DYCOM INDUSTRIES INC
Form DEF 14A
October 12, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

DYCOM INDUSTRIES, 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.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

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DYCOM INDUSTRIES, INC.

11780 U.S. Highway 1, Suite 600
Palm Beach Gardens, Florida 33408

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held On November 21, 2017

To Our Shareholders:

The Annual Meeting of Shareholders (the "Annual Meeting") of Dycom Industries, Inc. (the "Company") will be held at 11:00 a.m., Eastern Time, on Tuesday, November 21, 2017, at the corporate offices of Dycom Industries, Inc., 11780 U.S. Highway 1, Suite 600, Palm Beach Gardens, Florida 33408.

At the Annual Meeting, you will be asked to:

1. Elect the two directors named in the Proxy Statement;
2. Ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the six-month transition period of July 30, 2017 to January 27, 2018;
3. Approve, by non-binding advisory vote, executive compensation;
4. Recommend, by non-binding advisory vote, the frequency of future advisory votes on executive compensation;
5. Approve an amendment and restatement of the Company's 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals under the plan;
6. Approve the Company's 2017 Non-Employee Directors Equity Plan; and
7. Transact such other business as may properly be brought before the Annual Meeting, and any adjournments or postponements of the Annual Meeting.

The Board of Directors has fixed the close of business on Monday, October 2, 2017, as the record date for determining the shareholders entitled to notice of and to vote at the Annual Meeting.

By Order of the Board of Directors,

Richard B. Vilsoet

Vice President, General Counsel and Secretary

Palm Beach Gardens, Florida
October 12, 2017

YOUR VOTE IS IMPORTANT

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. We urge you to promptly vote and submit your proxy via the Internet, by phone, or by signing, dating, and returning the enclosed proxy card in the envelope provided. Instructions for each type of voting are included in the Notice Regarding the Availability of Proxy Materials that you received and in this Proxy Statement. If you attend the Annual Meeting, you can vote in person even if you previously submitted your proxy.

If you choose to attend the Annual Meeting, you will be asked to present valid picture identification, and if you hold your shares through a broker, you will be asked to present a copy of your brokerage statement showing your stock ownership as of October 2, 2017. Shareholders without appropriate documentation may not be admitted to the meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY, NOVEMBER 21, 2017

The Notice, Proxy Statement and 2017 Annual Report to Shareholders are available on the Internet at *www.proxyvote.com*.

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DYCOM INDUSTRIES, INC.
11780 U.S. Highway 1, Suite 600
Palm Beach Gardens, Florida 33408

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
Tuesday, November 21, 2017

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Dycom Industries, Inc. (the “Company”) for use at the Annual Meeting of Shareholders to be held on Tuesday, November 21, 2017, at the corporate offices of Dycom Industries, Inc., 11780 U.S. Highway 1, Suite 600, Palm Beach Gardens, Florida 33408, at 11:00 a.m. Eastern Time, or at any adjournments or postponements thereof (the “Annual Meeting”). This Proxy Statement and the accompanying proxy card are being distributed or otherwise furnished to shareholders on or about October 12, 2017.

Why did I receive a one-page Notice in the mail regarding the Availability of Proxy Materials instead of printed proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (“SEC”), the Company has elected to furnish its proxy materials to shareholders on the Internet, rather than mailing paper copies to each shareholder. Accordingly, on October 12, 2017, the Company sent a Notice Regarding the Availability of Proxy Materials (the “Notice”) to shareholders of record. You have the ability to access the proxy materials on a website referred to in the Notice or you may request to receive a paper copy of the proxy materials free of charge by following the instructions in the Notice.

What will I be voting on?

The proposals to be voted on at the Annual Meeting are the following:

- Election of the two directors named in this Proxy Statement;
- Ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent auditor for the six-month transition period of July 30, 2017 to January 27, 2018;
- A non-binding advisory vote to approve executive compensation (“say-on-pay”);
- A non-binding advisory vote on the frequency of future advisory votes on executive compensation;
- Approval of an amendment and restatement of the Company’s 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals under the plan; and
- Approval of the Company’s 2017 Non-Employee Directors Equity Plan.

Other than the matters set forth in this Proxy Statement and matters incidental to the conduct of the Annual Meeting, the Company does not know of any business or proposals to be considered at the Annual Meeting. If any other business is proposed and properly presented at the Annual Meeting, the proxies received from shareholders give the proxy holders the authority to vote on the matter at their discretion.

Who may vote?

The Board of Directors has set October 2, 2017 as the record date for the Annual Meeting. You may vote at the Annual Meeting if you owned shares of the Company’s common stock as of the close of business on October 2, 2017.

Each outstanding share of the Company’s common stock is entitled to one vote on each matter to be voted on. As of the record date, there were 31,108,838 shares of the Company’s common stock outstanding and entitled to vote at the Annual Meeting based on the records of the Company’s registrar and transfer agent, American Stock Transfer & Trust Company.

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Who may attend the Annual Meeting?

All shareholders of record at the close of business on October 2, 2017, or their duly appointed proxies, may attend the Annual Meeting. Please be prepared to present valid photo identification for admission to the Annual Meeting. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

If you hold shares in "street name" (that is, in a brokerage account or through a bank or other nominee) and you plan to attend the Annual Meeting, you will need to bring a copy of a statement reflecting your share ownership as of the October 2, 2017 record date for the Annual Meeting and check in at the registration desk at the Annual Meeting.

What are the voting recommendations of the Board of Directors?

The Board of Directors recommends that you vote your shares:

- "FOR" the two director nominees named in this Proxy Statement for election to the Board of Directors;
- "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the six-month transition period of July 30, 2017 to January 27, 2018;
- "FOR", on a non-binding advisory basis, the vote to approve executive compensation;
- "FOR", on a non-binding advisory basis, "1 YEAR" (i.e., annual) on the frequency of future advisory votes on executive compensation;
- "FOR" the approval of the amendment and restatement of the Company's 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals under the plan; and
- "FOR" the approval of the Company's 2017 Non-Employee Directors Equity Plan.

How do I vote?

You may vote your shares of Company common stock in any of the following manners:

- *In person*. Shareholders of record and beneficial shareholders with shares held in "street name" may vote in person at the meeting. If you hold shares in "street name," you must also obtain a legal proxy, executed in your favor, from your broker or nominee to vote in person at the meeting. You must bring this proxy to the Annual Meeting;
- *By telephone or via the Internet*. You may vote by telephone or via the Internet by following the instructions provided in the Notice, proxy card or voting instruction card provided; or
- *By mail*. If you request paper copies of the proxy materials by mail, you may vote by proxy by signing, dating and returning the proxy card or voting instruction card provided. Please sign the proxy card or voting instruction card exactly as your name appears on the card.

If you are a shareholder of record and you attend the Annual Meeting, you may deliver your completed proxy card or voting instruction card in person. If you hold your shares in "street name" and you wish to vote at the Annual Meeting, you will need to obtain a proxy, executed in your favor, from the broker or nominee that holds your shares and bring this proxy to the Annual Meeting.

What if I hold my shares in "street name"?

Many shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. This is often called holding shares in "street name." As summarized below, there are some distinctions between record shareholders and "street name" holders.

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the shareholder of record for those shares, and these proxy materials are being provided directly to you.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of those shares and you hold your shares in “street name.” In this case, proxy materials are

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being forwarded to you by your broker, bank or other nominee. You should follow the voting directions provided by your bank, broker or other nominee. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote and are also invited to attend the Annual Meeting. However, because you are not a shareholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a proxy, executed in your favor, from your broker, bank or other nominee.

If you hold your shares in "street name," it is critical that you provide instructions to, or obtain a proxy from, the record holder if you want your shares to count in the election of directors (Proposal 1); the non-binding advisory vote to approve executive compensation (Proposal 3); the non-binding advisory vote on the frequency of future advisory votes on executive compensation (Proposal 4); the amendment and restatement of the Company's 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals (Proposal 5); and the approval of the Company's 2017 Non-Employee Directors Equity Plan (Proposal 6).

Can I change my decision after I vote?

Yes. If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by:

- Submitting another proxy card bearing a later date than the proxy being revoked prior to the Annual Meeting;
- Voting again by Internet or telephone prior to the Annual Meeting as described on the proxy card; or
- Voting again in person at the Annual Meeting.

If you hold your shares in "street name" and wish to change your vote at the Annual Meeting, you will need to obtain a proxy, executed in your favor, from the broker, bank or other nominee that holds your shares and bring the proxy to the Annual Meeting. Without a proxy from the broker, bank or other nominee that holds your shares, you may not vote shares held in "street name" by returning a proxy card or by voting in person at the Annual Meeting.

You also may revoke your proxy prior to the Annual Meeting without submitting a new vote by filing an instrument of revocation with the Secretary of the Company by 5:00 p.m. Eastern Time on Monday, November 20, 2017.

What constitutes a quorum?

The presence in person or by proxy of the holders of a majority of the Company's common stock will constitute a quorum. A quorum is necessary to transact business at the Annual Meeting. Shares of common stock represented by proxies that reflect abstentions or "broker non-votes" (i.e., shares held by a broker or nominee which are represented at the Annual Meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum. The Annual Meeting may not commence if a quorum is not present.

Will my shares be voted if I do not provide my proxy?

If you are a shareholder of record and you do not vote or provide a proxy, your shares will not be voted.

Your shares may be voted if they are held in "street name," even if you do not provide the brokerage firm, bank or other nominee with voting instructions. Brokerage firms have the authority under New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions at least 15 days before the date of the Annual Meeting on ratification of the appointment of the Company's independent auditor and certain other "routine" matters, but not for non-"routine" matters. As a result, if your shares are held in "street name" and you do not submit voting instructions to your brokerage firm, your shares will be treated as "broker non-votes" with respect to the election of directors (Proposal 1); the non-binding advisory vote to approve executive compensation (Proposal 3); the non-binding advisory vote on the frequency of future advisory votes on executive compensation (Proposal 4); the amendment and restatement of the Company's 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals (Proposal 5); and the approval of the Company's 2017 Non-Employee Directors Equity Plan (Proposal 6), and will not be counted in determining the outcome of those proposals.

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Therefore, we urge you to give voting instructions to your brokerage firm, bank or other nominee on all proposals.

What is the effect of an "abstain" vote?

Abstentions are considered to be present and entitled to vote with respect to each relevant proposal, but will not be considered a vote cast with respect to that proposal.

What if I return my proxy card but do not mark it to show how I am voting?

If you sign and return your proxy card but do not indicate instructions for voting, your shares will be voted "FOR" each of Proposals 1, 2, 3, 5 and 6 and for "1 Year" for Proposal 4. With respect to any other matter which may properly come before the Annual Meeting, your shares will be voted at the discretion of the proxy holders.

What vote is required to approve each proposal?

The Company has adopted a majority voting standard for uncontested director elections and a plurality voting standard for contested director elections. Under this voting standard, in an uncontested election, a director nominee will be elected if the affirmative vote of shares of common stock represented and entitled to vote at the Annual Meeting exceeds the votes cast opposing that nominee. This majority voting standard is further described below under the section entitled "Board of Directors and Corporate Governance Information—Majority Voting Standard" on page 12 of this Proxy Statement.

The affirmative vote of shares of common stock represented and entitled to vote at the Annual Meeting and exceeding the votes cast opposing the action is required (i) to ratify the appointment of the Company's independent auditor; (ii) to adopt the non-binding advisory vote to approve executive compensation; (iii) to approve the amendment and restatement of the Company's 2012 Long-Term Incentive Plan, including an increase in the number of authorized shares and the reapproval of performance goals; and (iv) to approve the Company's 2017 Non-Employee Directors Equity Plan. The affirmative vote of a plurality of the shares of common stock represented and entitled to vote at the Annual Meeting is required for the advisory vote on the frequency of future advisory votes on executive compensation.

Will any other matters be voted on at the Annual Meeting?

As of the date of this Proxy Statement, management of the Company knows of no other matter that will be presented for consideration at the Annual Meeting other than those matters discussed in this Proxy Statement and matters incidental to the conduct of the Annual Meeting. If any other matters are proposed and properly come before the Annual Meeting and call for a vote of shareholders, your proxy will be voted in the discretion of the proxy holders.

Can I receive future proxy materials electronically?

You can help the Company conserve natural resources and reduce the cost of printing and mailing proxy statements and annual reports by opting to receive future mailings electronically. To enroll, please go to the website *www.proxyvote.com*, with your proxy card in hand, and follow the instructions.

Deadline for Appointment of Proxies by Telephone or the Internet or Returning Your Proxy Card

Shareholders should complete and return the proxy card as soon as possible. To be valid, your proxy card must be completed in accordance with the instructions on it and received by the Company **no later than 11:59 p.m., Eastern**

Time, on Monday, November 20, 2017. If you appoint your proxy by telephone or the Internet, the Company must receive your appointment **no later than 11:59 p.m., Eastern Time, on Monday, November 20, 2017**. If your shares of common stock are held in "street name," you should follow the voting directions provided by your bank, broker or other nominee.

* * * *

A copy of the Company's 2017 Annual Report to Shareholders, including financial statements for the fiscal years ended July 29, 2017 and July 30, 2016, is enclosed with this Proxy Statement, but such documentation does not constitute a part of the proxy soliciting material.

