

MYR GROUP INC.
Form DEF 14A
March 08, 2018

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

SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

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

MYR Group Inc.

(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):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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**Notice of 2018
Annual Meeting
of Stockholders
and Proxy Statement**

April 26, 2018
Renaissance Schaumburg Convention Center Hotel
1551 N. Thoreau Drive
Schaumburg,
Illinois 60173

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LETTER TO STOCKHOLDERS

March 8, 2018

Dear Fellow Stockholder,

On behalf of the Board of Directors and management of MYR Group Inc., we are pleased to invite you to attend the 2018 Annual Meeting of Stockholders of MYR Group Inc., which will be held at 9:00 a.m. local time on Thursday, April 26, 2018, at the Renaissance Schaumburg Convention Center Hotel, 1551 N. Thoreau Drive, Schaumburg, Illinois 60173 (the 2018 Annual Meeting). The meeting facilities will open to stockholders at 8:30 a.m. local time.

At the 2018 Annual Meeting we will act on the matters described in the Notice of the 2018 Annual Meeting of Stockholders of MYR Group Inc. and the Proxy Statement that follow this letter. Stockholders of record at the close of business on February 28, 2018 are entitled to notice of, and to vote at, the 2018 Annual Meeting.

It is important that your shares are represented and voted at the 2018 Annual Meeting regardless of the size of your holdings. **Even if you intend to attend the 2018 Annual Meeting, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid envelope as soon as possible in order to ensure the presence of a quorum.** If you do not vote promptly, we may incur additional costs in soliciting proxies. Voting by returning your proxy card in advance of the 2018 Annual Meeting does not deprive you of your right to attend and vote in person at the 2018 Annual Meeting.

Our Board of Directors and management look forward to your participation at the 2018 Annual Meeting and appreciate your continued support.

Sincerely yours,

William A. Koertner
Executive Chairman of the Board of Directors

Richard S. Swartz, Jr.
President and Chief Executive Officer

MYR GROUP INC.
1701 Golf Road, Suite 3-1012
Rolling Meadows, IL 60008

YOUR VOTE IS IMPORTANT

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NOTICE OF THE 2018 ANNUAL MEETING OF STOCKHOLDERS OF MYR GROUP INC.

March 8, 2018

MYR Group Inc. will hold its 2018 Annual Meeting of Stockholders on Thursday, April 26, 2018. At the meeting, stockholders will be asked to consider and act upon the following items of business discussed in the attached proxy statement. Please note that this Notice of Meeting does not contain all the information you should consider and you should read the proxy statement in its entirety before voting.

WHEN: Thursday, April 26, 2018 at 9:00 a.m. Central Time

WHERE: Renaissance Schaumburg Convention Center Hotel, 1551 N. Thoreau Drive, Schaumburg, Illinois 60173

ITEMS OF BUSINESS:

Proposal 1. Election as directors of the two Class II nominees, each to serve a term of three years;

Proposal 2. Advisory resolution to approve the compensation of our named executive officers;

Proposal 3. Ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the year ending December 31, 2018; and

Consideration of other business properly presented at the meeting.

BOARD RECOMMENDATION:

The Board of Directors recommends that you vote FOR the election of each of the nominees named in Proposal 1 and FOR Proposals 2 and 3.

WHO CAN VOTE: Stockholders of record at the close of business on February 28, 2018 are entitled to vote at the meeting, or any postponement or adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for our 2018 Annual Meeting of Stockholders to be held on April 26, 2018.

This Notice of Meeting, the Proxy Statement, the accompanying proxy card and our 2017 Annual Report to Stockholders on Form 10-K are being distributed to stockholders beginning on or about March 8, 2018. This Notice of Meeting, the Proxy Statement, and the 2017 Annual Report on Form 10-K are also available on our website at www.myrgroup.com.

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

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Throughout this proxy statement, references to MYR Group, the Company, we, us, and our refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

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This section introduces and provides overview information and the recommendations of the board of directors of MYR Group Inc. (the Board) for each of the proposals to be voted on at the 2018 Annual Meeting of Stockholders (the 2018 Annual Meeting), in addition to highlighting our corporate governance, business results and executive compensation. This overview of voting items does not contain all of the information that you should consider, and we encourage you to review the entire 2018 proxy statement (the Proxy Statement) prior to determining how you wish to vote your shares.

PROPOSAL 1. ELECTION OF DIRECTORS (the full proposal begins on page 11)**OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES.**

The Board and Nominating and Corporate Governance Committee believe that the two nominees possess the necessary qualifications, attributes, skills and experiences to provide quality advice and counsel to the Company's management and effectively oversee the business and long-term interests of the Company's stockholders. Further biographical and qualification information for each director nominee can be found in the full proposal.

