RENAISSANCERE HOLDINGS LTD
Form DEF 14A
April 26, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant **x**
Filed by a Party other than the Registrant **o**

Check the appropriate box:

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

RENAISSANCERE HOLDINGS LTD.

(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):

x No fee required.

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

RENAISSANCERE HOLDINGS LTD.
Renaissance House
8 20 East Broadway
Pembroke HM 19 Bermuda

April 26, 2007

Dear Shareholder:

You are cordially invited to attend the 2007 Annual General Meeting of Shareholders of RenaissanceRe Holdings Ltd. to be held on May 31, 2007, at 9:00 a.m., Atlantic Daylight Time, at Renaissance House, 8 20 East Broadway, Pembroke, Bermuda.

The enclosed Proxy Statement provides you with detailed information regarding the business to be considered at the meeting. Please read it carefully.

Your vote is important to us regardless of the size of your holding. To ensure your shares are represented at the meeting, we urge you to complete, sign, date and return the accompanying proxy card in the enclosed postage paid envelope as soon as possible, whether or not you plan to attend the meeting in person. See How do I vote? in the Proxy Statement for more details.

Thank you for your continued support of RenaissanceRe.

Sincerely,

W. James MacGinnitie	Neill A. Currie
Chairman of the Board of Directors	*Chief Executive Officer*

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
to be Held on May 31, 2007

Notice is hereby given that our 2007 Annual General Meeting of Shareholders (the Annual Meeting) will be held at Renaissance House, 8 20 East Broadway, Pembroke, Bermuda on May 31, 2007, at 9:00 a.m., Atlantic Daylight Time, for the following purposes:

1. To elect three Class III directors to serve until our 2010 Annual General Meeting; and

2. To appoint the firm of Ernst & Young, independent auditors, to serve as our independent auditors for the 2007 fiscal year until our 2008 Annual General Meeting, and to refer the determination of the auditors remuneration to the Board of Directors.

At the Annual Meeting, shareholders will also receive the report of our independent auditors and our financial statements for the year ended December 31, 2006, and may also be asked to consider and take action with respect to such other matters as may properly come before the Annual Meeting.

The Board of Directors has fixed the close of business on April 20, 2007, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By order of the Board of Directors,

Stephen H. Weinstein
Corporate Secretary

RENAISSANCERE HOLDINGS LTD.
Renaissance House
8 20 East Broadway
Pembroke HM 19 Bermuda

ANNUAL GENERAL MEETING OF SHAREHOLDERS
May 31, 2007

GENERAL INFORMATION

Q: Why am I receiving these materials?

A: You are receiving these materials because you are a shareholder of RenaissanceRe Holdings Ltd. (RenaissanceRe) as of the Record Date (as defined below) and are entitled to attend and vote at the 2007 Annual General Meeting of Shareholders to be held at Renaissance House, 8 20 East Broadway, Pembroke, Bermuda on May 31, 2007, at 9:00 a.m., Atlantic Daylight Time, or any postponement or adjournment thereof (the Annual Meeting). This Proxy Statement summarizes the information you need to know to vote at the Annual Meeting. This Proxy Statement, the Notice of Annual General Meeting and the accompanying proxy card are being first mailed to shareholders on or about April 26, 2007.

We have included with this Proxy Statement our Annual Report to Shareholders. Although the Annual Report and Proxy Statement are being mailed together, the Annual Report should not be deemed to be part of the Proxy Statement.

Q: Who is soliciting my proxy?

A: Proxies in the form enclosed are being solicited by the Board of Directors (the Board). The persons named in the accompanying proxy card have been designated as proxies by the Board. Such persons designated as proxies serve as officers of RenaissanceRe.

Q: What will I be voting on?

A: You are voting on two items (collectively, the Proposals):

1. To elect three Class III directors to serve until our 2010 Annual General Meeting (the Board Nominees Proposal); and

2. To appoint the firm of Ernst & Young, independent auditors, to serve as our independent auditors for the 2007 fiscal year until our 2008 Annual General Meeting, and to refer the determination of the auditors remuneration to the Board (the Auditors Proposal).

Shareholders may also be asked to consider and take action with respect to such other matters as may properly come before the Annual Meeting.

Q: What are the voting recommendations of the Board?

A: The Board recommends the following votes:

1. FOR the Board Nominees Proposal

2. FOR the Auditors Proposal

Q: Who is entitled to vote?

A: The Board has set April 20, 2007, as the record date for the Annual Meeting (the Record Date). If you were the owner of our common shares, par value $1.00 per share (the Full Voting Shares), or Diluted Voting Class I Common Shares, par value $1.00 per share (the Diluted Voting Shares and, together with the Full Voting Shares, the Common Shares), at the close of business on the Record Date, you are entitled to notice of, and may vote at, the Annual Meeting. The Common Shares are our only class of equity securities outstanding and entitled to vote at the Annual Meeting.

Q: What is the quorum requirement?

A: As of April 20, 2007, 72,069,287 Full Voting Shares and 195,000 Diluted Voting Shares were issued and outstanding. The presence, in person or by proxy, of holders of more than 50% of the Common Shares outstanding and entitled to vote on the matters to be considered at the Annual Meeting is required to constitute a quorum for the transaction of business at the Annual Meeting. Holders of Full Voting Shares and Diluted Voting Shares shall vote together as a single class on all matters presented for a vote by the shareholders at the Annual Meeting.

Q: How many votes do I have?

A: Holders of Full Voting Shares are entitled to one vote on each matter to be voted upon by the shareholders at the Annual Meeting for each share held. Each holder of Diluted Voting Shares is entitled to a fixed voting interest in RenaissanceRe of up to 9.9% of all outstanding voting rights attached to the Common Shares, inclusive of the percentage interest in RenaissanceRe represented by Controlled Common Shares (as defined below) of the holder, but in no event greater than one vote for each share held. Each Diluted Voting Share currently carries one vote per share. With respect to any holder of Diluted Voting Shares, Controlled Common Shares means Common Shares owned directly, indirectly or constructively by such holder within the meaning of Section 958 of the U.S. Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

Q: How do I vote?

A: You may either vote in person at the Annual Meeting or by proxy without attending the meeting.

To vote by proxy, you must either:

1. fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope;

2. vote by telephone (instructions are on the proxy card); or

3. vote by internet (instructions are on the proxy card).

Q: What does it mean if I receive more than one proxy card?

A: Generally, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card you receive.

Q: What happens if I do not indicate how to vote by proxy?

A: If no instructions are provided in an executed proxy, it will be voted FOR each of the Proposals, and, as to any other business as may properly come before the Annual Meeting, in accordance with the proxyholder s judgment as to such business.

Q: What is a broker non-vote?

A: Broker non-votes occur when nominees, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Annual Meeting. Member brokerage firms of The New York Stock Exchange, Inc. (the NYSE) that hold shares in street name for beneficial owners may, to the extent that such beneficial owners do not furnish voting instructions with respect to any or all Proposals submitted for shareholder action, vote in their discretion upon

all of the Proposals. Any broker non-votes and abstentions will not be counted as shares present in connection with Proposals with respect to which they are not voted.

Q: Can I send someone to vote my Common Shares for me at the Annual Meeting?

A: Yes. If a shareholder appoints a person other than the persons named in the enclosed proxy card to represent him or her, such person will vote the shares in respect of which he or she is appointed proxyholder in accordance with the directions of the shareholder appointing him or her. Any shareholder desiring to appoint another person to represent him or her at the Annual Meeting may do so either by inserting such person s name in the blank space provided on the accompanying proxy card, or by completing another proxy card and, in either case, delivering an executed proxy to the Secretary of RenaissanceRe at the address indicated above before the time of the Annual Meeting. It is the responsibility of the shareholder appointing such other person to represent him or her to inform such person of this appointment.

Q: Can I change my vote after I have mailed my signed proxy card or voted by telephone or the internet?