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PROXY STATEMENT SUMMARY

This summary highlights certain information about Dycom Industries, Inc. contained in this Proxy Statement. As it is only a summary, please review the entire Proxy Statement before voting.

2017 Annual General Meeting of Shareholders

- Time and Date: Tuesday, November 21, 2017, at 11:00 a.m. Eastern Time.
- Location: Corporate offices of Dycom Industries, Inc., 11780 U.S. Highway 1, Suite 600, Palm Beach Gardens, Florida 33408.
- Record Date: Shareholders of record as of the close of business on October 2, 2017 are entitled to vote.
- Voting: Each outstanding share of common stock is entitled to one vote. You may vote by telephone; Internet; mail; or by attending the Annual Meeting. Please see "How Do I Vote?" on page 2.
- Attendance: To be admitted, please follow the instructions contained in "Who may attend the Annual Meeting?" on page 2.

Annual Meeting Agenda and Voting Recommendations

	Proposal	Board's Voting Recommendation	Vote Required For Approval	Page References (for more detail)
Proposal 1 –	Election of Director Nominees	FOR EACH NOMINEE	Majority of Votes Cast	8
Proposal 2 –	Appointment of the Independent Auditor	FOR	Majority of Votes Cast	61
Proposal 3 –	Advisory Vote to Approve Executive Compensation	FOR	Majority of Votes Cast	62
Proposal 4 –	Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation	1 YEAR	Plurality Vote	63
Proposal 5 –	Amendment and Restatement of the Company's 2012 Long-Term Incentive Plan, including an Increase in the Number of Authorized Shares and the Reapproval of Performance Goals under the Plan	FOR	Majority of Votes Cast	64
Proposal 6 –	Approval of the Company's 2017 Non-Employee Directors Equity Plan	FOR	Majority of Votes Cast	71

Director Nominees

The Board of Directors has nominated two independent directors for reelection to the Board. The following table provides summary information about each nominee.

Name	Age	Director Since	Committee Memberships
Dwight B. Duke	65	2011	Compensation (Chair) Governance

Laurie J. Thomsen	60	2015	Audit Compensation

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2017 Financial Highlights and Strategic Developments

In fiscal 2017, the Company continued its strong year-over-year growth in the following key financial benchmarks:

- Contract revenues increased 14.8% to $3.067 billion for fiscal 2017 as compared to $2.673 billion for fiscal 2016. Contract revenues for fiscal 2017 increased 14.1% on an organic basis[1] after excluding revenues from businesses acquired that were not included for the full period in both fiscal 2017 and fiscal 2016 and adjusting for the additional week of operations during the fourth quarter of fiscal 2016 as a result of the Company's 52/53-week fiscal year.
- Adjusted EBITDA[1] increased 13.2% to $441.6 million for fiscal 2017 as compared to $390.0 million for fiscal 2016.
- Adjusted Net Income[1] increased 13.4% to $168.3 million for fiscal 2017 as compared to $148.4 million for fiscal 2016.
- Adjusted Diluted Earnings per Common Share[1] increased 17.4% to $5.26 as compared to $4.48 for fiscal 2016.

The Company continued to take action to create long-term value for shareholders by executing its strategy and operating plans. In fiscal 2017, the Company accomplished the following:

- Provided services for 1 gigabit full deployments across the United States to a number of customers in multiple metropolitan areas and grew its core market share.
- Secured and began work on a number of converged wireless/wireline multi-use networks.
- Maintained strong operating cash flow which supported growth with its top customers.
- Repurchased 713,006 shares of its common stock for approximately $62.9 million, thereby increasing its ability to leverage growth opportunities to the benefit of future shareholders.
- Reduced its general and administrative expenses as a percentage of contract revenue to 7.8% in fiscal 2017 from 8.1% in fiscal 2016 due to operating leverage on its increased level of operations and cost controls.

[1] Organic contract revenues, Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted Earnings per Common Share are not measures recognized under generally accepted accounting principles ("GAAP"). The Company has defined organic contract revenues as contract revenues from businesses that are included for the entire period in both the current and prior year periods, adjusted for the additional week in the fourth quarter of fiscal 2016 as a result of the Company's 52/53-week fiscal year. The Company has defined Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, and certain non-recurring items. The Company has defined Adjusted Net Income as net income before loss on debt extinguishment, non-cash amortization of debt discount, certain non-recurring items and any tax impact related to these items. The Company has defined Adjusted Diluted Earnings per Common Share as Adjusted Net Income divided by weighted average diluted shares outstanding. See "Supplemental Information about Fiscal 2017 Financial Overview and Strategic Developments" set forth on Appendix C of this Proxy Statement for a reconciliation of these Non-GAAP financial measures to the corresponding GAAP financial measures.

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Corporate Governance Highlights

Key Compensation Governance Practices

- Robust stock ownership guidelines for the Chief Executive Officer (265,000 shares) and non-employee directors (10,000 shares).
- Shareholding requirements for Named Executive Officers (other than the CEO) and key employees who receive awards of time vesting restricted stock and time vesting restricted stock units.
- Standardized timing of annual equity award grants.
- Executive compensation program designed to discourage risk.
- Double-trigger change of control benefits applicable only in the event of both a change of control and the termination of a Named Executive Officer's employment under certain circumstances.
- Full disclosure of incentive plan performance goals.
- Prohibition of repricing or cash buyouts of stock options without shareholder approval and one-year minimum vesting period for performance-based awards.
- Retention of an independent compensation consultant to advise compensation committee.
- No golden parachute excise tax gross-ups.
- Standard defined contribution retirement plan applicable to all employees, with no supplemental arrangements for Named Executive Officers.
- Perquisites and executive benefits limited to Company-paid premiums for term life insurance and long-term disability insurance.

Key Board Governance Practices

- Independence of each non-employee director.
- Majority voting for directors in uncontested elections.
- Executive session meetings for independent directors.
- Risk oversight by full Board and committees.
- Robust director nomination process.
- Comprehensive annual Board and committee evaluations and self-assessments.
- Quarterly Board review of Company business strategy.
- Mandatory retirement age for directors pursuant to Company's By-laws.

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PROPOSAL 1 – ELECTION OF DIRECTORS

The Articles of Incorporation of the Company provide that the Board of Directors shall be divided into three classes, with each class having as equal a number of directors as possible. The Board of Directors currently consists of eight members.

Two director nominees have been nominated for election at the Annual Meeting. The nominees are Dwight B. Duke and Laurie J. Thomsen. Each nominee was selected by the Corporate Governance Committee and approved by the Board of Directors for submission to shareholders of the Company. Mr. Duke and Ms. Thomsen are each currently serving a term that expires at the Annual Meeting and each has been nominated for a term expiring at the Company's fiscal 2020 annual meeting. Charles B. Coe, a director whose term also expires at the Annual Meeting, has reached the mandatory retirement age for Board members under the Company's Amended and Restated By-laws and will therefore be deemed to have resigned at the expiration of his current term. In connection with Mr. Coe's retirement, the Board of Directors has determined to reduce the size of the Board of Directors from eight members to seven members, effective upon Mr. Coe's retirement, and has therefore nominated for election at the Annual Meeting only Mr. Duke and Ms. Thomsen. The remaining five directors' terms will continue, as described below.

The Company's Amended and Restated By-laws provide for a majority voting standard for the election of directors in uncontested elections of directors, such as that being conducted at the Annual Meeting. Under this standard, a director nominee will be elected only if the number of shares of common stock represented and entitled to vote at the Annual Meeting that vote "for" the nominee exceeds the number of votes "against" that nominee. Pursuant to the standard, a director is required to tender his or her resignation to the Board of Directors if the director fails to receive the required number of votes. The Corporate Governance Committee, composed entirely of independent directors, will evaluate and make a recommendation to the Board of Directors with respect to the tendered resignation, taking into consideration any factors that they deem relevant. The Board of Directors must take action on the Corporate Governance Committee's recommendation within 90 days following certification of the shareholders' vote and publicly disclose its decision within four business days after its decision is made. If a director's resignation is not accepted by the Board of Directors, such director will continue to serve as a director until the next succeeding annual meeting and until his or her successor is duly elected or until the director's earlier resignation, removal from office or death. This majority voting standard is further described below under the section entitled "Board of Directors and Corporate Governance Information—Majority Voting Standard" on page 12 of this Proxy Statement.

Each nominee has consented to serve if elected to the Board of Directors. If any director nominee becomes unable to accept nomination or election, which is not anticipated, the persons named as proxies will vote for the election of such other person as the Board of Directors may recommend. Proxies cannot be voted for a greater number of persons than the number of nominees named below.

The names of the nominees for election as a director of the Company and of those directors of the Company continuing in office, their ages, their principal occupations during the past five years, certain other directorships held, their length of service on our Board of Directors, and a summary of their specific experience, qualifications, attributes and skills that led our Board of Directors to conclude that he or she should serve as a director of the Company are set forth below.

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NOMINEES FOR ELECTION AT THIS MEETING

Dwight B. Duke Director since 2011 Age 65	Mr. Duke served as Senior Vice President, Business Operations, Service Provider Video Technology Group of Cisco Systems, Inc. from 2006 until his retirement in 2012. From 1998 to 2005, Mr. Duke was Senior Corporate Vice President of Scientific-Atlanta, Inc. and President of its Transmission Networks Systems business. During this period, Mr. Duke was a member of Scientific-Atlanta's corporate management and corporate operating committees which developed and implemented corporate strategy. Prior to 1998, Mr. Duke was Vice President of the Network Systems Group of Scientific-Atlanta and responsible for that company's digital video system business. Mr. Duke has substantial experience in operations management, distribution and marketing for the cable television industry. Mr. Duke also has experience in organization-wide strategic planning, as well as product and major program management. Mr. Duke's executive-level experience in the telecommunications and cable television industry, and his experience in integrating acquired businesses, allow Mr. Duke to bring to the Board of Directors significant knowledge of corporate strategy, technology, and mergers and acquisitions, particularly within industries closely related to the Company's business.
Laurie J. Thomsen Director since 2015 Age 60	Ms. Thomsen served as an Executive Partner of New Profit, Inc., a venture philanthropy firm, from 2006 to 2010, and she served on its board from 2001 to 2006. Prior to that, from 1995 to 2004, Ms. Thomsen was a co-founder and General Partner of Prism Venture Partners, a venture capital firm investing in healthcare and technology companies. From 1984 until 1995, Ms. Thomsen worked at the venture capital firm Harbourvest Partners in Boston, where Ms. Thomsen was a General Partner from 1988 until 1995. Ms. Thomsen was in commercial lending at U.S. Trust Company of New York from 1979 until 1984. Ms. Thomsen is currently a director of MFS Mutual Funds and The Travelers Companies, Inc. Ms. Thomsen has extensive experience as a General Partner of a venture capital firm and significant experience and expertise in investments, finance and the development of emerging businesses. In addition, Ms. Thomsen has board experience at publicly traded companies. This experience allows Ms. Thomsen to bring to the Board of Directors substantial knowledge of accounting and financial controls, corporate finance structure and strategy, and governance practices, as well as significant experience with the growth and development of businesses and mergers and acquisitions. Ms. Thomsen's expertise in investments and private equity also allows her to bring insight into public company management from an investor's perspective.

Recommendation of the Board of Directors

The Board of Directors recommends that shareholders vote "FOR" the election of Dwight B. Duke and Laurie J. Thomsen as directors.

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DIRECTORS WHOSE TERMS CONTINUE BEYOND THE MEETING

Stephen C. Coley Director since 2003 Term Expires 2018 Age 72	Mr. Coley is a Director Emeritus of McKinsey & Company, Inc. Mr. Coley was a Management Consultant with McKinsey & Company, Inc. from July 1975 to his retirement in January 2004. During this period, Mr. Coley led a wide variety of business strategy and organization efforts, principally serving technology and basic industrial clients. Mr. Coley also led McKinsey's corporate growth practice. A recognized expert and published author on corporate growth, Mr. Coley has extensive general business management experience in corporate strategy and finance for companies in the technology industry, as well as in-depth knowledge of corporate finance structure and strategies, and corporate governance. This experience and knowledge allow Mr. Coley to bring to the Board of Directors meaningful and valuable insight into strategic, financial and capital-related issues.
Patricia L. Higgins Director since 2008 Term Expires 2018 Age 67	Ms. Higgins was President, Chief Executive Officer, and a director of Switch & Data Facilities Company, Inc., a provider of neutral interconnection and colocation services, from September 2000 to her retirement in February 2004. Prior to that, Ms. Higgins served as Chairman and Chief Executive Officer of The Research Board, a consulting and research services company for information technology from May 1999 to August 2000. Prior to 1999, Ms. Higgins also served as Corporate Vice President and Chief Information Officer of Alcoa Inc. and also held senior management positions at UNISYS Corporation, Verizon (NYNEX) and AT&T Inc. Ms. Higgins was a director at Visteon Corporation from 2004 to 2010, Delta Air Lines, Inc. from 2005 to 2007 and SpectraSite Communications, Inc. from 2004 to 2005, and is currently a director of Barnes & Noble, Inc., Internap Network Services Corporation and The Travelers Companies, Inc. Ms. Higgins held senior executive-level positions in telecommunications, computing and information technology. Ms. Higgins has also had extensive board experience as a director of numerous public companies, including serving as lead director and as a member of a number of audit committees (chairing two), compensation committees (chairing one), governance/nominating committees (chairing one) and chairing one finance committee. This wide-ranging experience allows Ms. Higgins to bring to the Board of Directors substantial knowledge of accounting and financial controls, corporate finance and strategy, and governance practices, as well as a significant depth of understanding into the operation and management of public companies.
Steven E. Nielsen Director since 1996 Term Expires 2018	Mr. Nielsen has been the President and Chief Executive Officer of the Company since March 1999; President and Chief Operating Officer from August 1996 to March 1999; and Vice President from February 1996 to August 1996. Mr. Nielsen was a director of SBA Communications Corporation from 2001 to 2009.