Our Director Nominees

You are being asked to vote on the election of two Class II directors, each for a term ending in 2021 or until a successor has been chosen and qualified. Jack L. Alexander, a Class II director with a term expiring at the 2018 Annual Meeting, informed the Board that he will retire on April 1, 2018 and therefore will not stand for reelection to the Board at the 2018 Annual Meeting. In connection with Mr. Alexander's retirement, the Board determined that it would decrease the Board size from 10 to 9 directors on April 1, 2018.

Directors will be elected by the affirmative vote of a majority of votes cast in this uncontested election.

	Age	Director Since	Primary Occupation	Independent	Other Public Boards	Audit	Comp	NCG	Board Recommendation
Donald C.I. Lucky	55	2015	Managing Partner, Reynolds Mirth Richards & Farmer LLP	Yes	0	þ	þ		FOR
Maurice E. Moore	67	2010	Founder, Primus Financial	Yes	0	þ	þ		FOR

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Group, LLC

MYR GROUP INC. | **2018 PROXY STATEMENT**

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OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE DIRECTORS

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Corporate Governance Highlights

We are committed to good corporate governance practices. We believe that good governance promotes the long-term interests of our stockholders and strengthens Board and management accountability.

- Separate Executive Chairman of the Board and Chief Executive Officer
- Independent Lead Director
- All Directors are Independent Except our Former Chief Executive Officer
- Majority Voting in Uncontested Elections
- Risk Oversight by Full Board and Committees
- Balanced Director Ages (3 Under 60)
- Annual Board and Committee Self-Evaluations
- Annual Performance Evaluation of Named Executive Officers by Directors
- Engaged Independent Corporate Governance Consultant
- Regular Executive Sessions of Independent Directors
- Annual Advisory Approval of Executive Compensation
- 100% Independent Audit, Compensation and Nominating and Corporate Governance Committees
- Engage Independent Compensation Consultant Each Year for Executive Compensation
- Investor Outreach Program
- Stock Ownership Guidelines for Named Executive Officers and Directors
- Code of Business Conduct and Ethics for Officers and Directors
- Limited Director Service on Other Public Boards

The Board engaged an independent, third-party executive and corporate governance consultant to facilitate individual director self-evaluations and the annual self-evaluation exercises by the Board and its committees, which provided the Board with independent insight as to the effectiveness of its operation, the effectiveness of operations of its committees, its governance practices and its director succession planning.

All but one of our directors are independent and three of our independent directors have been appointed within the past three years.

PROPOSAL 2. ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (the full proposal begins on page 55)

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ADVISORY RESOLUTION TO APPROVE OUR EXECUTIVE COMPENSATION.

The Board and Compensation Committee seek a non-binding advisory vote to approve the compensation of our named executive officers as described in Compensation Discussion and Analysis and Executive Compensation Tables . The Board values stockholders' opinions, and the Compensation Committee will consider the outcome of the advisory vote when evaluating future executive compensation decisions.

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ADVISORY RESOLUTION TO AP

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2017 Performance

Our revenues for the year ended December 31, 2017 were \$1.403 billion compared to \$1.142 billion and \$1.062 billion for the years ended December 31, 2016 and 2015, respectively. Our net income for the year ended December 31, 2017 was \$21.2 million, which included a net Tax Cuts and Jobs Act (the Tax Act) benefit of \$7.8 million, compared to \$21.4 million and \$27.3 million for the years ended December 31, 2016 and 2015, respectively. For the year ended December 31, 2017, our backlog was \$679.1 million compared to \$688.8 million and \$450.9 million for the years ended December 31, 2016 and 2015, respectively.

Executive Compensation Highlights

Compensation decisions are based on a number of factors, including peer company and market data, Company performance against pre-established goals, relative performance of the Company's stock compared to a peer group and the experience and contributions of individual executives. Our executive compensation program seeks to attract and retain executive talent and emphasize pay for performance. Our compensation program includes base salary, short-term incentive compensation, long-term equity awards, a defined-contribution retirement plan and very limited perquisites. We continue to strive to adhere to the best practices in executive compensation:

WHAT WE DO

WHAT WE DON'T DO

• Pay for Performance

No Hedging of our Stock

• Annual Say-on-Pay Stockholder Vote

No Pledging of our Stock

• Stock Ownership Guidelines for Officers and Directors

No Tax Gross-Ups Going Forward

• Encourage Stockholder Input

No Single Trigger Following Change in Control

• Impose Clawback Provisions

No Short-Selling of our Stock

• Independent Compensation Committee

No Guaranteed Minimum Bonus Payments to our Named Executive Officers

• Annual Compensation Review and Risk Assessment

No Dividends or Dividend Equivalents on Unvested Equity

• Multiple Performance Metrics Including Safety

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ADVISORY RESOLUTION TO AP

No repricing of stock options without stockholder approval

⌐ Cap Annual Cash Bonus and Performance Awards

No stock options below fair market value as of grant date

⌐ Portion of long-term incentive awards based on relative total shareholder return