A: Yes. You can change your vote at any time before your proxy is voted at the Annual Meeting. You can do this in one of five ways:

1. you can deliver to the Secretary of RenaissanceRe a written statement revoking such proxy to be received not less than two hours prior to the Annual Meeting;

2. you can execute and deliver a later-dated proxy card to be received by the Secretary of RenaissanceRe not less than 48 hours before the Annual Meeting;

3. you can re-vote by telephone up until 11:59 p.m. Eastern Daylight Time the day before the Annual Meeting (instructions are on the proxy card);

4. you can re-vote by internet up until 11:59 p.m. Eastern Daylight Time the day before the Annual Meeting (instructions are on the proxy card); or

5. you can attend the Annual Meeting and vote in person.

Attendance at the Annual Meeting by a shareholder who has executed and delivered a proxy to us shall not in and of itself constitute a revocation of such proxy. Only your vote at the Annual Meeting will revoke your proxy.

Q: Am I entitled to appraisal rights?

A: The Board has not proposed for consideration at the Annual Meeting any transaction for which the laws of Bermuda entitle shareholders to appraisal rights.

Q: How does the voting take place at the Annual Meeting?

A: The nominees for election as directors at the Annual Meeting who receive the highest number of FOR votes will be elected as directors. This is called plurality voting. Unless you indicate otherwise on your proxy card, the persons named as your proxies will vote your shares FOR all the nominees for director named in this proxy statement. All other proposals require the affirmative FOR vote of a majority of those shares present at the meeting and entitled to vote on the proposal. A hand vote will be taken unless a poll is requested pursuant to the Bye-laws.

Q: How are my votes counted?

A: Each of our Full Voting Shares entitles its holder to one vote on each matter that is voted upon at the Annual Meeting or any adjournments thereof, subject to certain provisions of our Bye-laws that reduce the total voting power of any shareholder owning, directly or indirectly, beneficially or otherwise, as described in our Bye-laws, 9.9% or more of the Common Shares to less than 9.9% of the total voting power of our capital stock unless otherwise waived at the discretion of the Board. In addition, the Board may limit a shareholder s voting rights where it deems it necessary to do so to avoid adverse tax, legal or regulatory consequences.

The reduction of such voting power may have the effect of increasing another shareholder s voting power to more than 9.9%, thereby requiring a corresponding reduction in such other shareholder s voting power.

Because the applicability of the voting power reduction provisions to any particular shareholder depends on facts and circumstances that may be known only to the shareholder or related persons, we request that any holder of Common Shares with reason to believe that it is a shareholder whose Common Shares constitute 9.9% or more of the voting power of RenaissanceRe contact us promptly so that we may determine whether the voting power of such holder s Common Shares should be reduced. The Board is empowered to require any shareholder to provide information as to that shareholder s beneficial ownership of Common Shares, the names of persons having beneficial ownership of the shareholder s Common Shares, relationships with other shareholders or any other facts the directors may consider relevant to the determination of the number of Common Shares attributable to any person. The Board may disregard the votes attached to Common Shares of any holder who fails to respond to such a request or who, in its judgment, submits incomplete or inaccurate information. The Board retains the discretion to make such final adjustments that it considers fair and reasonable in all the circumstances as to the aggregate number of votes attaching to the Common Shares of any shareholder to ensure that no shareholder s voting power is more than 9.9% of the total voting power of our capital stock at any time.

See also How many votes do I have? above for information about our Common Shares.

Q: What else will happen at the Annual Meeting?

A: At the Annual Meeting, shareholders will also receive the report of our independent auditors and our financial statements for the year ended December 31, 2006.

Q: Who pays the costs of soliciting proxies?

A: We will bear the cost of solicitation of proxies. We have engaged the firm of MacKenzie Partners to assist us in the solicitation of proxies for a fee of $4,000, plus the reimbursement of certain expenses. Further solicitation may be made by our directors, officers and employees personally, by telephone, internet or otherwise, but such persons will not be specifically compensated for such services. We may also make, through bankers, brokers or other persons, a solicitation of proxies of beneficial holders of the Common Shares. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for reasonable expenses incurred in forwarding copies of the proxy materials relating to the Annual Meeting to the beneficial owners of Common Shares which such persons hold of record.

DIRECTORS AND EXECUTIVE OFFICERS OF RENAISSANCERE

The table below sets forth the names, ages and titles of the directors and executive officers of RenaissanceRe as of the date hereof.

Name	Age	Position
W. James MacGinnitie	68	Chairman of the Board of Directors
Neill A. Currie	54	Chief Executive Officer, Director
William I. Riker	47	President, Director
Fred R. Donner	49	Executive Vice President and Chief Financial Officer
John D. Nichols, Jr.	47	Executive Vice President of RenaissanceRe and President of RenaissanceRe Ventures Ltd.
Kevin J. O Donnell	40	Senior Vice President of RenaissanceRe and President of Renaissance Reinsurance Ltd.
William J. Ashley	51	Senior Vice President of RenaissanceRe and President and Chief Executive Officer of Glencoe Group Holdings Ltd.
Peter C. Durhager	36	

Name	Age	Position
		Senior Vice President and Chief Administrative Officer of RenaissanceRe and President of RenaissanceRe Services Ltd.
Stephen H. Weinstein	38	Senior Vice President, Chief Compliance Officer, General Counsel and Secretary
Todd R. Fonner	40	Senior Vice President, Chief Risk Officer and Chief Investment Officer
Mark A. Wilcox	39	Senior Vice President, Chief Accounting Officer and Corporate Controller
Thomas A. Cooper	70	Director
Edmund B. Greene	69	Director
Brian R. Hall	65	Director
Jean D. Hamilton	60	Director
William F. Hecht	64	Director
Henry Klehm III	48	Director
Scott E. Pardee	70	Director
Nicholas L. Trivisonno	60	Director

W. James MacGinnitie has served as one of our directors since February 2000 and as non-executive Chairman of the Board since November 2005. Mr. MacGinnitie is a Class II director. Mr. MacGinnitie is an independent actuary and consultant. He served as Senior Vice President and Chief Financial Officer of CNA Financial from September 1997 to September 1999. From May 1994 until September 1997, Mr. MacGinnitie was a partner of Ernst & Young and National Director of its actuarial services. From 1975 until 1994 he was a principal in Tillinghast, primarily responsible for its property-casualty actuarial consulting services. Mr. MacGinnitie is a Fellow of both the Casualty Actuarial Society and the Society of Actuaries, and has served as President of both organizations as well as of the American Academy of Actuaries and the International Actuarial Association. In addition, Mr. MacGinnitie serves on the board of directors of Trustmark Mutual Holding Company and of NORCAL Mutual Insurance Company.

Neill A. Currie has served as our Chief Executive Officer and as a director since November 2005. Mr. Currie is a Class II director. Mr. Currie was a co-founder of RenaissanceRe in 1993 and served as a Senior Vice President until he initially retired from the Company in 1997. He re-joined RenaissanceRe in July 2005 as an Executive Vice President, and was responsible for our specialty reinsurance business, prior to assuming the role of Chief Executive Officer. Mr. Currie served as a director of Platinum Underwriters Holdings, Ltd. from May 2003 until July 2005. Prior to co-founding RenaissanceRe in 1993, Mr. Currie was Chief Executive Officer of G.J. Sullivan Co. Atlanta, a private domestic reinsurance broker. From 1982 through 1992, Mr. Currie served as Senior Vice President at R/I and G.L. Hodson, predecessors to Willis Group Holdings Ltd.