Age 54

Mr. Nielsen's service as the Company's Chief Executive Officer and in other leadership roles within the Company allows Mr. Nielsen to bring to the Board of Directors a deep insight into the operations, challenges and complex issues facing the Company itself and the Company's industry in general.

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DIRECTORS WHOSE TERMS CONTINUE BEYOND THE MEETING(continued)

Eitan Gertel Director since 2016 Term Expires 2019 Age 55	Mr. Gertel served as the Chief Executive Officer and a director of Finisar Corporation from 2008 to 2015 as a result of the completion of the merger between Finisar and Optium Corporation. Prior to that, Mr. Gertel served as Chief Executive Officer and Chairman of the Board of Optium from 2004 to 2008 and as the President and a director of Optium from 2001 to 2004. From 1995 to 2001, Mr. Gertel served as Corporate Vice President and General Manager of the former transmission systems division of JDS Uniphase Corporation, a provider of broadband test and management solutions and optical products. Mr. Gertel has significant executive-level experience in the telecommunications industry, including experience in business leadership, operations and strategy, and technical experience. This experience allows Mr. Gertel to bring to the Board of Directors knowledge of corporate strategy, corporate finance, and mergers and acquisitions, as well as significant operational knowledge of the industry as a result of the various management positions which he has held.
Anders Gustafsson Director since 2013 Term Expires 2019 Age 57	Mr. Gustafsson has served as the Chief Executive Officer and a director of Zebra Technologies Corporation since 2007. From 2004 until 2007, Mr. Gustafsson served as Chief Executive Officer of Spirent Communications plc, a publicly traded telecommunications company. From 2000 until 2004, Mr. Gustafsson was Senior Executive Vice President, Global Business Operations, of Tellabs, Inc., a communications networking company, having previously served as President, Tellabs International, as well as President, Global Sales, and Vice President and General Manager, Europe, Middle East and Africa. Earlier in his career, Mr. Gustafsson held executive positions with Motorola, Inc. and Network Equipment Technologies, Inc. Mr. Gustafsson has extensive executive-level experience in the telecommunications industry covering many areas, including operations, strategy and finance. This experience allows Mr. Gustafsson to bring to the Board of Directors a broad range of skills related to the Company’s industry, including knowledge of corporate strategy, financial controls and accounting, corporate finance, and mergers and acquisitions.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE INFORMATION

The Company is committed to sound corporate governance and to full compliance with New York Stock Exchange (“NYSE”), SEC and other regulatory and legal requirements. In furtherance of these goals, the Board of Directors has adopted a Code of Business Conduct and Ethics, a Code of Ethics for Senior Financial Officers, Corporate Governance Guidelines and written charters for each of its Audit Committee, Compensation Committee, Corporate Governance Committee and Finance Committee, all of which are available on the Company’s website at *www.dycomind.com*. Copies of each may also be obtained, without charge, upon written request to the Secretary of the Company at 11780 U.S. Highway 1, Suite 600, Palm Beach Gardens, Florida 33408. These documents are periodically reviewed in light of corporate governance developments and modified as appropriate. Please note that the information contained in or connected to the Company’s website is not intended to be part of this Proxy Statement.

Majority Voting Standard

The Company’s Amended and Restated By-laws provide for a majority voting standard for uncontested director elections. This standard states that in uncontested elections of directors, a director nominee will be elected only if the affirmative vote of shares of common stock represented and entitled to vote at an annual meeting exceeds the votes cast opposing that nominee. Pursuant to the standard, a director will tender his or her resignation to the Board of Directors if the director fails to receive the required number of votes. The Board of Directors shall nominate for election or re-election only those candidates who agree to tender, promptly following the person’s failure to receive the required vote for election or re-election at the next annual meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon the Board of Directors’ acceptance of the resignation. In addition, the standard requires the Board of Directors to fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board of Directors, the same form of irrevocable resignation tendered by incumbent directors.

The Corporate Governance Committee, composed entirely of independent directors, will evaluate and make a recommendation to the Board of Directors with respect to the tendered resignation. In its review, the Corporate Governance Committee will consider any factors that it deems relevant.

The Board of Directors must take action on the Corporate Governance Committee’s recommendation within 90 days following certification of the shareholders’ vote and publicly disclose its decision and the rationale for the decision on a Current Report on Form 8-K with the SEC within four business days after its decision. Absent a determination by the Board of Directors that it is in the best interests of the Company for an unsuccessful incumbent to remain as a director (based on such factors that the Board of Directors deems relevant), the Board of Directors shall accept the resignation. In accordance with the Company’s Corporate Governance Guidelines, an unsuccessful incumbent director will not participate in any deliberations of the Corporate Governance Committee or the Board of Directors with respect to the tendered resignation. The Corporate Governance Guidelines also provide procedures to address a situation in which all members of the Corporate Governance Committee are unsuccessful incumbents.

If the Board of Directors accepts the resignation of an unsuccessful nominee for director, it may fill the resulting vacancy or decrease the size of the Board of Directors in accordance with the Company’s Amended and Restated By-laws or the Company’s Articles of Incorporation. If a director’s resignation is not accepted by the Board of Directors, such director will continue to serve as a director until the next succeeding annual meeting and until his or her successor is duly elected and has qualified, unless otherwise provided in the Company’s Articles of Incorporation, or until the director’s earlier resignation, removal from office or death. In contested elections, the plurality voting standard will apply. A contested election is an election in which the Secretary of the Company determines that the number of director nominees exceeds the number of directors to be elected to the Board of Directors.

Board Leadership Structure

Steven E. Nielsen serves as our Chairman of the Board of Directors and our Chief Executive Officer. The Board of Directors believes that the Company is best served by having one person serve as both Chairman of the Board of Directors and Chief Executive Officer because this structure provides unified leadership and direction. In his capacity as Chief Executive Officer, Mr. Nielsen possesses an intimate knowledge of the daily operations of the Company and its relationships with customers and employees. Calling upon this knowledge, Mr. Nielsen is

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able to provide the Board of Directors with leadership in setting its agenda and focusing its discussions. As the individual with primary responsibility for managing the Company's day-to-day operations, Mr. Nielsen is also best positioned to chair regular meetings of the Board of Directors and ensure that key business issues are brought to the attention of the Board of Directors. His in-depth knowledge of the industry, and the issues, opportunities and challenges facing the Company enable decisive leadership with clear accountability. The combined role as Chairman and Chief Executive Officer also ensures that the Company presents its message and strategy to shareholders, employees, customers and other stakeholders with a unified, single voice.

Board independence and oversight of the senior management of the Company are enabled by the presence of independent directors who have substantive knowledge of the Company's business and have oversight over critical functions of the Company, such as the integrity of the Company's financial statements, the evaluation and compensation of executive management and the nomination of directors. In accordance with the Company's Corporate Governance Guidelines, independent directors meet without management present at regularly scheduled executive sessions (at least quarterly). As described below under "—Executive Sessions of Non-Management Directors," the Company's independent directors are led by a lead non-management director, currently Stephen C. Coley, who, in accordance with the Company's Corporate Governance Guidelines, chairs executive sessions of the non-management directors, advises the Chairman and chairs of the committees of the Board of Directors with respect to agendas and ensures that information needs relating to meetings of the Board of Directors and its committees are met. Mr. Coley, along with the other independent directors, brings experience, oversight and expertise from outside the Company and industry, while the Chairman and Chief Executive Officer brings Company and industry-specific experience and expertise.

Board Role in Risk Oversight

The Board of Directors takes an active role in overseeing risks related to the Company both as the full Board of Directors and through its committees. The committees of the Board of Directors are primarily responsible for the oversight of risk as follows:

- the Audit Committee has oversight over the financial reporting, accounting and internal control risks;
- the Compensation Committee oversees the Company's executive compensation arrangements, including the identification and management of risks that may arise from the Company's compensation policies and practices (see page 25 of this Proxy Statement for a more detailed discussion);
- the Corporate Governance Committee has oversight over corporate governance, including establishing practices and procedures that promote good governance and mitigate governance risk, and is also responsible for reviewing the performance of the Board of Directors and individual directors. The Corporate Governance Committee also ensures that each committee of the Board of Directors engages in an annual performance self-evaluation based upon criteria and processes established by the Corporate Governance Committee; and
- the Finance Committee has oversight over liquidity, credit and interest rate risks, and acquisition and disposition plans.

The Board of Directors has determined that the full Board is the most effective structure for the general oversight of risks. The Board of Directors also believes its oversight of risk is enhanced by its current leadership structure as discussed above. The Chief Executive Officer who, in his role of Chairman, chairs regular meetings of the Board of Directors, is best able to understand, evaluate and raise critical business and other risks to the attention of the Board of Directors. The Board of Directors receives regular reports from the committee chairs, as well as reports directly from officers of the Company to ensure it is apprised of risks, how these risks may relate to one another and how management is addressing these risks.

In addition, the Company conducts a periodic enterprise-wide assessment of risks. The risks considered as part of this assessment include those inherent in the Company's business, as well as the risks from external sources such as competitors, the economy and credit markets, and regulatory and legislative developments. A report is periodically presented to the Board of Directors by management and updates are provided as required. The objectives of the risk assessment process include (i) determining whether there are risks that require additional or higher priority mitigation efforts; (ii) developing a defined list of key risks to be shared with the Audit Committee, the Board of Directors and senior management; (iii) contributing to the development of internal audit plans; (iv) facilitating the NYSE governance requirement that the Audit Committee discuss policies around risk assessment and risk management; and (v) facilitating discussion of the risk factors to be included in Item 1A of the Company's Annual Report on Form 10-K.

Shareholding Requirements and Stock Ownership Guidelines

The Board of Directors believes that directors and management should have a significant financial stake in the Company to align their interests with those of the Company's shareholders. To this effect, the Board of Directors has established stock ownership guidelines that require non-employee directors and the Chief Executive Officer to own certain minimum amounts of Company common stock. In addition, awards of time vesting restricted stock and time vesting restricted stock units granted to the Named Executive Officers (as defined below under "Executive Compensation—Compensation Discussion and Analysis—Introduction" on page 19 of this Proxy Statement) (other than the Chief Executive Officer) and other key employees are subject to shareholding requirements. The shareholding requirements and stock ownership guidelines are further described below under "—Stock Ownership Guidelines for Non-Employee Directors" on page 18 of this Proxy Statement and "Executive Compensation—Compensation Discussion and Analysis—Stock Ownership Guidelines" and "Executive Compensation—Compensation Discussion and Analysis—Shareholding Requirements" beginning on page 37 of this Proxy Statement.

Board Meetings and Attendance

The Board of Directors held nine meetings during the fiscal year ended July 29, 2017. During fiscal 2017, all directors attended at least 75% of the meetings of the Board of Directors and the committees of the Board of Directors on which they served during the period. Attendance at the Annual Meeting is expected of all directors as if it were a regular Board meeting. All of the directors then serving on the Board of Directors attended the annual meeting of shareholders held on November 22, 2016.

Board Independence

In accordance with the Company's Corporate Governance Guidelines, the Board of Directors monitors the independence of its members on an ongoing basis using standards set forth in the guidelines. The guidelines reflect the requirements set forth in the NYSE Corporate Governance listing standards. Under these standards, the Board of Directors has determined that each of the seven non-management members of the Board of Directors is independent and that such group constitutes a majority of the Board of Directors. Mr. Nielsen, who serves as our President and Chief Executive Officer, is not independent.

Committees of the Board

The Board of Directors has the authority to appoint committees to perform certain management and administrative functions and currently has (i) an Audit Committee, (ii) a Compensation Committee, (iii) a Corporate Governance Committee, (iv) an Executive Committee and (v) a Finance Committee.

The following table provides summary information regarding the Board of Directors and each committee.

	Board Committees				
Name	Audit	Compensation	**Corporate Governance**	Executive	Finance
Charles B. Coe					(C)
Stephen C. Coley (L)			(C)		
Dwight B. Duke		(C)			

Eitan Gertel		
Anders Gustafsson		
Patricia L. Higgins	(C)	
Steven E. Nielsen (*)		(C)
Laurie J. Thomsen		

= Member (C) = Chair (*) = Board Chairman (L) = Lead Non-Management Director

Audit Committee. The Audit Committee met six times during fiscal 2017. The Board of Directors has determined that each member of the Audit Committee is independent within the meaning of the NYSE Corporate Governance listing standards and the Company's Corporate Governance Guidelines. In addition, the Board of

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Directors has reviewed the qualifications and experience of each of the Audit Committee members and determined that all members of the Audit Committee are "financially literate" as defined by the NYSE listing standards. The Board of Directors has determined that the Chair of the Audit Committee, Patricia L. Higgins, qualifies as an "audit committee financial expert" within the meaning of applicable regulations of the SEC, promulgated pursuant to the Sarbanes-Oxley Act of 2002, and has "accounting or related financial management expertise" within the meaning of the NYSE listing standards. The SEC has indicated that the designation of Ms. Higgins as an audit committee financial expert does not make her an "expert" for any purpose, impose any duties, obligations or liability that are greater than the duties, obligations or liability imposed as a member of the Audit Committee and the Board of Directors in the absence of such designation, or affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Directors.

