officers, we provide special compensation to each in the event his employment is terminated (i) by us without cause or (ii) by the named executive officer for good reason. (We have set forth the definition of the terms cause and good reason contained in the severance agreements in the Section entitled Potential Post Employment Payments Severance Agreements commencing on page 27).

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

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

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

We refer to these companies as the Comparator Companies.

Each year the Compensation Committee reviews the annual salaries of, and considers annual incentive awards for, our Chief Executive Officer and our other named executive officers. It also reviews the annual salaries of our other officers and employees and those of our subsidiaries whose proposed annual base salary is \$400,000 or more. Our Chief Executive Officer participates in portions of the Compensation Committee's meetings to make recommendations to the Compensation Committee for salary adjustments and for the payment of annual incentive awards. Payments of annual incentive awards for 2010 for the named executive officers are set out in the Summary Compensation Table on page 21 and were based upon our performance in meeting pre-established financial objectives for the year and an evaluation of the individual named executive officer's performance in meeting his pre-established personal goals and objectives for the year. The Compensation Committee considers our Chief Executive Officer's recommendations regarding salary adjustments and payment of annual incentive awards, arrives at its own recommendations, and then with the participation of the other independent directors, makes its final determination regarding salary adjustments and payment of annual incentive awards at a meeting without any members of management being present.

Our Chief Executive Officer meets with the Compensation Committee during the first calendar quarter of each year to discuss for that year targeted annual incentive awards for each named executive officer and objectives for our financial performance for the year and personal goals and objectives of each named executive officer for the year upon which the payment of that year's annual incentive awards may be based. Targeted annual incentive awards for each of our named executive officers for 2011, our 2011 financial goals, and personal goals and objectives for each such executive have been recommended by our Chief Executive Officer, and are reviewed by and ultimately established by the Compensation Committee, together with the participation of the independent directors, at a meeting without any members of management being present.

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

Annual Base Salary

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

We intend annual base salary and perquisites to reward the expertise and experience and sustained performance of the named executive officers, each of whom (other than Mr. Anthony J. Guzzi, who is our President and recently elected Chief Executive Officer) has been with us for more than fifteen years. Base salaries are reviewed annually, and we have generally increased named executive officer salaries to reflect promotions or increased responsibilities, when appropriate, and to remain competitive with those paid by Comparator Companies.

In May 2010, we announced that effective January 3, 2011, Mr. MacInnis, our Chairman of the Board and then Chief Executive Officer, would retire as Chief Executive Officer, and Mr. Guzzi, our President and Chief Operating Officer, would succeed Mr. MacInnis as Chief Executive Officer. In connection wi