William I. Riker has served as our President since February 2002 and as a director since August 1998. Mr. Riker, currently a Class III director, is not standing for re-election to the Board at the Annual Meeting. Mr. Riker previously served as our Executive Vice President from December 1997, as our Senior Vice President from March 1995 and as our Vice President Underwriting from November 1993. Mr. Riker also served previously as Chief Executive

Officer of Glencoe Group Holdings Ltd. from April 2004 until January 2006. From March 1993 through October 1993, Mr. Riker served as Vice President of Applied Insurance Research, Inc. Prior to that, Mr. Riker held the position of Senior Vice President, Director of Underwriting at American Royal Reinsurance Company. He was responsible for developing various analytical underwriting tools while holding various positions at American Royal from 1984 through 1993.

Fred R. Donner has served as our Executive Vice President and Chief Financial Officer since July 2006. Prior to joining RenaissanceRe, Mr. Donner worked for 22 years at KPMG LLP, where he most recently served as Senior Audit Partner and National Insurance Practice Leader advising companies in the insurance industry and overseeing the audit, tax and advisory services provided to the firm s insurance clients.

John D. Nichols, Jr. has served as our Executive Vice President since May 2003 and as President of RenaissanceRe Ventures Ltd., and in similar capacities, since February 2000. Previously, he served as our Senior Vice President Structured Products from November 1999, Vice

President Finance from November 1997 and as our Assistant Vice President Finance from September 1995. From August 1990 through September 1995, Mr. Nichols held various positions including Assistant Vice President, Finance and subsequently, Assistant Vice President, Claims at Hartford Steam Boiler Inspection and Insurance Company where he was responsible for financial reporting and subsequently property claims.

Kevin J. O Donnell has served as our Senior Vice President Property Catastrophe Reinsurance since November 1999 and as the President of Renaissance Reinsurance Ltd. since November 2005. Previously, Mr. O Donnell served as a Vice President of RenaissanceRe from February 1998 and as Assistant Vice President Underwriting from 1996. From 1995 to 1996, Mr. O Donnell was Vice President of Centre Financial Products Ltd. From 1993 to 1995, Mr. O Donnell was an underwriter in SCOR US s Alternative Markets operations.

William J. Ashley, Senior Vice President, has served with us since July 2002 and as the President and Chief Executive Officer of Glencoe Group Holdings Ltd. since January 2006. Prior to January 2006, Mr. Ashley served as our Vice President and as the Chief Underwriting Officer of Glencoe Group Holdings Ltd. from July 2003. Mr. Ashley joined Glencoe Insurance Ltd. as Senior Vice President in September 2001. From 1995 to September 2001, Mr. Ashley held various positions at Benfield Blanch (formerly E.W. Blanch), including Executive Vice President of Strategic Operations and Risk Management, where he also managed the Catastrophe Modeling, Dynamic Financial Modeling and Actuarial Units of Benfield Blanch.

Peter C. Durhager, Senior Vice President and Chief Administrative Officer, has served with us since June 2003 and as President of RenaissanceRe Services Ltd. since March 2004. Mr. Durhager is responsible for RenaissanceRe s Global Shared Services division, including Human Resources & Organizational Development, Marketing, Operations and Information Technology. Prior to his employment at RenaissanceRe, Mr. Durhager was a co-founder and Vice Chairman, President and Chief Operating Officer of Promisant Holdings Ltd. from January 2000 to February 2003. Prior to that, Mr. Durhager was Chairman and CEO of Logic Communications Ltd. from January 1996 until December 1999. From 1997 to 1999, he served as President and CEO of Millennium International Limited, a Bermuda-based internet and advanced data communications services company. From July 1991 until December 1995, Mr. Durhager was Head of Electronic Banking & Card Services at the Bank of N.T. Butterfield.

Stephen H. Weinstein, Senior Vice President since August 2005, has served with us as General Counsel and Secretary since joining RenaissanceRe in January 2002 and as Chief Compliance Officer since January 2004. From January 2002 to January 2006, Mr. Weinstein also served as a Vice President of RenaissanceRe. Prior to joining RenaissanceRe, Mr. Weinstein specialized in corporate law as an attorney at Willkie Farr & Gallagher LLP.

Todd R. Fonner has served as our Chief Risk Officer and Chief Investment Officer since August 2006. Mr. Fonner joined RenaissanceRe in 2001 as Vice President and Treasurer, becoming Senior Vice President in 2006. Prior to joining RenaissanceRe, Mr. Fonner served as Vice President of Centre Solutions, responsible for underwriting and structuring finance and credit related transactions. From 1993 to 1996 he served as Manager of Strategic Planning for USF&G. Mr. Fonner has over 15 years of insurance and reinsurance industry experience.

Mark A. Wilcox has served as our Senior Vice President and Chief Accounting Officer since March 2006 and as our Corporate Controller since April 2005. Prior to this, Mr. Wilcox served as our Vice President and Internal Auditor from August 2003. Prior to joining RenaissanceRe, Mr. Wilcox worked for PricewaterhouseCoopers LLP from 1997 until 2003, where he was Senior Manager of Audit and Business Advisory Services within the firm s

Insurance Practice. From 1991 through 1995, Mr. Wilcox worked in commercial banking for Bank of America Corporation (formerly NCNB). Mr. Wilcox is a Certified Public Accountant and a Chartered Financial Analyst.

Thomas A. Cooper has served as one of our directors since August 1996. Mr. Cooper is a Class II director. Mr. Cooper has served as Chairman and Chief Executive Officer of TAC Associates, a privately held investment company, since August 1993. From August 1993 until August 1996, Mr. Cooper served as Chairman and Chief Executive Officer of Chase Federal Bank FSB. From June 1992 until July 1993, Mr. Cooper served as principal of TAC Associates. From April 1990 until May 1992, Mr. Cooper served as Chairman and Chief Executive Officer of Goldome FSB. He also serves on the boards of directors of The BISYS Group, Inc., Delaware North Companies and Wheeling Island Gaming.

Edmund B. Greene has served as one of our directors since our formation in June 1993. Mr. Greene is a Class I director. Mr. Greene retired as Deputy Treasurer-Insurance of General Electric Company in October 1998, where he had served since March 1995. Prior to that, Mr. Greene was Manager-Corporate Insurance Operation of General Electric Company commencing in 1985, and previously served in various financial management assignments at General Electric Company commencing in 1962.

Brian R. Hall has served as one of our directors since August 1999. Mr. Hall is a Class I director. Mr. Hall, who is President of Inter-Ocean Management Ltd., an independent company providing management and general consulting services, retired as a Director of Johnson & Higgins, and Chairman of Johnson & Higgins (Bermuda) Ltd. in July 1997. In 1969, Mr. Hall founded Inter-Ocean Management Ltd., which entered into an association with Johnson & Higgins in 1970. The business of Inter-Ocean was acquired by Johnson & Higgins in 1979, and Mr. Hall was appointed President of Johnson & Higgins (Bermuda) Ltd. He became a Director of Johnson & Higgins in 1989. Mr. Hall is a recipient of the Bermuda Insurance Institute s Lifetime Achievement Award (2000), the Chair of the Bermuda Foundation for Insurance Studies, a former chair of the Insurance Advisory Committee of the Ministry of Finance of the Bermuda Government and was mentioned in the 1998 New Year s Queen s Honours list as having been appointed to be an Officer of the Most Excellent Order of the British Empire.

Jean D. Hamilton has served as one of our directors since June 2005. Ms. Hamilton is a Class I director. Ms. Hamilton is an independent consultant/private investor. Previously, she was Executive Vice President of Prudential Financial, Inc., serving as Chief Executive Officer of Prudential Institutional, from November 1998 through November 2002. Ms. Hamilton is a Member of the Brock Capital Group LLC. From 1988 through 1998, she held various positions with Prudential Financial, Inc., including President of the Prudential Diversified Group and President of the Prudential Capital Group. From 1971 to 1988, she held several positions with The First National Bank of Chicago, including Senior Vice President and Head of the Northeastern Corporate Banking Department. She is currently a Trustee of First Eagle Funds and First Eagle Variable Funds.