The Audit Committee has responsibility for, among other things, assisting the Board of Directors in the oversight of:

- the quality and integrity of the Company's financial statements and related disclosure, internal controls (including information system controls and security) and financial reporting;
- the Company's compliance with applicable legal and regulatory requirements;
- the independent auditor's qualification, independence and performance;
- the performance of the Company's internal audit function and control functions; and
- approval of the fees paid to the Company's independent auditor.

Compensation Committee. The Compensation Committee met 11 times during fiscal 2017. The Board of Directors has determined that each member of the Compensation Committee is independent within the meaning of the NYSE Corporate Governance listing standards and the Company's Corporate Governance Guidelines.

The Compensation Committee has responsibility for, among other things:

- recommending to the Board of Directors the compensation of the directors;
- determining the compensation of the Chief Executive Officer and approving the compensation of the other executive officers;
- administering the Company's equity-based and incentive compensation plans, policies and programs;
- evaluating the risks and rewards associated with the Company's overall compensation principles and structure;
- reviewing and discussing with management the Company's compensation discussion and analysis included in this Proxy Statement;
- reviewing and recommending for approval by the Board of Directors (i) the Company's recommendation with respect to the non-binding shareholder advisory vote on executive compensation and (ii) the frequency of future shareholder advisory votes on executive compensation; and
- reviewing the results of the non-binding shareholder advisory vote on executive compensation and considering whether to make any adjustments to the Company's executive compensation policies and practices.

Pursuant to its charter, the Compensation Committee is empowered to hire outside advisors as it deems appropriate to assist it in the performance of its duties. The Compensation Committee has sole authority to select, retain, terminate and approve the fees for any compensation consultant or advisor, and to oversee its work. The Compensation Committee reviews the independence of any compensation consultant under the rules of the SEC and the listing standards of the NYSE to determine whether a conflict of interest exists that would prevent such compensation consultant from independently representing the Compensation Committee. The Compensation Committee has engaged Compensation Strategies, Inc. ("Compensation Strategies") as an independent executive compensation consulting firm to provide executive and director compensation consulting services to the Compensation Committee. In fiscal 2017, a representative of Compensation Strategies attended 10 out of 11 Compensation Committee meetings.

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For additional discussion on the services provided by Compensation Strategies to the Compensation Committee, as well as the Compensation Committee's role and the process and procedures for the consideration and determination of executive compensation, see "Executive Compensation—Compensation Discussion and Analysis" beginning on page 19 of this Proxy Statement and "Director Compensation—Compensation of Non-Employee Directors" beginning on page 55 of this Proxy Statement.

Corporate Governance Committee. The Corporate Governance Committee met five times during fiscal 2017. The Board of Directors has determined that each member of the Corporate Governance Committee is independent within the meaning of the NYSE Corporate Governance listing standards and the Company's Corporate Governance Guidelines.

The Corporate Governance Committee has responsibility for, among other things:

- recommending to the Board of Directors the director nominees for election by the Company's shareholders, including those nominees that are recommended by shareholders in accordance with the procedures set forth below under "—Director Candidates" on page 17 of this Proxy Statement;
- recommending to the Board of Directors qualified individuals to fill vacancies on the Board of Directors;
- recommending to the Board of Directors the appointment of officers of the Company;
- reviewing periodically the number and functions of the five committees of the Board of Directors and recommending to the Board of Directors the appointment of its members to serve on the committees;
- evaluating on an annual basis the performance of individual directors and the independence of outside directors;
- evaluating the performance of the Chief Executive Officer on an annual basis and submitting its evaluation to the Compensation Committee;
- reviewing management succession and development plans;
- reviewing and making recommendations to the Board of Directors regarding proposals of shareholders that relate to corporate governance;
- reviewing and recommending to the Board of Directors changes in the Company's Articles of Incorporation and By-laws;
- reviewing and assessing the adequacy of the Company's process of handling communications to and from directors;
- establishing criteria and processes for, and leading the Board of Directors and each committee in, their respective annual self-evaluations; and
- developing and monitoring compliance with a set of corporate governance guidelines.

Executive Committee. The Executive Committee did not meet during fiscal 2017. The Executive Committee is empowered to act for the full Board of Directors during intervals between Board meetings, with the exception of certain matters that by law may not be delegated.

Finance Committee. The Finance Committee met five times during fiscal 2017. The Finance Committee has responsibility for, among other things:

- setting policy for short-term investments;
- reviewing borrowing arrangements;
- reviewing financial risk management strategies;
- reviewing acquisition and disposition plans;
- reviewing and recommending for approval by the Board of Directors changes to the Company's acquisition authorization policy; and
- recommending changes in the capital structure and operating budget of the Company.

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Code of Ethics for Senior Financial Officers and Code of Business Conduct and Ethics

The Company has adopted a Code of Ethics for Senior Financial Officers and a Code of Business Conduct and Ethics, each of which is a code of ethics as defined in Item 406(b) of Regulation S-K of the Securities Act of 1933. The Code of Ethics for Senior Financial Officers applies to the Chief Executive Officer, Chief Financial Officer, Controller and other employees performing similar functions. The Code of Business Conduct and Ethics applies to all directors, officers, managers and employees of the Company. The Code of Ethics for Senior Financial Officers and the Code of Business Conduct and Ethics reflect the Company's expectation that its directors, officers and other employees conduct themselves with the highest standard of business ethics. The Company discloses amendments to provisions of the Code of Ethics for Senior Financial Officers and the Code of Business Conduct and Ethics, or a waiver from the Code of Ethics for Senior Financial Officers and the Code of Business Conduct and Ethics for the Chief Executive Officer, Chief Financial Officer, Controller and other employees performing similar functions by posting such information on the Company's website at *www.dycomind.com*.

Executive Sessions of Non-Management Directors

In accordance with the Company's Corporate Governance Guidelines, non-management directors meet without management present at regularly scheduled executive sessions (at least quarterly). The lead non-management director, who is currently Stephen C. Coley, presides at such sessions.

Communications with the Board of Directors

The Board of Directors has adopted a formal process by which shareholders and other interested parties may communicate with one or more of the Company's non-management directors, the non-management directors as a group, a committee of the Board of Directors or the full Board of Directors. Shareholders who wish to communicate with a director or director group should direct their communications in writing to:

Dycom Industries, Inc.
c/o Richard B. Vilsoet, Secretary
11780 U.S. Highway 1, Suite 600
Palm Beach Gardens, Florida 33408
Email: corporate.secretary@dycominc.com

The Secretary of the Company has primary responsibility for monitoring director-related communications from shareholders and other interested parties and forwarding collected communications to the intended recipient provided they meet certain criteria. In general, communications are forwarded to the intended director or director group as long as the communications do not relate to ordinary business, legal or administrative matters or other non-substantive or inappropriate matters further described in the Company's Internal Process for Handling Communications to and from Directors. All concerns and complaints relating to accounting, internal accounting controls or auditing practices, including those reported as a violation of the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers, will be referred to the Audit Committee in accordance with the Company's Audit Committee Procedures for Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters. Each of the Code of Business Conduct and Ethics, the Internal Process for Handling Communications to and from Directors and the Audit Committee Procedures for Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters are available on the Company's website at *www.dycomind.com*.

Director Candidates

Pursuant to its charter and the Company's Corporate Governance Guidelines, the Corporate Governance Committee is responsible for recommending to the Board of Directors the director nominees for election by shareholders of the Company, including those nominees that are recommended by shareholders in accordance with the procedures set forth in the Company's Amended and Restated By-laws and applicable law. The process followed by the Corporate Governance Committee to identify and evaluate director candidates includes requesting from directors and others recommendations for director candidates, engaging third-party search firms, meeting from time to time to evaluate biographical information and background materials relating to potential candidates, and interviewing of selected candidates by members of the Corporate Governance Committee and the Board of Directors.

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The Board of Directors and the Corporate Governance Committee believe that the Board of Directors' membership should reflect the diversity of experience, background, skills, geography and gender required to meet its corporate governance, oversight and advisory functions in a way that is in the best interest of shareholders. This includes ensuring that the Board of Directors has the expertise required to fulfill all of its legal and regulatory requirements, including the requirements for each of its committees. Accordingly, in considering whether to recommend any particular candidate for inclusion in the slate of recommended director nominees, the Corporate Governance Committee will consider numerous attributes, including those described above, as well as the candidate's integrity, business acumen, knowledge of the Company's business and industry and experience that will complement the current members of the Board of Directors. The Corporate Governance Committee will also assess whether there is any conflict of interest with respect to the Company and the director nominee. The Corporate Governance Committee does not assign specific weights to particular criteria, and no particular criterion is a prerequisite for a prospective nominee. The Corporate Governance Committee believes that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of background, experience, knowledge and abilities that will allow the Board of Directors to fulfill its responsibilities and operate effectively.

The Corporate Governance Committee considers director nominee candidates from many sources, including shareholders. If a shareholder wishes to recommend a nominee for director, written notice should be sent to the Secretary of the Company in accordance with the instructions set forth under "Additional Information—Proposals for 2018 Annual Meeting of Shareholders" on page 75 of this Proxy Statement. The Corporate Governance Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Stock Ownership Guidelines for Non-Employee Directors

The Board of Directors has established stock ownership guidelines that require each non-employee director to beneficially own at least 10,000 shares of Company common stock. The Company believes that these guidelines further align the interests of directors with those of shareholders. Please see "Executive Compensation—Compensation Discussion and Analysis—Stock Ownership Guidelines" on page 37 of this Proxy Statement for additional information regarding the guidelines.

Compensation Committee Interlocks and Insider Participation

Charles B. Coe, Dwight B. Duke, Eitan Gertel, and Laurie J. Thomsen are members of the Compensation Committee. No member of the Compensation Committee is a current or former officer or employee of the Company. In addition, there are no compensation committee interlocks between the Company and other entities involving the Company's executive officers and the members of the Board of Directors who serve as executive officers of those other entities.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

This section of the Proxy Statement highlights the Company's performance during fiscal 2017 and provides an overview and analysis of the Company's executive compensation program. It discusses the Company's compensation principles and objectives, compensation-setting process, major elements of compensation paid under its compensation program and other Company compensation-related policies. It also reviews the actions taken by the Compensation Committee of the Board of Directors (the "Compensation Committee") for fiscal 2017.

For fiscal 2017, the Company's Named Executive Officers were:

- Steven E. Nielsen, President and Chief Executive Officer;
- H. Andrew DeFerrari, Senior Vice President, Chief Financial Officer and Treasurer;
- Timothy R. Estes, Executive Vice President and Chief Operating Officer;
- Richard B. Vilsoet, Vice President, General Counsel and Secretary; and
- Kimberly L. Dickens, Vice President and Chief Human Resources Officer.

The Compensation Committee establishes the Company's overall executive compensation philosophy and oversees the executive compensation program in accordance with its charter. This charter is available on the Company's website at *www.dycomind.com*.

Executive Summary

Fiscal 2017 Financial Overview and Strategic Developments. Dycom Industries, Inc. is a leading provider of specialty contracting services throughout the United States and in Canada. In fiscal 2017, the Company experienced continued strong year-over-year growth in the following key financial and operational benchmarks:

- Contract revenues increased 14.8% to $3.067 billion for fiscal 2017 as compared to $2.673 billion for fiscal 2016. Contract revenues for fiscal 2017 increased 14.1% on an organic basis[1] after excluding revenues from businesses acquired that were not included for the full period in both fiscal 2017 and fiscal 2016 and adjusting for the additional week of operations during the fourth quarter of fiscal 2016 as a result of the Company's 52/53-week fiscal year.
- Adjusted EBITDA[1] increased 13.2% to $441.6 million for fiscal 2017 as compared to $390.0 million for fiscal 2016.
- Adjusted Net Income[1] increased 13.4% to $168.3 million for fiscal 2017 as compared to $148.4 million for fiscal 2016.
- Adjusted Diluted Earnings per Common Share[1] increased 17.4% to $5.26 as compared to $4.48 for fiscal 2016.

1 Organic contract revenues, Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted Earnings per Common Share are not measures recognized under generally accepted accounting principles ("GAAP"). The Company has defined organic contract revenues as contract revenues from businesses that are included for the entire period in both the current and prior year periods, adjusted for the additional week in the fourth quarter of fiscal 2016 as a result of the Company's 52/53-week fiscal year. The Company has defined Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, and certain non-recurring items. The Company has defined Adjusted Net Income as net income before loss on debt extinguishment, non-cash amortization of debt discount, certain non-recurring items and any tax impact related to these items. The Company has defined Adjusted Diluted Earnings per Common Share as Adjusted Net Income divided by weighted average diluted shares outstanding. See "Supplemental Information about Fiscal 2017 Financial Overview and Strategic Developments" set forth on Appendix C of this Proxy Statement for a reconciliation of these Non-GAAP financial measures to the corresponding GAAP financial measures.