William F. Hecht has served as one of our directors since November 2001. Mr. Hecht is a Class III director. From 1993 through October 2006, Mr. Hecht served as Chairman and Chief Executive Officer of PPL Corporation. He was elected President and Chief Operating Officer of PPL Corporation in 1991. Mr. Hecht is also a director of DENTSPLY International Inc. and the Deputy Chair of the Federal Reserve Bank of Philadelphia.

Henry Klehm III has served as one of our directors since May 2006. Mr. Klehm is a Class III director. Mr. Klehm has served as Global Head of Compliance for Deutsche Bank, AG, since July 2002. Prior to joining Deutsche Bank, AG, Mr. Klehm served as Chief Regulatory Officer and Deputy General Counsel at Prudential Financial from July 1999 through July 2002. Mr. Klehm was also the Senior Associate Director of the Northeast Regional Office of the Securities and Exchange Commission from 1996 until July 1999.

Scott E. Pardee has served as one of our directors since February 1997. Mr. Pardee is a Class I director. Mr. Pardee serves as Alan R. Holmes Professor of Monetary Economics at Middlebury College, where he has taught since January 1, 2000. Previously he served as a Senior Lecturer at the MIT Sloan School of Management and Executive Director of the Finance Research Center at the Sloan School from November 1997. Mr. Pardee served as Chairman of Yamaichi International (America), Inc., a financial services company, from 1989 to 1995. Mr. Pardee previously served as Executive Vice President and a member of the board of directors of Discount Corporation of New York, a primary dealer in U.S. government securities, and Senior Vice President of the Federal Reserve Bank of New York and Manager of Foreign Operations of the Open Market Committee of the Federal Reserve System.

Nicholas L. Trivisonno has served as one of our directors since May 2004. Mr. Trivisonno is a Class III director. Mr. Trivisonno was Chairman and Chief Executive Officer of ACNielsen Corporation from January 1996 through

March 2001. From September 1995 through November 1996, he was Executive Vice President and Chief Financial Officer of Dun & Bradstreet Corporation. Previously, he had held several positions at GTE Corporation from November 1988 until July 1995, including Group President, Executive Vice President, Strategic Planning, Senior Vice President Finance, and Vice President and Controller. Mr. Trivisonno began his career as a certified public accountant with Arthur Andersen & Co. in 1968, became a partner in 1979 and was appointed a managing partner in 1986.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, MANAGEMENT AND DIRECTORS

The following table sets forth information as of April 2, 2007 (unless otherwise noted) with respect to the beneficial ownership of Common Shares and the applicable voting rights attached to such share ownership in accordance with the Bye-laws by (i) each person known by us to own beneficially 5% or more of the outstanding Common Shares; (ii) our Chief Executive Officer, our Chief Financial Officer and each of the three remaining most highly compensated executive officers (collectively, the Named Executive Officers); and (iv) all of our executive officers and directors as a group. The total Common Shares outstanding as of April 2, 2007, were 72,285,937.

Name and Address of Beneficial Owner[(1)]	Number of Common Shares[(2)]	Percentage of Voting Rights
AXA[(3)] 1290 Avenue of the Americas New York, New York 10104	7,208,837	9.97%
FMR Corp.[(4)] 82 Devonshire Street Boston, Massachusetts 02109	7,179,895	9.9%
James N. Stanard[(5)] 48 Par-La-Ville Rd., Suite 795 Hamilton, Bermuda HM 11	4,971,397	6.9%
Pzena Investment Management, LLC[(6)] 120 West 45th Street 20th Floor New York, NY 10036	4,519,757	6.3%
Orbis Investment Management Limited[(7)] Orbis Asset Management Limited 34 Bermudiana Road Hamilton, Bermuda HM 11	3,640,579	5.0%
Neill A. Currie[(8)]	264,362	*
William I. Riker[(9)]	1,199,252	1.7%
Fred R. Donner[(10)]	43,424	*
John D. Nichols, Jr.[(11)]	555,677	*
Kevin J. O Donnell[(12)]	370,232	*
John M. Lummis[(13)]	192,305	*
Thomas A. Cooper[(14)]	86,099	*
Edmund B. Greene[(15)]	25,463	*
Brian R. Hall[(16)]	68,678	*
William F. Hecht[(17)]	27,324	*
Jean D. Hamilton[(18)]	6,301	*
Henry Klehm III[(19)]	4,160	*
W. James MacGinnitie[(20)]	82,159	*
Scott E. Pardee[(21)]	54,986	*
Nicholas L. Trivisonno[(22)]	17,866	*
All of our executive officers and directors (19 persons)	3,255,334	4.5%

* Less than 1%

(1) Pursuant to the regulations promulgated by the Securities and Exchange Commission (the Commission or SEC), shares are deemed to be beneficially owned by a person if such person directly or indirectly has or shares the power to vote or dispose of such shares whether or not such person has any pecuniary interest in such shares or the right to acquire the power to vote or dispose of such shares within 60 days, including any right to acquire through the exercise of any option, warrant or right.

(2) All references in these footnotes to Common Shares are to Full Voting Shares.

(3) According to information provided to us by AllianceBernstein L.P., this entity and AXA Rosenberg Investment Management LLC, each of whose direct or indirect parent company is AXA (collectively, AXA), may be deemed to be the beneficial owner of an aggregate of 7,208,837 Common Shares as of March 31, 2007. Based on the information provided to us by AllianceBernstein L.P., we do not believe

that AXA owns an amount of Common Shares exceeding the limitations set forth in our Bye-laws and in no event will AXA be permitted to vote more than 9.9% of our Common Shares.

(4) According to an amendment to a Statement on Schedule 13G/A filed with the Commission on February 14, 2007, by FMR Corp., Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR Corp., is the beneficial owner of 7,179,895 Common Shares as a result of acting as investment adviser to various investment companies. The interest of one person, Growth & Income Fund, an investment company registered under the Investment Company Act of 1940, in the Common Shares amounted to 3,631,400 shares or 5.03% of the total outstanding Common Shares. Edward C. Johnson 3d (Chairman of FMR Corp.) and FMR Corp., through its control of Fidelity, and the Fidelity funds each has the sole power to dispose of the 7,179,895 Common Shares owned by the Fidelity funds. Neither FMR Corp. nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds, which power resides with the funds Board of Trustees. Fidelity carries out the voting of the shares under written guidelines established by its funds Boards of Trustees. According to this Schedule 13G/A, members of the family of Edward C. Johnson 3d are the predominant owners, directly or through trusts, of Series B shares of common stock of FMR Corp., representing 49% of the voting power of FMR Corp. Members of the Johnson family and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B shares will be voted in accordance with the majority vote of Series B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR Corp. Based on the information provided in this Schedule 13G/A, we do not believe that FMR Corp., Fidelity, Edward C. Johnson 3d or any Fidelity fund owns an amount of Common Shares exceeding the limitations set forth in our Bye-laws.

(5) According to a Statement on Schedule 13G, filed with the Commission on February 9, 2007, James N. Stanard may be deemed to be the beneficial owner of 4,971,397 Common Shares. Mr. Stanard has the sole power to vote or direct the voting of, and the sole power to dispose or direct the disposition of, 4,942,095 Common Shares; and the shared power to vote or direct the voting of, and the shared power to dispose or direct the disposition of, 29,302 Common Shares. According to this Schedule 13G, the 29,302 Common Shares are held by Ardshield Associates LP. With respect to the shares held by Ardshield Associates LP, Mr. Stanard s spouse holds 51% of the voting and dispositive power and the remaining 49% is held by two trusts benefiting the children of Mr. Stanard for which Mr. Stanard s father and Mrs. Stanard s parents act as Trustee. Based on the information provided in this Schedule 13G, we do not believe that Mr. Stanard owns an amount of Common Shares exceeding the limitations set forth in our Bye-laws.

(6) According to a Statement on Schedule 13G filed with the Commission on February 13, 2007, by Pzena Investment Management, LLC (Pzena), Pzena is the beneficial owner of 4,519,757 Common Shares. Pzena has the sole power to vote or to direct the voting of 3,418,357 Common Shares and sole power to dispose of or to direct the disposition of 4,519,757 Common Shares. Based on the information provided in this Schedule 13G, we do not believe that Pzena owns an amount of Common Shares exceeding the limitations set forth in our Bye-laws.

(7) According to a Statement on Schedule 13G, filed with the Commission on February 14, 2007, Orbis Investment Management Limited may be deemed to be the beneficial owner of 3,606,579 Common Shares and Orbis Asset Management Limited may be deemed to be the beneficial owner of 34,000 Common Shares. According to the Schedule 13G, Orbis Investment Management Limited and Orbis Asset Management Limited may be deemed to constitute a group for purposes of Section 13(d)(3) of the Exchange Act. Based on the information provided in this Schedule 13G, we do not believe that Orbis Investment Management Limited owns an amount of Common Shares exceeding the limitations set forth in our Bye-laws.

(8) Includes 109,863 Common Shares issuable upon the exercise of options under the RenaissanceRe Holdings Ltd. 2001 Stock Incentive Plan (the 2001 Plan) that are vested and presently exercisable. Also includes 121,775 restricted Full Voting Shares which have not vested (Restricted Shares). Mr. Currie also holds options to acquire 300,000 Common Shares granted under the RenaissanceRe Holdings Ltd. 2004 Stock Option Incentive Plan (the 2004 Plan), which are currently unvested and out of the money, and options to acquire 405,860 Common Shares granted under the 2001 Plan, which are currently unvested (and are not reflected in Mr. Currie s beneficial ownership).

(9) ***Backlog may not be realized or may not result in profits.***

Backlog is difficult to determine accurately and companies within our industry may define backlog differently. Reductions in backlog due to cancellation, termination or scope adjustment by a customer or for other reasons could significantly reduce the revenue and profit we actually receive from contracts in backlog. In the event of a project cancellation, termination or scope adjustment, we typically have no contractual right to the total revenues reflected in our backlog. The timing of contract awards, duration of large new contracts and the mix of services, subcontracted work and material in our contracts can significantly affect backlog reporting. Given these factors and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period, and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to earn in the following fiscal year and should not be viewed or relied upon as a stand-alone indicator. Consequently, we cannot provide assurance as to our customers' requirements or our estimates of backlog. See "Item 1. Business Backlog" for a discussion on how we calculate backlog for our business.

Our business growth could outpace the capability of our internal resources.

Our internal resources, including our workforce, specialized equipment and financial resources may not be adequate to support our operations as they expand, particularly if we are awarded a significant number of large projects in a short time period. A large project may require hiring additional qualified personnel, such as engineers, project managers, field supervisors, linemen and safety personnel, the supply of which may not be sufficient to meet our demands.

Often large transmission projects require specialized equipment. To the extent that we are unable to buy or build equipment necessary for a project, either due to a lack of available funding or equipment shortages in the marketplace, we may be forced to rent equipment on a short-term basis or to find alternative ways to perform the work without the benefit of equipment ideally suited for the job, which could increase the costs of completing the project. Furthermore, we may be unable to buy or rent the specialty equipment and tooling we require due to the limited number of manufacturers and distributors in the marketplace.

Larger projects may require stronger financial resources to meet the cash flow, bonding or letter of credit requirements imposed upon contractors by the customer. Future growth also could impose additional demands and responsibilities on members of our senior management.

We may depend on subcontractors to assist us in providing certain services.

We use subcontractors to perform portions of our contracts and to manage workflow, particularly for design, engineering, procurement and some foundation work. Although we are not dependent upon any single subcontractor, general market conditions may limit the availability of subcontractors on which we rely to perform portions of our contracts.

Successful completion of our contracts may depend on whether our subcontractors successfully fulfill their contractual obligations. If our subcontractors fail to satisfactorily perform their contractual obligations as a result of financial or other difficulties, or if our subcontractors fail to meet the expected completion dates and quality standards, we may be required to incur additional costs and provide additional services in order to make up such shortfall.

We may depend on customers or suppliers to procure material for our projects.

Our customers often supply the materials necessary for our projects. However, on some projects we rely on suppliers to obtain the necessary materials. Demand for transmission products and services could strain production resources and thus could create significant lead-time for obtaining such items as large transformers, transmission structures, poles and wire. Our transmission project revenues could be significantly reduced or delayed due to the difficulty that we, our suppliers, or our customers, may experience in obtaining required materials.

Our participation in joint ventures and other projects with third parties may expose us to liability for failures of our partners.

We may enter into joint venture or other strategic arrangements with other parties as part of our business operations. Success on a jointly performed project depends in large part on whether all parties satisfy their contractual obligations. Joint venture partners are generally jointly and severally liable for all liabilities and obligations of the joint venture. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities relating to claims or lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate or agreed upon share of a liability to make up for the partner's shortfall. In addition, if we are unable to adequately address our partner's performance issues, the customer may terminate the project, which could result in legal liability to us, reduce our profit on the project or damage our reputation.

Legislative actions and initiatives relating to electricity transmission and renewable energy may not result in increased demand for our services.

Current and potential legislative or regulatory initiatives may not result in increased demand for our services. Recent legislation or regulations require utilities to meet reliability standards and encourage installation of new electric transmission and renewable energy generation facilities. However, it is not certain whether these initiatives will create sufficient incentives for projects or result in increased demand for our services.

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While many states currently have mandates in place that require specified percentages of electricity to be generated from renewable sources, states could reduce those mandates or make them optional, which could reduce, delay or eliminate renewable energy development in the affected states. Additionally, renewable energy is generally more expensive to produce and may require additional power generation sources as backup. The locations of renewable energy projects are often remote and may not be viable unless new or expanded transmission infrastructure to transport the electricity to demand centers is economically feasible. Furthermore, funding for renewable energy initiatives may not be available. These factors could result in fewer renewable energy projects than anticipated and a delay in the construction of these projects and the related infrastructure. These factors could result in delays or reductions in projects, which could negatively impact our business.

Our use of percentage-of-completion accounting could result in a reduction or reversal of previously recognized profits.

As discussed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results from Operations Critical Accounting Policies" and in the notes to our consolidated financial statements, a significant portion of our revenues is recognized on a percentage-of-completion method of accounting, using the cost-to-cost method. This method is used because management considers expended costs to be the best available measure of progress on these contracts. This accounting method is commonly used in the construction industry for fixed-price contracts. The percentage-of-completion accounting practice we use results in our recognizing contract revenues and earnings ratably over the contract term in proportion to our incurrence of contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. Contract losses are recognized in full when determined, and contract profit estimates are adjusted based on ongoing reviews of contract profitability. Penalties are recorded when known or finalized, which generally occurs during the latter stages of the contract. In addition, we record adjustments to estimated costs of contracts when we believe the change in estimate is probable and the amounts can be reasonably estimated. These adjustments could result in both increases and decreases in profit margins. Actual results could differ from estimated amounts and could result in a reduction or elimination of previously recognized earnings.

Our actual costs may be greater than expected in performing our fixed- price and unit-price contracts.

We currently generate, and expect to continue to generate, a portion of our revenues and profits under fixed-price and unit-price contracts. We must estimate the costs of completing a particular project when we bid for these types of contracts. The actual cost of labor and materials, however, may vary from the costs we originally estimated and we may not be successful in recouping additional costs from our customers. These variations, along with other risks inherent in performing fixed-price and unit-price contracts, may cause actual revenue and gross profits for a project to differ from those we originally estimated and could result in reduced profitability or losses on projects due to changes in a variety of factors such as:

- failure to properly estimate costs of engineering, material, equipment or labor;
- unanticipated technical problems with the structures, materials or services being supplied by us, which may require that we spend our own money to remedy the problem;
- project modifications that create unanticipated costs;
- changes in the costs of equipment, materials, labor or subcontractors;
- the failure of our suppliers or subcontractors to perform;
- an increase in the cost of fuel or other resources;

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difficulties in our customers obtaining required governmental permits or approvals;

site conditions that differ from those assumed in the original bid (to the extent contract remedies are unavailable);

the availability and skill level of workers in the geographic location of the project;

changes in local laws and regulations;

delays caused by local weather conditions; or

quality issues requiring rework.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our consolidated financial statements in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"), estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated. In some cases, these estimates are particularly difficult to determine, and we must exercise significant judgment.