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Based on data provided by the Company's independent compensation consultant, Compensation Strategies, Inc., the following table shows the Company's annualized one-year, three-year and five-year total shareholder return, or "TSR" (defined as stock appreciation and dividends paid for the relevant period), and the Company's performance relative to the Peer Group:

Total Shareholder Return: Dycom v. Peer Group(1)

TSR	Dycom	Peer Group Median	Peer Group Percentile Rank
1-year TSR	-5.4%	18.7%	23%
3-year TSR	47.0%	0.8%	100%
5-year TSR	38.6%	13.3%	100%

(1) TSR data is provided by the Company's independent compensation consultant and is calculated on an annualized basis as of July 28, 2017. The composition of the Peer Group is set forth below under "Role of Compensation Consultant and Competitive Market Positioning" on page 24 of this Proxy Statement.

The Company continued to take action to create long-term value for shareholders by executing its strategy and operating plans. In fiscal 2017, the Company accomplished the following:

- Provided services for 1gigabit full deployments across the United States to a number of customers in multiple metropolitan areas and grew its core market share.
- Secured and began work on a number of converged wireless/wireline multi-use networks.
- Maintained strong operating cash flow which supported growth with its top customers.
- Repurchased 713,006 shares of its common stock for approximately $62.9 million, thereby increasing its ability to leverage growth opportunities to the benefit of future shareholders.
- Reduced its general and administrative expenses as a percentage of contract revenue to 7.8% in fiscal 2017 from 8.1% in fiscal 2016 due to operating leverage on its increased level of operations and cost controls.

2016 Say-On-Pay Advisory Vote Results. The Company values the opinions of its shareholders as expressed through their votes and other communications and annually submits the executive compensation program to a non-binding shareholder advisory "say-on-pay" vote. In November 2016, the Company held its annual say-on-pay vote and 99% of the votes cast on the proposal were in favor of the executive compensation program, which was consistent with the Company's three prior say-on-pay advisory votes. The Company believes these results demonstrate the continued high degree of support that shareholders have for the executive compensation program. The Compensation Committee reviews the executive compensation program on an ongoing basis to ensure it continues to be aligned with the Company's pay-for-performance philosophy and general market practices. The Company intends to continue to hold say-on-pay votes annually unless shareholders advise otherwise at the 2017 annual meeting of shareholders.

Pay Is "At Risk" and Aligned with Performance. The executive compensation program is designed to maintain a strong link between pay and performance. "At risk" compensation includes annual cash incentive and equity-based awards through which the performance of the Company and the executive is recognized.

Annual cash incentive awards under the annual incentive plan and performance vesting restricted stock units under the equity incentive plans are performance-based awards and represent "at-risk" compensation because they require minimum levels of performance against the Company's strategic goals and operating plans for any payout to occur. Similarly, stock option awards under the equity incentive plans are performance-based and "at-risk" because the stock price at exercise must exceed the original stock price at the date of grant in order for value to be generated.

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The following charts illustrate the performance-based nature of the executive compensation program as a percentage of target total direct compensation (which is composed of base salary, target annual cash incentive awards and the grant date fair value of target equity-based incentive awards). For target amounts of annual cash incentive awards and equity-based incentive awards, see the Grant of Plan-Based Awards Table on page 41 of this Proxy Statement:

The mix of compensation elements for Mr. Nielsen and Mr. Estes differs from those of the other Named Executive Officers. Mr. Nielsen's and Mr. Estes's target mix is designed to place more of their compensation at risk to reflect the greater level of responsibility they have for the Company's overall performance.

For fiscal 2017, the annual cash incentive award was targeted at 105% of base salary for Mr. Nielsen and 85% of base salary for Mr. Estes. Mr. Nielsen's and Mr. Estes's equity-based incentive awards consisted of stock options, time vesting restricted stock units and performance vesting restricted stock units. The equity incentives for the other Named Executive Officers consisted of time vesting restricted stock units and performance vesting restricted stock units. They did not receive stock options.

For fiscal 2017, the annual cash incentive award range for Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens was as follows:

Name	**Annual Cash Incentive as a Range of Base Salary**	Target Annual Cash Incentive
H. Andrew DeFerrari	40%-95%	67.5%
Richard B. Vilsoet	30%-85%	57.5%
Kimberly L. Dickens	20%-50%	35.0%

In order to achieve its objectives, the Compensation Committee has designed the executive compensation program utilizing three major pay elements:

- *Base salary*. Provides a fixed amount of cash compensation for performing day-to-day responsibilities. The Compensation Committee reviews base salary annually and periodically approves increases based on a review of Peer Group and general market practices and a Named Executive Officer's level of responsibility, experience and individual performance.
- *Annual cash incentive compensation.* Provides the opportunity for annual cash incentive awards for achieving short-term financial performance goals that align with the Company's business strategy. The Compensation Committee sets award opportunities as a percentage of base salary.
- *Long-term equity-based incentive compensation.* Provides for long-term incentive awards in the form of performance vesting restricted stock units, time vesting restricted stock units and/or stock options. Performance vesting restricted stock units are earned based on achieving long-term internal

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performance goals and the satisfaction of service vesting conditions. Time vesting restricted stock units and stock options are earned based on the satisfaction of service vesting conditions. Awards are payable in Company common stock and encourage executive stock ownership.

The Compensation Committee considers each pay element individually and all pay elements in the aggregate when making decisions regarding amounts that may be awarded under any one of the pay elements.

Fiscal 2017 Compensation Decisions. The Compensation Committee, in consultation with Compensation Strategies, regularly reviews the executive compensation program and makes appropriate adjustments to further enhance the alignment of pay and performance. For fiscal 2017, the Compensation Committee took the following actions:

- Modified the pre-established performance measures under the first component of the annual incentive plan to appropriately reflect the Company's projected operating environment, continued strong year-over-year increases in revenue, and the impact on working capital caused by these factors. As a result of the changes to the performance goals, an increased level of performance in fiscal 2017 would be required to earn a payout under the first component comparable to that achieved under the first component in fiscal 2016. For additional discussion, see "Annual Incentive Plan—Chief Executive Officer and Chief Operating Officer—First Component of Annual Incentive Plan" on page 28 of this Proxy Statement.
- Modified the cash flow ratios for the annual award and the supplemental award components of the performance vesting restricted stock units to appropriately reflect the Company's projected operating environment, continued strong year-over-year increases in revenue, and the impact on working capital caused by these factors. These modifications reflected the greater difficulty of reaching higher cash flow ratios in a high-growth environment while still providing disincentives for lower cash flow ratios. For additional discussion, see "Performance Vesting Restricted Stock Units—Chief Executive Officer and Chief Operating Officer" on page 31 of this Proxy Statement.
- Approved base salary increases of 4% for Mr. Nielsen and an average of 4.18% for the Named Executive Officers (other than the Chief Executive Officer) as a group. These adjustments were based upon a review of market compensation levels for comparable positions in the Peer Group and in the general market.
- Increased the target award opportunities under the annual incentive plan for Mr. Nielsen from 97.5% to 105% of base salary and for Mr. Estes from 80% to 85% of base salary. These increases were based on a review of market compensation levels for comparable positions in the Peer Group and in the general market.
- Reconfirmed the independence of its compensation consultant under the rules of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange.

Compensation Principles and Objectives

The Company's executive compensation program is designed to reward executive officers who contribute to the Company's sustained growth and successful execution of its strategy and operating plans. Total direct compensation is targeted to be comparable to those companies with which the Company competes for executive talent. The executive compensation program is designed to maintain a strong link between compensation and performance and is intended to achieve the following objectives:

- Support the Company's business goals and strategies by incenting profitable growth and increasing shareholder value;
- Align the interests of the Named Executive Officers with the long-term interests of shareholders;
- Attract, retain and motivate highly performing executives who drive business and financial performance;
- Link a significant amount of executive compensation to the achievement of performance goals established by the Compensation Committee for the annual incentive plan, and for the performance vesting restricted stock units granted under the equity incentive plans;
- Promote Company stock ownership; and

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- Discourage excessive risk-taking.

As discussed below, overall levels of executive compensation are established based on an assessment of the Company's performance as a whole. Individual executive compensation is determined based on an assessment of the experience and performance of each Named Executive Officer, as well as the compensation levels of comparable positions in the Peer Group and general market practices. Variation in compensation among the Named Executive Officers reflects the different roles, responsibilities, and performance of the Named Executive Officers, as compared to comparable positions in the Peer Group with which the Company competes for talent. In setting the compensation of the Chief Executive Officer, the Compensation Committee applies the same principles that it applies in setting the compensation of other Named Executive Officers such that target total direct compensation is consistent with the principles and objectives of the executive compensation program and, at the same time, competitive with that of other chief executive officers in the Peer Group.

Determining Performance Measures

The Compensation Committee sets challenging, but realizable performance measures that are earned only as a result of exceptional performance. Consistent with the Company's pay-for-performance philosophy, the Compensation Committee selects financial performance measures under the annual and long-term incentive plans that support the Company's short and long-term business plans and strategies, and incent management to focus on actions that create sustainable shareholder value. In setting targets for the short and long-term performance measures, the Compensation Committee considers the Company's annual and long-term business goals and strategies and certain other factors, including the Company's projected operating environment and economic and industry conditions. The Compensation Committee recognizes that performance goals will change over time to reflect market practices and evolving business priorities. Accordingly, the Compensation Committee continually reassesses the performance measures and goals used.

Role of the Compensation Committee

The Compensation Committee oversees the design of the executive compensation program and is responsible for adopting and periodically reviewing the Company's executive compensation philosophy, strategy and principles, as well as overseeing the administration of the program. In addition, the Compensation Committee annually reviews the performance of the Named Executive Officers and approves their compensation. The Board of Directors has determined that each member of the Compensation Committee is "independent" within the meaning of the New York Stock Exchange corporate governance listing standards and the Company's Corporate Governance Guidelines. Decisions with respect to determining the amount and form of compensation for the Named Executive Officers are based on the methodology described below.

To assist the Compensation Committee in making its compensation decisions, management and the Compensation Committee's independent compensation consultant prepare detailed information for the Compensation Committee, which indicates, among other things, the base salary and compensation payouts, both cash and equity, under the Company's incentive plans over an extended period of time. The overall purpose of this information is to present, in a comprehensive fashion, all of the elements of actual and potential future compensation that may be payable to the Named Executive Officers. This information assists the Compensation Committee in analyzing the individual elements of compensation (including the mix of compensation elements) and the total amount of actual and potential future compensation for a particular performance year.

The Compensation Committee also reviews information regarding the Peer Group, as well as other compensation data, which has been provided by the Committee's independent compensation consultant, as described below. The Compensation Committee considers the following factors in setting the target total direct compensation for each Named Executive Officer:

- the individual responsibilities, experience and achievements of the Named Executive Officers and their potential contributions to Company performance;
- recommendations from senior management (other than for the Chief Executive Officer); and
- whether the Named Executive Officer's compensation aligns with the executive compensation program's overall objectives.

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In addition to its responsibilities with respect to executive compensation, the Compensation Committee reviews and makes recommendations to the Board of Directors as to the form and amount of compensation of the Company's non-employee directors.

The Compensation Committee retains the flexibility and discretion to set target total direct compensation levels for the Named Executive Officers at, above or below the median of comparable positions in the Peer Group to recognize factors such as market conditions, job responsibilities, performance, experience, skills, and ongoing or potential contributions to the Company.

Role of Compensation Consultant and Competitive Market Positioning

The Compensation Committee possesses the authority under its charter to hire outside advisors to provide it with information as needed in making compensation decisions. The Compensation Committee's independent compensation consultant, Compensation Strategies, advised it in connection with setting compensation for the Named Executive Officers and the Company's non-employee directors for fiscal 2017. Compensation Strategies does not provide any other services to the Company.

The executive compensation program seeks to provide a mix of target total direct compensation that is aligned with the program's pay-for-performance principles and is competitive with compensation provided by a peer group of selected publicly traded companies. In determining executive compensation, the Compensation Committee considers a number of factors, including data provided by Compensation Strategies on a market-relevant group of peer companies that are potential competitors for executive talent and each Named Executive Officer's performance and experience.

The Compensation Committee, together with its independent compensation consultant, periodically reviews the composition of the Peer Group and updates the Peer Group based on available market information when appropriate. The companies in the Peer Group were selected because, in the judgment of the Compensation Committee, such companies, when taken as a whole, represent companies with which the Company competes for executive talent. Market data for the Peer Group was size-adjusted using a common statistical technique, "regression analysis", to remove significant variability between raw data points, and to construct market pay levels commensurate with the Company's annual revenues. The Company's fiscal 2017 revenues approximated the 61st percentile of the Peer Group.[2]

For fiscal 2017, the peer group (the "Peer Group") consisted of the following 19 companies from the specialty construction and engineering services industry:

Peer Group[(1)]

ABM Industries, Inc.	Matrix Service Company
Aegion Corporation	McDermott International, Inc.
Archrock, Inc.	MYR Group, Inc.
Babcock & Wilcox Enterprises, Inc.	Oceaneering International, Inc.
CH2M Hill Company, Ltd.	Primoris Services Corp.
Comfort Systems USA, Inc.	Quanta Services, Inc.
Emcor Group, Inc.	Superior Energy Services, Inc.
Granite Construction, Inc.	Tetra Tech, Inc.
KBR, Inc.	Tutor Perini Corporation
MasTec, Inc.	

(1) For fiscal 2017, Exterran Holdings, Inc., Great Lakes Dredge & Dock Corp., Integrated Electrical Services, Inc., Layne Christensen Co., Team, Inc., and Willbros Group, Inc. were removed from the Peer Group due to substantial increases in the Company's year-over-year revenue, and ABM Industries, Inc., Archrock, Inc., Babcock & Wilcox

Enterprises, Inc., CH2M Hill Company, Ltd., Oceaneering International, Inc., and Superior Energy Services, Inc. were added to keep the size of the Peer Group at a consistent number and to ensure that the range of the size of the companies in the Peer Group reflected the Company's market capitalization and annual revenues.

[2] Source: Standard & Poor's Research Insight

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The Compensation Committee's independent compensation consultant conducts a competitive market positioning review once every two years, unless circumstances indicate more frequent reviews are warranted. In years that the Compensation Committee does not commission a review, such as fiscal 2017, it establishes compensation targets for the Named Executive Officers by utilizing the prior year's compensation amounts, generally making adjustments to those amounts for movements in market compensation levels based on a variety of third-party industry sources, as well as Compensation Strategies' own proprietary information. In addition, Compensation Strategies provides the Compensation Committee with updated compensation data for the Peer Group.

Peer Group data constituted one of several factors that the Compensation Committee considered in making compensation decisions for fiscal 2017. Other significant factors considered by the Compensation Committee in the evaluation and decision-making process included general business and industry conditions, the general economic environment, the Company's strategic business objectives, and the individual responsibilities, performance, experience and achievements of each Named Executive Officer and his or her potential contributions to Company performance.

In February 2017, Compensation Strategies provided information to the Compensation Committee addressing its independence under the rules of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange. The Compensation Committee concluded that no conflict of interest exists that would prevent Compensation Strategies from independently representing the Compensation Committee.

Role of Executive Officers

The Chief Executive Officer, in consultation with the Compensation Committee, establishes the strategic direction of the executive compensation program. In the first quarter of each fiscal year, the Chief Executive Officer meets with the Compensation Committee to discuss the prior year financial results and to evaluate and assess the performance of the other Named Executive Officers. This assessment, together with the Compensation Committee's own judgment, taking into account the results of the most recent competitive market positioning review, is used to evaluate the individual performance and compensation of those Named Executive Officers. The Compensation Committee is solely responsible for evaluating the Chief Executive Officer's performance and setting the level and elements of his compensation. The Chief Executive Officer is not present when the Compensation Committee discusses and determines his compensation.

Compensation and Risk

The Compensation Committee evaluates risks and rewards associated with the Company's overall compensation principles and structure of its executive compensation program, and determines the compensation for the Named Executive Officers. Management and the Compensation Committee identify potential risks and reflect those risks in the Company's design of its executive compensation program. With respect to the elements of compensation:

- Base salary provides a fixed level of compensation irrespective of Company performance and, therefore, does not encourage risk-taking.
- Annual cash incentives are designed to reward achievement of short-term performance objectives. Undue risk is mitigated through a combination of plan design and policies which place a cap on the maximum annual cash incentive available to the Chief Executive Officer, the Chief Operating Officer and other Named Executive Officers.
- Long-term equity-based compensation is administered in a number of ways to mitigate risk:
- The executive compensation program is designed to deliver a significant portion of an executive's compensation in the form of long-term incentive opportunities which focuses the executive on maximizing long-term shareholder value and overall financial performance.
- Performance vesting restricted stock units are only paid out if the Company achieves certain pre-established performance goals that are important drivers of long-term performance, and the maximum number of performance

units that may be paid out with respect to an annual performance period or a three-year performance period is capped.

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- The Company has established stock ownership guidelines for the Chief Executive Officer and non-employee directors, and also has shareholding requirements for the other Named Executive Officers with respect to time vesting equity awards granted under the Company's equity plans as described beginning on page 37 of this Proxy Statement.
- Named Executive Officers must obtain approval from the Company's General Counsel before the purchase or sale of any shares of Company common stock, including those contemplated during any window of time where trading is permitted. Requiring approval ensures that executives are unable to use non-public information for personal benefit.

The Compensation Committee reviewed and discussed the findings of this risk assessment with management and believes that the executive compensation program does not motivate employees to take risks that are reasonably likely to have a material adverse effect on the Company.

Major Pay Elements of the Executive Compensation Program and Analysis of Fiscal 2017 Compensation Decisions

The Compensation Committee considers each pay element under the executive compensation program individually and in aggregate when making decisions regarding amounts that may be awarded to Named Executive Officers.

Annual Base Salaries. Named Executive Officers are provided with a base salary which recognizes the value of the executive's skills, experience, prior record of achievement, and importance to the Company. Base salary levels are set to attract quality executives, to provide a fixed base of cash compensation, and to recognize the challenges and varied skill requirements of different positions.

Base salaries are reviewed annually and from time to time in connection with a change in responsibility. In making his recommendation to the Compensation Committee, the Chief Executive Officer reviews the performance of the other Named Executive Officers, market compensation levels for comparable positions, the executive's potential attractiveness to other companies, and the overall financial health and performance of the Company. The Compensation Committee reviews the Chief Executive Officer's recommendations, and together with its own judgments, sets base salaries relative to the recommendations. The Compensation Committee utilizes a formal study of market compensation levels prepared by its independent compensation consultant in order to evaluate the executives' base salaries and the Chief Executive Officer's recommendations.

The Compensation Committee directly sets the base salary for the Chief Executive Officer. In so doing, the Committee reviews the performance of the Chief Executive Officer, market compensation levels as set forth in the independent compensation consultant's most recent study and other relevant information. In addition, the Compensation Committee reviews the results of the assessment of the Chief Executive Officer's performance resulting from a formal survey of all of the Company's non-employee directors which is conducted annually and informal communications from the Company's non-employee directors.

Based upon a review of market compensation levels for comparable positions in the Peer Group, the general market and the individual factors described above, the Compensation Committee approved base salary increases of 4% for the Chief Executive Officer and an average of 4.18% for the other Named Executive Officers as a group.

The base salary of each Named Executive Officer is set forth in the "Salary" column of the Summary Compensation Table on page 40 of this Proxy Statement.

Annual Cash Incentives. The Committee grants Named Executive Officers an opportunity to earn annual cash incentive awards to recognize and reward individual performance that meaningfully enhances the operations of the Company during a fiscal year. Awards are designed to communicate to executives that good performance is recognized and valued. Furthermore, the Committee believes annual cash incentive awards strongly encourage executives to continuously improve their efforts in delivering annual results that are aligned with the Company's long-term goals.

Annual Cash Incentive Awards—Named Executive Officers other than Chief Executive Officer and Chief Operating Officer. Each fiscal year, the Chief Executive Officer prepares a recommendation to the Compensation

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Committee recommending annual cash incentive awards for each of the other Named Executive Officers, other than the Chief Operating Officer. References under this subheading to other Named Executive Officers exclude the Chief Executive Officer and the Chief Operating Officer.

The Chief Executive Officer's recommendations result from a two-step analysis. First, the overall financial performance of the Company is evaluated in order to determine the appropriate level of total annual cash incentive awards for all eligible employees, including the other Named Executive Officers. Second, the Chief Executive Officer evaluates the individual performance of the other Named Executive Officers against ranges of annual award opportunities that were established at the beginning of the fiscal year and correspond to minimum and maximum percentages of base salary. The purpose of this process is to ensure that individual awards reflect an appropriate balance between the overall financial performance of the Company and the individual executive's performance.

The Chief Executive Officer presents his evaluation of the individual performance of the other Named Executive Officers and his recommendations regarding the annual cash incentive compensation for each of those officers to the Compensation Committee during the first quarter of the following fiscal year. Within the overall context of the financial performance of the Company, this evaluation depends on an overall analysis, including subjective elements, of the effectiveness of the individual executive and his or her ability to meet Company expectations.

After reviewing the recommendations of the Chief Executive Officer, the Company's fiscal 2017 financial performance and the individual performances of each of Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens, the Compensation Committee approved the following fiscal 2017 annual cash incentive awards:

- Mr. DeFerrari received $360,000, or 76.6% of his fiscal 2017 base salary, compared to $400,000, or 88.9% of his base salary for fiscal 2016. Mr. DeFerrari's annual cash incentive award reflected his continued strong leadership of the Company's financial function.
- Mr. Vilsoet received $350,000 in both fiscal 2017 and 2016, or 78.7% and 82.4% of his fiscal 2017 base salary and fiscal 2016 base salary, respectively. Mr. Vilsoet's annual cash incentive award reflected his continued strong management of the Company's strategic legal issues.
- Ms. Dickens received $125,000 in both fiscal 2017 and 2016, or 39.1% and 40.5% of her fiscal 2017 base salary and fiscal 2016 base salary, respectively. Ms. Dickens's annual cash incentive award reflected her continued strong contributions in strengthening the Company's Human Resources function.

Annual cash incentive awards were paid in October 2017. The annual incentive awards paid to each of the other Named Executive Officers is set forth in the "Bonus" column of the Summary Compensation Table on page 40 of this Proxy Statement.

Annual Incentive Plan—Chief Executive Officer and Chief Operating Officer. Annual cash incentive award opportunities for the Chief Executive Officer and the Chief Operating Officer are determined under the Company's annual incentive plan, which has been previously approved by the Company's shareholders. These incentive compensation opportunities are determined based upon performance goals established by the Compensation Committee within 90 days following the beginning of each fiscal year in order to qualify such compensation as "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code.

In October 2016, the Compensation Committee established the fiscal 2017 performance goals under the annual incentive plan. Awards paid under the annual incentive plan are designed to be "at-risk" based upon the performance of the Company and, accordingly, have exhibited significant variability from year to year. Over the period from fiscal 2012 through fiscal 2017, the annual cash incentive award to the Chief Executive Officer has ranged from approximately 98% to 195% of base salary, averaging approximately 142% of base salary, and the annual cash incentive award for the Chief Operating Officer has ranged from approximately 82% to 160% of base salary, averaging approximately 116% of base salary.

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As described in more detail below, for fiscal 2017, the annual incentive cash award opportunity under the annual incentive plan comprised two components:

- First Component: Based on the operating earnings, contract revenues and cash flows of the Company.
- Second Component: Based on the operating earnings and contract revenues of the Company, as well as the Compensation Committee's consideration of other financial and non-financial performance factors.

For fiscal 2017, the Compensation Committee, in consultation with Compensation Strategies and consistent with current market practices, modified the first component of the annual incentive plan. As modified, when the Company's operating earnings equal or exceed 1.0% of the Company's contract revenues, the Compensation Committee may, at its discretion, modify the awards to the Chief Executive Officer and the Chief Operating Officer subject to their respective maximum amount available under the first component. For fiscal 2017, the Compensation Committee did not modify the pre-established performance goals under the first component as set forth below.

Fiscal 2017 Annual Incentive Award Determination

The following table sets forth the range of potential award payouts and the total annual cash incentive awards paid to Mr. Nielsen and Mr. Estes under the first and second components of the annual incentive plan in fiscal 2017:

Name	**Target Award as Percentage of Base Salary**	**Range of Potential Payout**			**Actual Award Payout**	**Actual Award as Percentage of Target**	**Actual Award as Percentage of Base Salary**
		Minimum	Target	Maximum			
Steven E. Nielsen(1)	105%	$ 0	$ 993,720	$ 1,987,440	$ 1,286,404	129%	136%
Timothy R. Estes	85%	$ 0	$ 552,500	$ 1,105,000	$ 733,373	133%	113%

(1) Mr. Nielsen would not earn an award under the first component of the annual incentive plan if the award, as calculated under the established performance goals, was less than 10% of his fiscal 2017 base salary.

Awards under the annual incentive plan were paid in October 2017. The amounts awarded to Mr. Nielsen and Mr. Estes are set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table on page 40 of this Proxy Statement.

First Component of Annual Incentive Plan

The actual amount awarded to Mr. Nielsen and Mr. Estes under the first component of the plan was determined by assessing fiscal 2017 earnings quality in relation to operating margin performance against a pre-established threshold percentage (4.0%) of contract revenues.

The performance goals established by the Compensation Committee for fiscal 2017 applied a pre-established payout percentage described below to the Company's operating earnings (before asset impairments, annual incentive plan compensation, amounts associated with the extinguishment of debt or termination of debt agreements, and amounts for amortization of debt discount) above a pre-established threshold percentage of contract revenues. The pre-established payout percentage varies as a function of the Company's cash flow ratio, which is measured as the ratio of operating cash flow to net income (before asset impairments, annual incentive plan compensation for the individual, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount).

Each year, the Compensation Committee reviews each of the elements included in the annual incentive plan and sets performance goals that reflect the Compensation Committee's assessment of the Company's earnings potential, projected operating environment and the general economic climate. Accordingly, performance goals may vary from year to year in order to ensure that an appropriate base level of performance is achieved before any award is paid out, subject to the discretion of the Compensation Committee as described above. This review also ensures that the annual incentive plan performs as designed and incents superior performance aligned with achieving the Company's strategic goals and operating plans.