The most significant estimates we use are related to estimates to complete on contracts, insurance reserves, accounts receivable reserves, the recoverability of goodwill and intangibles, and estimates surrounding stock-based compensation. We also may use estimates in our assessment of the useful lives of property and equipment, the valuation allowance on deferred taxes and the provision for income taxes. From time-to-time, we may publicly provide earnings or other forms of guidance, which reflect our predictions about future revenue, operating costs and capital structure, among other factors. These predictions may be impacted by estimates, as well as other factors that are beyond our control and may not turn out to be correct. Actual results for all estimates could differ materially from the estimates and assumptions that we use.

We maintain insurance policies with respect to automobile liability, general liability, workers' compensation, employers' liability and other coverages, but those policies do not cover all possible claims and are subject to certain deductible limits. We also have an employee health care benefit plan for employees not subject to collective bargaining agreements, which is subject to certain deductible limits. Insurance losses are accrued based upon our estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported. However, insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety programs and as a result, our actual losses may exceed our estimates.

The loss of a key customer could have an adverse affect on us.

Our customer base is highly concentrated, with our top ten customers accounting for 59.6% of our revenue for the year ended December 31, 2012. Much of our success depends on developing and maintaining relationships with our major customers. Our revenue could significantly decline if we lose one or more of our significant customers. In addition, revenues generated from contracts with significant customers may vary from period-to-period depending on the timing and volume of work ordered by such customers in a given period and as a result of competition from the in-house service organizations of our customers.

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Our failure to comply with environmental and other laws and regulations could result in significant liabilities.

Our operations are subject to numerous federal, state and local environmental and other laws and regulations governing our operations, including the use, transport and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, such liabilities can be imposed for cleanup of previously owned or operated properties, or properties to which hazardous substances or wastes were discharged by current or former operations at our facilities, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could interfere with ongoing operations or adversely affect our ability to sell, lease or otherwise use our properties in ways such as collateral for possible financing. We could also be held liable for significant penalties and damages under certain environmental laws and regulations, which could materially and adversely affect our business and results of operations.

In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or leaks, or the imposition of new permitting or clean-up requirements could require us to incur significant costs or become the basis for new or increased liabilities that could harm our financial condition and results of operations. In certain instances, we have obtained indemnification or covenants from third parties (including our predecessor owners or lessors) for some or all of such cleanup and other obligations and liabilities. However, such third-party indemnities or covenants may not cover all of our costs.

Legislative and regulatory proposals related to address greenhouse gas emissions could result in a variety of regulatory programs, additional charges to fund energy efficiency activities, or other regulatory actions. Any of these actions could result in increased costs associated with our operations and impact the prices we charge our customers. If new regulations are adopted regulating greenhouse gas emissions from mobile sources such as cars and trucks, we could experience a significant increase in environmental compliance costs in light of our large fleet. In addition, if our operations are perceived to result in high greenhouse gas emissions, our reputation could suffer.

In addition, we are subject to laws and regulations protecting endangered species. Laws also protect Native American artifacts and archeological sites and a part of our business is done in the southwestern United States, where there is a greater chance of discovering those sites. We may incur work stoppages to avoid violating these laws and regulations, or we may risk fines or other sanctions for accidentally or willfully violating these laws and regulations.

Unavailability or cancellation of third party insurance coverage would increase our overall risk exposure as well as disrupt our operations.

We maintain insurance coverage from third party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. We renew our insurance policies on an annual basis; and therefore, deductibles and levels of insurance coverage may change in future periods. There can be no assurance that any of our existing insurance coverage will be renewed upon the expiration of the coverage period or that future coverage will be affordable at the required limits. In addition, insurers may cancel our coverage or determine to exclude certain items from coverage, or we may elect not to obtain certain types or incremental levels of insurance if we believe that the cost to obtain such coverage is too high for the additional benefit obtained. Also, our third party insurers could fail, suddenly cancel our coverage or otherwise be unable to provide us with adequate insurance coverage. If any of these events occur, our overall risk exposure would increase and our operations could be disrupted. If our risk exposure increases as a result of

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adverse changes in our insurance coverage, we could be subject to increased claims and liabilities that could negatively affect our results of operations and financial condition.

The nature of our business exposes us to warranty claims, which may reduce our profitability.

We typically provide a warranty for the services we provide, guaranteeing the work performed against defects in workmanship and material. Warranty claims that we have historically received have been minimal because much of the work we perform is inspected by our customers for any defects in construction prior to acceptance of the project. Additionally, materials used in construction are often provided by the customer or are warranted against defects from the supplier. However, if warranty claims occur, it could require us to re-perform the services or to repair or replace the warrantied item, at a cost to us, and could also result in other damages if we are not able to adequately satisfy our warranty obligations. In addition, we may be required under contractual arrangements with our customers to warrant any defects or failures in materials we provide that we purchase from third parties. While we generally require the materials suppliers to provide us warranties that are consistent with those we provide to the customers, if any of these suppliers default on their warranty obligations to us, we may incur costs to repair or replace the defective materials for which we are not reimbursed. Costs incurred as a result of warranty claims could adversely affect our operating results and financial condition.

We may incur liabilities or suffer negative financial or reputational impacts relating to occupational health and safety matters.

Our operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. While we have invested, and will continue to invest, substantial resources in our occupational health and safety programs, our industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability exposure. Our business is subject to numerous safety risks, including electrocutions, fires, natural gas explosions, mechanical failures, weather-related incidents, transportation accidents and damage to equipment on which we work. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations, large damage claims and, in extreme cases, criminal liability. We have suffered serious injuries and fatalities in the past and may suffer additional serious injuries and fatalities in the future. Claims for damages to persons, including claims for bodily injury or loss of life, could result in substantial costs and liabilities. In addition, we have in the past, and we may in the future, be subject to criminal penalties relating to occupational health and safety violations, which have resulted in and could in the future result in substantial costs and liabilities.

Our customers seek to minimize safety risks on their sites and they frequently review the safety records of outside contractors during the bidding process. If our safety record were to substantially deteriorate, we might become ineligible to bid on certain work, and our customers could cancel our contracts and not award us future business.

We extend trade credit to customers for purchases of our services, and may have difficulty collecting receivables from them.

We grant trade credit, generally without collateral, to our customers for the purchase of our services. In the past we have had, and in the future we may have, difficulty collecting receivables from customers, particularly from customers experiencing financial difficulties. Our customers in the T&D segment include investor-owned utilities, municipal utilities, cooperatives, private developers, federally-owned utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. Our customers in the C&I segment include general contractors, commercial and industrial facility owners, local governments and developers located primarily in the

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western United States. Our customers also include special purpose entities that own T&D projects which do not have the financial resources of traditional transmission utility operators. Consequently, we are subject to potential credit risk related to changes in business and economic factors. Due to our work on large construction projects, a few customers sometimes may comprise a large portion of our receivable balance at any point in time. If any of our major customers experience financial difficulties, we could experience reduced cash flows and losses in excess of current allowances provided. In addition, material changes in any of our customers' revenues or cash flows could affect our ability to collect amounts due from them.

We may not be able to compete for or work on certain projects if we are not able to obtain surety bonds.

Our contracts may require that we provide to our customers security for the performance of their projects, typically in the form of a performance bond, a payment bond, or both. Under standard terms in the surety market, sureties issue or renew bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds.

Current or future market conditions, including losses incurred in the construction industry or a decrease in lending activity may have a negative effect on surety providers. These market conditions, as well as changes in our surety providers' assessment of our operating and financial risk, could also cause our surety providers to decline to issue or renew, or substantially reduce the amount of, bonds for our work and could increase our bonding costs. These actions could be taken on short notice. If our surety providers were to limit or eliminate our access to bonding, our alternatives would include seeking bonding capacity from other sureties, finding more business that does not require bonds and posting other forms of collateral for project performance, such as letters of credit or cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all. Accordingly, if we were to experience an interruption or reduction in our availability of bonding capacity, we may be unable to compete for, or work on, certain projects.

Inability to hire or retain key personnel could disrupt business.

The success of our business depends upon the continued efforts and abilities of our executive officers and senior management, including the management at each operating subsidiary. Other than with respect to our named executive officers, we do not have employment or non-competition agreements with any of our employees. The relationships between our executive officers and senior management and our customers are important to obtaining and retaining business. We are also dependent upon our project managers and field supervisors who are responsible for managing and recruiting employees to our projects. There can be no assurance that any individual will continue in his or her capacity for any particular period of time. Industry-wide competition for managerial talent is high. Given that level of competition, there could be situations where our overall compensation package may be viewed as less attractive as compared to our competition, and we may experience the loss of key personnel. The loss of key personnel, or the inability to hire and retain qualified employees, could negatively impact our ability to manage our business and relationships with our customers.

Work stoppages or other labor issues with our unionized workforce could adversely affect our business.

As of December 31, 2012, approximately 88% of our field labor employees were covered by collective bargaining agreements. Although the majority of these agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur in the future. Strikes or work stoppages could adversely impact our relationships with our customers and could cause us to lose business, resulting in decreased revenues.

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Multi-employer pension plan obligations related to our unionized workforce could adversely impact our earnings.

Our collective bargaining agreements may require us to participate with other companies in various multi-employer pension plans. To the extent that we participate in any multi-employer pension plans that are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multi-Employer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we were to withdraw from them or if they were terminated. Furthermore, the Pension Protection Act of 2006 (the "PPA") imposes additional funding rules applicable to plan years beginning after 2007 for multi-employer pension plans that are classified as either "endangered," "seriously endangered" or "critical" status. For a plan that is classified as being in critical status, additional required employer contributions and/or employee benefit reductions could be applied going forward based on future union wages paid.

We have been informed that several of the multi-employer pension plans to which our subsidiaries contribute have been labeled with a "critical" or "endangered" status as defined by the PPA. Although we are not currently aware of any potential significant liabilities to us as a result of these plans being classified as being in critical status, our future results could be impacted.

Our business may be affected by seasonal and other variations, including severe weather conditions.

Although our revenues are primarily driven by spending patterns in our customers' industries, our revenues and results of operations can be subject to seasonal variations, particularly in our T&D segment. These variations are influenced by weather, hours of daylight, customer spending patterns, available system outages from utilities, bidding seasons and holidays, and can have a significant impact on our gross margins. Our profitability may decrease during the winter months and during severe weather conditions because work performed during these periods may be restricted and more costly to complete. Additionally, our T&D customers often cannot remove their T&D lines from service during the summer months when consumer demand for electricity is at its peak, delaying the demand for our maintenance and repair services. Working capital needs are also influenced by the seasonality of our business. We generally experience a need for additional working capital during the spring when we increase outdoor construction in weather-affected regions of the country, and we convert working capital assets to cash during the winter months.

We may not have access in the future to sufficient funding to finance desired growth and operations.

If we cannot secure funds in the future, including financing on acceptable terms, we may be unable to support our growth strategy or future operations. Our principal sources of cash come from our operating activities and borrowing availability under our credit facility, which expires in 2016. Our credit facility contains numerous covenants and requires us to meet and maintain certain financial ratios and other tests. General business and economic conditions may affect our ability to comply with these covenants or meet those financial ratios and other tests, which may limit our ability to borrow under the facility.

Restrictions in the availability of bank credit could cause us to forgo otherwise attractive business opportunities and could require us to modify our business plan. We will continue to closely monitor our liquidity and the overall condition of the financial markets; however, we can give no assurance that we will be able to obtain such financing either on favorable terms or at all in the future.

We are subject to risks associated with climate change.

Climate change may create physical and financial risk. Physical risks from climate change could, among other things, include an increase in extreme weather events (such as floods or hurricanes), rising sea levels and limitations on water availability and quality. Such extreme weather conditions may limit the availability of resources, driving up the costs of our projects, or may cause projects to be delayed or cancelled.

Additionally, legislative and regulatory responses related to climate change and new interpretations of existing laws through climate change litigation may also negatively impact our operations. The cost of additional environmental regulatory requirements could impact the availability of goods and increase our costs. The Environmental Protection Agency and other federal and state regulatory bodies have begun taking steps to regulate greenhouse gas emissions, including proposals that would establish greenhouse gas efficiency standards for light duty vehicles. While we do not currently have operations outside of the United States, international treaties or accords could also have an impact on our business to the extent they lead to future federal or state regulations. Compliance with any new laws or regulations regarding the reduction of greenhouse gases could result in significant changes to our operations and a significant increase in our cost of conducting business.

Our operations are subject to a number of operational risks which may result in unexpected costs or liabilities.

Unexpected costs or liabilities may arise from lawsuits or indemnity claims related to the services we perform. We have in the past been, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings during the ordinary course of our business. These actions may seek, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, breach of contract, property damage, environmental remediation, punitive damages, civil penalties or other losses, consequential damages or injunctive or declaratory relief. In addition, pursuant to our service arrangements, we generally indemnify our customers for claims related to the services we provide under those service arrangements. In some instances, our services are integral to the operation and performance of the electric distribution and transmission infrastructure. As a result, we may become subject to lawsuits or claims for any failure of the systems we work on, even if our services are not the cause for such failures. In addition, we may incur civil and criminal liabilities to the extent that our services contributed to any property damage. The outcome of any of these lawsuits, claims or legal proceedings could result in significant costs and diversion of managements' attention to the business.

Opportunities associated with government contracts could lead to increased governmental regulation applicable to us.

Most government contracts are awarded through a regulated competitive bidding process. If we were to be successful in being awarded government contracts, significant costs could be incurred by us before any revenues were realized from these contracts. Government agencies may review a contractor's performance, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these reviews that costs were improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we engaged in improper activity, we may be subject to civil and criminal penalties. Government contracts are also subject to renegotiation of profit and termination by the government prior to the expiration of the term.

We may fail to integrate future acquisitions successfully.

As part of our growth strategy, we may acquire companies that expand, complement or diversify our business. Future acquisitions may expose us to operational challenges and risks, including the diversion of management's attention from our existing business, the failure to retain key personnel or customers of an acquired business, the assumption of unknown liabilities of the acquired business for which there are inadequate reserves and the potential impairment of acquired intangible assets. Our ability to grow and maintain our competitive position may be affected by our ability to successfully integrate any businesses acquired.

Our results of operations could be adversely affected as a result of the impairment of goodwill or intangible assets.

As of December 31, 2012 we had approximately $46.6 million of goodwill and $10.5 million of net intangible assets recorded on our balance sheet. Goodwill and indefinite-lived intangible assets are assessed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Although we have not recorded any asset impairment charges in the past, a decline in the estimated results of operations or future cash flows of our reporting units, which are our reportable segments, or an adverse change in market conditions, cost of capital or growth rates could result in an impairment of goodwill or intangible assets.

We, or our business partners, may be subject to breaches of information technology systems, which could affect our competitive position or damage our reputation.