As part of its review for fiscal 2017, the Compensation Committee modified both the levels of the Company's cash flow ratio and the pre-established payout percentages to appropriately reflect the Company's projected operating environment, continued strong year-over-year increases in revenue, and the impact on working capital caused by these factors. This reflected the Compensation Committee's determination that an increased level of cash flow and operating earnings in fiscal 2017 would be required to earn a payout level under the first component for fiscal 2017 that was comparable to that achieved in fiscal 2016.

For fiscal 2017, the range of pre-established payout percentages was as follows:

Cash Flow Ratio[1]	**Pre-established Payout Percentage of Eligible Operating Earnings Above Threshold Contract Revenues**	
	Steven E. Nielsen	Timothy R. Estes
less than or equal to 0.25	0.15%	0.10%
0.50	0.23%	0.14%
1.00	0.40%	0.23%
greater than or equal to 1.75	0.78%	0.45%

(1) Results are interpolated between the nearest two payout percentages based on the actual cash flow ratio achieved.

The use of a threshold amount was intended to ensure that the Company's performance exceeded a pre-established base level before any award was earned. Thus, under the first component of the plan, it is intended that no incentive award is earned unless this base level of annual performance has been achieved. The reliance on cash flow and earnings measures in determining the payout amount reflects the importance to the Company of both operating margins and cash flow discipline.

The fiscal 2017 performance goals provided that acceptable margins without solid cash flows resulted in a reduced award payment, while solid cash flows absent acceptable margins would result in no award payment at all. Once the threshold percentage is achieved, only incremental cash flows and operating earnings generate an increased award payout. The use of both operating earnings and cash flow as performance measures ensures that only high-quality earnings result in the payout of awards, as both income statement and balance sheet performance is required.

Following the completion of audited financial results for fiscal 2017, the Compensation Committee certified the level achieved of the performance goals. The following table sets forth the results achieved against the performance goals and the amounts paid out to Mr. Nielsen and Mr. Estes under the first component:

Name	**Eligible Operating Earnings Above Threshold Contract Revenues Attained**	**Cash Flow Ratio**	**Payout Ratio Percentage**	Payout under First Component		
				Maximum Payout as a Percentage of Base Salary	**Actual Payout as a Percentage of Base Salary**	**Award Payout**
Steven E. Nielsen[1]	$ 146,646,392	1.52	0.66%	158%	102.3%	$ 967,866

Timothy R. Estes	$ 146,093,361	1.52	0.38%	132%	85.4%	$ 555,155

(1) Mr. Nielsen would not earn an award under this component if the award, as calculated under the established performance goals, was less than 10% of his fiscal 2017 base salary.

Second Component of Annual Incentive Plan

The Compensation Committee initially considers the payout level under the first component of the plan when determining whether Mr. Nielsen and Mr. Estes should be awarded the maximum payout or a lesser amount under the second component of the plan. The Compensation Committee then considers other financial and non-financial performance factors to determine whether the payout level under the second component should deviate from the payout level under the first component of the plan.

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For fiscal 2017, the performance goals under the second component were as follows:

Operating Earnings (before asset impairments, annual incentive plan compensation and amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount)	**Pre-established Payout Percentage of Annual Base Salary**	
	Steven E. Nielsen	Timothy R. Estes
Less than or equal to 1% of Contract revenues	0%	0%
Greater than 1% of Contract revenues (maximum payout percentage)	52%	38%

For fiscal 2017, the pre-established payout percentages of annual base salary for each of Mr. Nielsen and Mr. Estes under the second component increased to 52% and 38%, respectively, from 48% and 36%, respectively, in fiscal 2016 to reflect general market practices. Following the completion of audited financial results for fiscal 2017, the Compensation Committee certified that operating earnings (before asset impairments, annual incentive plan compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount) exceeded the threshold of 1% of contract revenues, which meant that Mr. Nielsen and Mr. Estes were eligible for the maximum payout under the second component. In determining the amount of the payout to Mr. Nielsen and Mr. Estes under the second component for fiscal 2017, the Compensation Committee considered the payout level under the first component of the plan and determined that no other financial or non-financial performance factors were sufficiently significant to warrant a deviation from the payout level determined by the first component of the plan.

The following table sets forth the amounts paid out to Mr. Nielsen and Mr. Estes under the second component:

		Payout under Second Component	
Name	**Percentage of Maximum Amount Attained**	**Payout as a Percentage of Base Salary**	Award Payout
Steven E. Nielsen	64.7%	33.7%	$ 318,538
Timothy R. Estes	72.2%	27.4%	$ 178,218

Long-Term Equity-Based Compensation. For fiscal 2017, Named Executive Officers were eligible to receive grants of long-term equity-based compensation awards under the Company’s 2012 Long-Term Incentive Plan. Equity-based awards made to the Named Executive Officers have historically been composed of different types of equity-based instruments awarded from time to time, including time vesting restricted stock units, performance-based restricted stock units and stock options. Each year, the mix of equity-based instruments to be awarded is based on the Compensation Committee’s assessment of which instruments will best achieve the objectives of the executive compensation program.

In making this determination, the Compensation Committee takes into consideration key business priorities, Peer Group trends, potential shareholder dilution, general business and industry conditions, the general economic environment, the Company’s strategic business objectives and each Named Executive Officer’s potential contributions to Company performance. Using these factors, the Compensation Committee sets meaningful objectives for the

Company's performance, including the annual performance goals, and for other relevant purposes. In addition, the Compensation Committee considers the long-term incentive value of the equity-based awards to the Named Executive Officers as balanced against the corresponding compensation expense to the Company. As a result, this allocation of equity-based instruments may vary year-over-year because of changes to one or more of the foregoing factors.

Performance vesting restricted stock units focus on long-term operational performance, which creates shareholder value, while stock options and time vesting restricted stock units emphasize the Company's commitment to shareholder return. Furthermore, these long-term equity awards contain vesting provisions that are important to the retention of key employees. Except with respect to certain terminations following a change of control of the Company, continued employment at the time of vesting is required with respect to unvested long-term equity awards. Thus, the value of issued but unvested long-term equity awards meaningfully encourages key employees to remain with the Company, as terminating employment results in the forfeiture of any unvested value of previously accumulated long-term equity awards. See "Potential Payments Upon Termination of Employment or Change of Control" on page 46 of this Proxy Statement.

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The Compensation Committee generally makes grants of long-term equity awards to the Named Executive Officers each December and generally targets the aggregate value of such long-term equity awards to the median of comparable positions in the Peer Group. However, performance vesting equity awards granted to the Chief Executive Officer and Chief Operating Officer have been made in October of each year to comply with Section 162(m) of the Internal Revenue Code. For Named Executive Officers other than the Chief Executive Officer, individual long-term equity awards are recommended by the Chief Executive Officer for consideration and approval by the Compensation Committee. In limited instances, long-term equity awards may also be granted to recognize outstanding performance during the year or at the initiation of employment for newly hired key executives. In fiscal 2017, no equity awards were made to the Named Executive Officers outside of the Company's normal equity grant cycle.

For fiscal 2017, the Compensation Committee determined that a 40%, 40% and 20% allocation among performance vesting restricted stock units, stock options and time vesting restricted stock units (based on the grant date values provided to the Compensation Committee by Compensation Strategies) would be appropriate for long-term equity awards to be granted to the Chief Executive Officer and the Chief Operating Officer. This allocation was consistent with the allocation of equity awards granted for fiscal 2016. The Compensation Committee believes this allocation (i) reflects current long-term equity-based market compensation trends; (ii) increases the focus on the Company's long-term financial performance without sacrificing the retention element of long-term equity-based compensation; and (iii) results in decreased shareholder dilution.

As a result of the factors discussed above, the Compensation Committee granted awards to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens consisting of time vesting restricted stock units and performance vesting restricted stock units. Based on the grant date values provided to the Compensation Committee by Compensation Strategies, these awards resulted in an equity incentive allocation of 25% time vesting restricted stock units and 75% performance vesting restricted stock units to Mr. DeFerrari and Mr. Vilsoet, and an allocation of 30% time vesting restricted stock units and 70% performance vesting restricted stock units to Ms. Dickens. This allocation was consistent with the allocation of equity awards granted to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens for fiscal 2016. The Compensation Committee determined this allocation was best for retaining these executive officers and rewarding their contributions to Company performance

In determining the number of time vesting restricted stock units, performance vesting restricted stock units and stock options to be awarded to the Named Executive Officers, the Compensation Committee uses the average closing price of the Company's common stock on the New York Stock Exchange for the 45-day trading period ending on the second trading day prior to the applicable date of grant; provided that the 45-day average may not be more than 5% above or below the actual stock price at the end of such 45-day period. This methodology reduces the risk that short-term movements in the Company's stock price could positively or negatively impact the determination of the number of units or options to be awarded. Due to the application of this methodology, the amounts appearing in the Summary Compensation Table and the Grant of Plan-Based Awards Table included in this Proxy Statement, which are based, in part, on the grant date fair value of the Company's stock, may, from time to time, fail to reflect the market positioning which was intended.

See "Performance Vesting Restricted Stock Units—Other Named Executive Officers" on page 34 of this Proxy Statement for a more detailed discussion of the performance vesting restricted stock units awarded to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens for fiscal 2017.

Performance Vesting Restricted Stock Units—Chief Executive Officer and Chief Operating Officer

In October 2016, awards of performance vesting restricted stock units were made to the Chief Executive Officer and the Chief Operating Officer. Performance vesting restricted stock units vest in three annual installments beginning on the anniversary of the date of grant subject to the Company achieving annual pre-tax income and operating cash flow goals (the “Annual Goals”) pre-established by the Compensation Committee for each of fiscal 2017, 2018 and 2019. As discussed below, in addition to the performance units earned when Annual Goals are met, each year, the Chief Executive Officer and the Chief Operating Officer have the opportunity to earn supplemental restricted stock units if the Company achieves cumulative qualifying earnings and operating cash flow ratio goals based on the previous three fiscal years (the “Three-Year Goals”). Upon the satisfaction of the relevant vesting requirements discussed below, each performance vesting restricted stock unit is settled for one share of Company common stock.

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In setting the Annual Goals and Three-Year Goals for the fiscal 2017 awards, the Compensation Committee modified the cash flow ratios and award payout percentages. In doing so, the Compensation Committee considered the projected operating environment, continued strong year-over-year increases in revenue, and the impact on working capital caused by these factors. The Compensation Committee determined that the cash flow ratio for the Annual Goals and Three-Year Goals should be modified as follows: (i) the annual award payout percentage will be 75% if the cash flow ratio is less than 0.25 and (ii) the supplemental award payout percentage will be reduced to zero if the cash flow ratio is less than 0.50. In fiscal 2016, if the cash flow ratio were less than 1.0, the annual payout percentage would have been 75% and the supplemental award payout would have been reduced to zero. These modifications reflect the greater difficulty of reaching higher cash flow ratios in a high-growth environment while still providing disincentives for lower cash flow ratios.

For the annual performance unit awards to vest, the Company's operating earnings (before asset impairments, performance unit compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount) must exceed certain pre-established targets, which are set forth as a percentage of contract revenue. If such operating earnings exceed the pre-established threshold target, the potential annual payout is determined based upon the ratio of operating cash flow to qualifying net income that is achieved for the relevant fiscal year. The components of the Annual Goals and the potential annual payout of performance vesting restricted stock units are set forth in the following table:

Fiscal Year Qualifying Operating Earnings	**Potential Vesting Percentage**[(1)]	**Fiscal Year Ratio of Operating Cash Flow to Qualifying Net Income**[(2)]	**Award Payout Percentage**
2.5% or less of Contract revenue	None	—	—
2.51% to 4.99% of Contract revenue	0.1% to 100%	Less than 0.25	75%
		1.0 or greater	100%
5.0% or more of Contract revenue	100%	Less than 0.25	75%
		1.0 or greater	100%

(1) For qualifying earnings between 2.51% and 4.99% of contract revenue, the percentage of the potential award vesting is interpolated between 0% and 100%.

(2) For cash flow ratios between 0.25 and 1.0 the percentage of the potential award vesting is interpolated between 75% and 100%.

Due to the vesting requirements and the general uncertainty regarding the economy, including the industry in which the Company operates, the likelihood that the pre-established targets described above will be achieved may vary greatly from year to year. The use of a threshold amount ensures that performance exceeded a pre-established base level before any award is earned. The reliance on earnings and cash flow measures in determining the level of vesting reflects the importance to the Company of both operating margins and cash flows. Similar to the annual incentive plan, no award is earned absent acceptable margins and the level of award is reduced if the pre-established cash flow ratio is not met. The use of both operating earnings and cash flow as performance measures ensures that both income statement and balance sheet performance are required to earn the maximum award. The Compensation Committee believes that performance targets are set at a level consistent with superior business performance.