We use our own information technology systems as well as our business partners' systems to maintain certain data and provide reports. Our security measures, and those of our business partners, may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity, and may result in persons obtaining unauthorized access to our data or accounts. While we devote significant resources to network security and other security measures to protect our systems and data, these security measures cannot provide absolute security. If an informational technology security breach affects our systems, or results in the unauthorized release of our proprietary information, our competitive situation or our reputation could be damaged.

Provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company.

The existence of some provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company. The provisions in our certificate of incorporation and by-laws that could delay or prevent an unsolicited change in control of our company include a staggered board of directors, board authority to issue preferred stock, and advance notice provisions for director nominations or business to be considered at a stockholder meeting. In addition, Delaware law imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located at 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008-4210, the lease term of which expires on January 31, 2020. In addition to our executive offices, our corporate accounting and finance departments, corporate information technology department and certain legal and other personnel are located at this office. As of December 31, 2012, we owned 11 operating facilities and leased many other properties in various locations throughout our service territory. Most of our properties are used as offices or for fleet operations. We believe that our facilities are adequate for our current operating needs. We do not believe that any owned or leased facility is material to our operations and, if necessary, we could obtain replacement facilities for our leased facilities.

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Item 3. Legal Proceedings

We are, from time-to-time, party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil and criminal penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, we record reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, separately or in the aggregate, would be expected to have a material adverse effect on our financial position, results of operations or cash flows.

We are routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of our present business as well as in respect of our divested businesses. Some of these include claims related to our current services and operations, and asbestos-related claims concerning historic operations of a divested subsidiary of our predecessor. We believe that we have strong defenses to these claims as well as adequate insurance coverage in the event any asbestos-related claim is not resolved in our favor. These claims have not had a material impact on us to date, and we believe the likelihood that a future material adverse outcome will result from these claims is remote. However, if facts and circumstances change in the future, we cannot be certain that an adverse outcome of one or more of these claims would not have a material adverse effect on our financial condition, results of operations, or cash flows.

For additional discussion of legal proceedings, see Footnote 12 to the Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Item 4. Mine Safety Disclosures

Not Applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

From August 12, 2008 until September 8, 2008, our common stock was listed on the OTC Bulletin Board under the symbol "MYRG." The initial opening trading price of our common stock on August 12, 2008 was $16.00 per share. Our common stock, par value $0.01, has been listed on The NASDAQ Global Market under the same symbol since September 9, 2008.

The following table sets forth the high and low closing sales prices of our common stock per share, as reported by The NASDAQ Global Market for each of the periods listed.

	High	Low
Year Ended December 31, 2012		
First Quarter	$ 23.50	$ 17.24
Second Quarter	$ 17.87	$ 14.18
Third Quarter	$ 21.46	$ 13.94
Fourth Quarter	$ 22.71	$ 17.60
Year Ended December 31, 2011		
First Quarter	$ 25.84	$ 19.68
Second Quarter	$ 26.54	$ 20.76
Third Quarter	$ 26.30	$ 15.80
Fourth Quarter	$ 21.81	$ 15.54

Holders of Record

As of February 28, 2013, we had 24 holders of record of our common stock.

Dividend Policy

We have neither declared nor paid any cash dividend on our common stock since our common stock began trading publicly on August 12, 2008. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to compliance with legal requirements and covenants under any existing financing agreements, which may restrict or limit our ability to declare or pay dividends, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

Performance Graph

The following Performance Graph and related information shall be deemed "furnished" and not "filed" for purposes of Section 18 of the Exchange Act, and such information shall not be incorporated by reference into any future filing under the Securities Act or the Exchange Act except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares, for the period from August 12, 2008 to December 31, 2012, the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor's 500 Index (the "S&P 500 Index"), the Russell 2000 Index, and a peer group index selected by our management that includes seventeen publicly traded companies within our industry (the "Peer Group"). The comparison assumes that $100 was invested on August 12, 2008 and further assumes any dividends were reinvested quarterly. The stock price performance reflected on the following graph is not necessarily indicative of future stock price performance.

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The companies in the Peer Group were selected because they comprise a broad group of publicly traded companies, each of which has some operations similar to ours. When taken as a whole, the Peer Group more closely resembles our total business than any individual company in the group. The Peer Group is composed of the following companies:

Aegion Corporation
Astec Industries, Inc.
Comfort Systems USA, Inc.
Dycom Industries, Inc.
EMCOR Group
ENGlobal Corporation
Granite Construction Incorporated
Integrated Electrical Services, Inc.
MasTec, Inc.
Matrix Service Company
Michael Baker Corporation
Pike Electric Corporation
Primoris Services Corporation
Quanta Services, Inc.
Tetra Tech, Inc.
TRC Companies, Inc.
Willbros Group, Inc.

COMPARISON OF 52 MONTH CUMULATIVE TOTAL RETURN*

Among MYR Group, Inc., the S&P 500 Index, the Russell 2000 Index,
and a Peer Group

*

$100 invested on 8/12/08 in stock or 7/31/08 in index, including reinvestment of dividends.
Fiscal year ending December 31.

	8/12/08	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
MYR Group, Inc.	**100.00**	**61.54**	**111.20**	**129.23**	**117.78**	**136.92**
S&P 500	**100.00**	**72.13**	**91.22**	**104.96**	**107.17**	**124.33**
Russell 2000	**100.00**	**70.45**	**89.60**	**113.66**	**108.91**	**126.72**
Peer Group	**100.00**	**67.89**	**72.29**	**72.40**	**69.88**	**88.26**

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Item 6. Selected Financial Data

The following table sets forth certain summary consolidated financial information on a historical basis. The summary statement of operations and the balance sheet data set forth below have been derived from our audited consolidated financial statements and footnotes thereto included elsewhere in this filing or in prior filings. Our consolidated financial statements have been prepared in accordance with U.S. GAAP. Historical results are not necessarily indicative of the results we expect in the future and quarterly results are not necessarily indicative of the results of any future quarter or any full-year period. The information below should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results from Operations" and the consolidated financial statements and notes thereto included in this annual report on Form 10-K.

Statement of operations data:

	For the year ended December 31,				
(in thousands, except per share data)	**2012**	**2011**	**2010**	**2009**	**2008**
Contract revenues	$ 998,959	$ 780,356	$ 597,077	$ 631,168	$ 616,107
Contract costs	880,306	694,790	526,357	555,261	525,924
Gross profit	118,653	85,566	70,720	75,907	90,183
Selling, general and administrative expenses	63,575	56,776	44,630	48,467	50,622
Amortization of intangible assets	335	335	335	335	334
Gain on sale of property and equipment	(1,019)	(1,174)	(750)	(418)	(813)
Income (loss) from operations	55,762	29,629	26,505	27,523	40,040
Other income (expense):					
Interest income	2	53	58	218	1,001
Interest expense	(852)	(544)	(1,054)	(852)	(1,701)
Other, net	(222)	(81)	(144)	(208)	(212)
Income before provision for income taxes	54,690	29,057	25,365	26,681	39,128
Income tax expense	20,428	10,759	9,243	9,446	15,495
Net income	$ 34,262	$ 18,298	$ 16,122	$ 17,235	$ 23,633
Income per common share:					
Basic	$ 1.67	$ 0.90	$ 0.81	$ 0.87	$ 1.20
Diluted	$ 1.60	$ 0.87	$ 0.78	$ 0.83	$ 1.14
Weighted average number of common shares and potential common shares outstanding(1):					
Basic	20,391	20,151	19,883	19,755	19,713
Diluted	21,172	20,993	20,782	20,702	20,707

Balance sheet data:

	As of December 31,				
(in thousands)	**2012**	**2011**	**2010**	**2009**	**2008**
Cash and cash equivalents	$ 19,825	$ 34,013	$ 62,623	$ 37,576	$ 42,076
Working capital(2)	89,507	59,154	85,091	72,815	62,073
Total assets	466,348	412,568	380,148	341,649	322,063
Long-term debt(3)					