If the Three-Year Goals are achieved, the Chief Executive Officer and the Chief Operating Officer will each vest in additional restricted stock units of up to 100% of the number of performance units vesting in that fiscal year upon the satisfaction of the relevant Annual Goals. Vesting of these supplemental units occurs only if cumulative operating earnings for the three-year period (before asset impairments, performance unit compensation and amounts associated with the extinguishment of debt or termination of debt agreements and with respect to fiscal 2017 and 2016 only, amounts for amortization of debt discount) exceed certain pre-established targets, which are set forth as a percentage of contract revenue for the three-year period. No supplemental units will vest if the cash flow ratio does not equal or exceed 0.50, in each case as measured over the same cumulative three-year period.

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The components of the fiscal 2017 Three-Year Goals and the potential payout of performance units are set forth in the following table:

Cumulative Qualifying Earnings for the Applicable Three-Year Period	**Cumulative Ratio of Operating Cash Flow to Qualifying Net Income for the Applicable Three-Year Period(1)(2)**	**Supplemental Payout Percentage**
5.00% of Contract revenue	Less than 0.50	0%
10.00% of Contract revenue or greater	1.0 or greater	100%

(1) Additional performance units may be earned if the Company achieves a cumulative ratio of operating cash flow to qualifying net income which exceeds 0.50 for the relevant performance period (results between 0.50 and 1.00 are interpolated).

(2) For qualifying earnings between 5.00% and 10.00% of contract revenue, the percentage of the potential award vesting is interpolated between 0% and 100%.

Supplemental units are earned only in a fiscal year for which units are awarded for meeting the Annual Goals. Consequently, strong prior performance does not ensure vesting if unaccompanied by current fiscal year performance. The three-year performance required to earn supplemental units is more difficult to achieve than that required to earn an annual target award and is based on the Company's three-year cumulative operating earnings (adjusted as described above) as a percentage of contract revenue and three-year cumulative operating cash flow performance attained in fiscal 2017. The performance measures selected, operating margin and cash flow, require both income statement and balance sheet performance on a three-year cumulative basis. These performance measures provide that good margins without acceptable cash flows result in reduced vesting of the annual awards or the elimination of vesting of any supplemental awards, while acceptable cash flows absent acceptable margins result in no vesting. Over the last five years, a portion of the supplemental units was earned pursuant to the awards granted in fiscal 2015, 2016 and 2017 (as discussed below).

The awards of performance vesting restricted stock units granted to the Chief Executive Officer and Chief Operating Officer for fiscal 2017 totaled $1,351,570 in aggregate share value (based on the closing price of a share of Company common stock on the date of grant, October 24, 2016, and the target number of awards under each grant). This amount represented approximately 85% of their aggregate base salaries, with the Chief Executive Officer receiving approximately 89% of his base salary in the form of performance vesting restricted stock units and the Chief Operating Officer receiving 79% of his base salary in the form of performance vesting restricted stock units.

Information regarding the fair market value and target number of performance vesting restricted stock units granted to the Chief Executive Officer and Chief Operating Officer for fiscal 2017 is set forth in the Grant of Plan-Based Awards Table on page 41 of this Proxy Statement.

Determination of Annual Awards

Mr. Nielsen and Mr. Estes were granted awards of performance vesting restricted stock units in fiscal 2017, 2016 and 2015. The annual goals and the three-year goals described above with respect to the fiscal 2017 awards also apply to the fiscal 2016 and 2015 award, except to the extent that (1) the three-year measurement period is determined by the fiscal year of the grant, (2) operating earnings are not adjusted for amounts for the amortization of debt discount with respect to the fiscal 2015 award, (3) the amortization of intangible assets as it related to significant acquisitions made in fiscal 2013, which had previously been excluded for the 2015 period of the fiscal 2015 award, is not excluded with respect to the fiscal 2016 and 2017 awards, and (4) the cumulative ratio of operating cash flow to qualifying net income for the fiscal 2017 award is adjusted as described above.

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Based on the Company's performance for the fiscal 2017 period, Mr. Nielsen and Mr. Estes will vest in the following percentages of their respective target annual awards with respect to fiscal 2017, 2016 and 2015 grants of performance vesting restricted stock (as applicable):

Name	Year of Award	Percentage of Contract Revenue Attained	Ratio of Operating Cash Flow to Qualifying Net Income Attained	Percentage of Target Annual Performance Units Attained	Number of Annual Performance Units Vested
Steven E. Nielsen	Fiscal 2017	9.22%	1.45x	100%	3,261
	Fiscal 2016	9.22%	1.45x	100%	3,421
	Fiscal 2015	8.64%	1.54x	100%	7,079
Timothy R. Estes	Fiscal 2017	9.22%	1.45x	100%	1,999
	Fiscal 2016	9.22%	1.45x	100%	2,098
	Fiscal 2015	8.64%	1.54x	100%	4,325

Determination of Three-Year Awards

Based on the Company's performance for the fiscal 2017 period, Mr. Nielsen and Mr. Estes will vest in the following percentage of their respective target supplemental units with respect to fiscal 2017, fiscal 2016 and fiscal 2015 grants (as applicable):

Name	Year of Award	Percentage of Cumulative Qualifying Earnings Attained	Cumulative Ratio of Operating Cash Flow to Qualifying Net Income Attained	Percentage of Target Supplemental Performance Units Attained	Number of Supplemental Performance Units Vested
Steven E. Nielsen	Fiscal 2017	8.82%	1.56x	76.40%	2,491
	Fiscal 2016	8.82%	1.56x	76.40%	2,614
	Fiscal 2015	8.40%	1.62x	50.00%	3,540
Timothy R. Estes	Fiscal 2017	8.82%	1.56x	76.40%	1,527
	Fiscal 2016	8.82%	1.56x	76.40%	1,603
	Fiscal 2015	8.40%	1.62x	50.00%	2,163

Performance Vesting Restricted Stock Units—Other Named Executive Officers

In December 2016, performance vesting restricted stock units were awarded to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens. The units vest in three annual installments beginning on the anniversary of the date of grant and are subject to the same Annual Goals applicable to the fiscal 2017 awards of performance vesting restricted stock units granted to the Chief Executive Officer and the Chief Operating Officer. Similar to the fiscal 2017 performance vesting restricted stock units granted to the Chief Executive Officer and the Chief Operating Officer, supplemental award opportunities were also granted to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens. The attainment of performance goals for the annual and supplemental performance period will be determined in a manner consistent with that described above for the Chief Executive Officer and the Chief Operating Officer.

Awards of performance vesting restricted stock units represented $1,187,021 in aggregate share value to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens (based on the closing price of a share of Company common stock on the date of grant, December 14, 2016, and the target number of awards under each grant). This amount represented 96% of their aggregate base salaries. The value of the individual grants received by Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens was approximately 134% of Mr. DeFerrari's base salary, approximately 83% of Mr. Vilsoet's base salary and approximately 60% of Ms. Dickens's base salary.

Information regarding the fair market value and target number of performance vesting restricted stock units granted to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens for fiscal 2017 is set forth in the Grant of Plan-Based Awards Table on page 41 of this Proxy Statement.

Determination of Annual Awards

Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens were granted awards of performance vesting restricted stock units in fiscal 2017, 2016 and 2015. The methodology used to determine achievement of performance goals for the annual and supplemental performance period is similar to that described above for the Chief Executive Officer and the Chief Operating Officer.

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Based on the Company's performance for the fiscal 2017 period, Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens will vest in the following percentages of their respective target annual awards with respect to fiscal 2017, fiscal 2016 and fiscal 2015 grants of performance vesting restricted stock units (as applicable):

Name	Year of Award	Percentage of Contract Revenue Attained	Ratio of Operating Cash Flow to Qualifying Net Income Attained	Percentage of Target Annual Performance Units Attained	Number of Annual Performance Units Vested
H. Andrew DeFerrari	Fiscal 2017	9.22%	1.45x	100%	2,666
	Fiscal 2016	9.22%	1.45x	100%	2,432
	Fiscal 2015	8.64%	1.54x	100%	5,331
Richard B. Vilsoet	Fiscal 2017	9.22%	1.45x	100%	1,560
	Fiscal 2016	9.22%	1.45x	100%	1,431
	Fiscal 2015	8.64%	1.54x	100%	3,152
Kimberly L. Dickens	Fiscal 2017	9.22%	1.45x	100%	816
	Fiscal 2016	9.22%	1.45x	100%	790
	Fiscal 2015	8.64%	1.54x	100%	1,589

Determination of Three-Year Awards

Based on the Company's performance for the fiscal 2015-2017 period, Mr. DeFerrari and Mr. Vilsoet will vest in the following percentage of their respective target supplemental units with respect to fiscal 2017, fiscal 2016 and fiscal 2015 grants, and Ms. Dickens will vest in the following percentage of her target supplemental units with respect to fiscal 2017 and fiscal 2016 grants:

Name	Year of Award	Percentage of Cumulative Qualifying Earnings Attained	Cumulative Ratio of Operating Cash Flow to Qualifying Net Income Attained	Percentage of Target Supplemental Performance Units Attained	Number of Supplemental Performance Units Vested
H. Andrew DeFerrari	Fiscal 2017	8.82%	1.56x	76.40%	2,037
	Fiscal 2016	8.82%	1.56x	76.40%	1,858
	Fiscal 2015	8.40%	1.62x	50.00%	2,666
Richard B. Vilsoet	Fiscal 2017	8.82%	1.56x	76.40%	1,192
	Fiscal 2016	8.82%	1.56x	76.40%	1,093
	Fiscal 2015	8.40%	1.62x	50.00%	1,576
Kimberly L. Dickens	Fiscal 2017	8.82%	1.56x	76.40%	623
	Fiscal 2016	8.82%	1.56x	76.40%	604

Fiscal 2015	—	—	—	—

Ms. Dickens did not receive a supplemental award of performance vesting restricted stock units in fiscal 2015.

Stock Options

Stock options generally align the Named Executive Officers' incentives with those of the Company's shareholders because stock options have value only if the Company's stock price increases from the date of grant. Stock options also inherently reward performance, as it is the Company's performance over an extended period that causes the value of its common stock, and the value of the stock options, to increase.

In December 2016, the Compensation Committee granted stock options having an aggregate grant date value of approximately $1,472,968 based on the Black-Scholes model valuation to the Chief Executive Officer and the Chief Operating Officer at an exercise price equal to the closing price of the underlying Company common stock on the date of grant. The value of the individual stock option grants received by Mr. Nielsen and Mr. Estes was approximately 96% and 86% of their base salaries, respectively. No stock options were granted to Mr. DeFerrari, Mr. Vilsoet or Ms. Dickens in fiscal 2017.

Information regarding stock options awarded during fiscal 2017 is shown in the Grant of Plan-Based Awards Table on page 41 of this Proxy Statement.

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Time Vesting Restricted Stock Units

A time vesting restricted stock unit is not subject to performance conditions, but is designed to enhance retention of the Named Executive Officers by rewarding continued employment, as terminating employment results in the forfeiture of the unvested awards. This retention effect is further enhanced as the price of the Company's common stock increases.

Because the value of time vesting restricted stock units increases as the market value of the Company's common stock increases, time vesting restricted stock units also incent award recipients to drive performance that leads to improvement in the market value of the Company's common stock. In addition, the shares of common stock received by the Named Executive Officers (other than the Chief Executive Officer) upon vesting of the time vesting restricted stock units are subject to shareholding requirements, see "Shareholding Requirements" on page 38 of this Proxy Statement.

In December 2016, time vesting restricted stock units having an aggregate grant date value of approximately $1,043,675 were granted to the Named Executive Officers. The value of the individual grants received by the Named Executive Officers was approximately 42% of Mr. Nielsen's base salary, 37% of Mr. Estes's base salary, 44% of Mr. DeFerrari's base salary, 27% of Mr. Vilsoet's base salary and 25% of Ms. Dickens's base salary. The time vesting restricted stock units will vest in four annual installments beginning on or about the anniversary of the grant.

Information regarding the fair value and the number of time vesting restricted stock units that the Named Executive Officers were granted during fiscal 2017 is shown in the Grant of Plan-Based Awards Table on page 41 of this Proxy Statement.

Other Benefits

The Company provides a range of retirement and health and welfare benefits that are designed to assist in attracting and retaining employees and to reflect general industry competitive practices. The Named Executive Officers are eligible for the following benefits:

401(k) Plan. The Company maintains a tax qualified defined contribution retirement plan (the "401(k) Plan") that covers substantially all salaried and hourly employees. Each of the Named Executive Officers participates in the 401(k) Plan. Participants may contribute up to 75% of their compensation on a before-tax basis into their 401(k) Plan accounts, subject to statutory limits. In addition, the Company matches an amount equal to 30% for each dollar contributed by participants on the first 5% of their eligible earnings.

Because the 401(k) Plan is a tax qualified retirement plan, the Internal Revenue Code limits the "additions" that can be made to a participant's 401(k) Plan account each calendar year. "Additions" include Company matching contributions, before-tax contributions made by a participant and participant after-tax contributions. In addition, the Internal Revenue Code limits the amount of annual compensation that may be taken into account in computing benefits under the 401(k) Plan.

The Company does not maintain any defined benefit pension plan, non-tax qualified supplemental retirement plan or non-tax qualified deferred compensation plan.

Health and Welfare Plans. Benefits for active employees such as medical, dental, vision, life insurance and disability coverage are available to substantially all salaried and hourly employees through the Company's flexible benefits plan. Employees contribute to the cost of the benefits plan by paying a portion of the premium costs.

Named Executive Officers participate in the medical, dental and vision plans on terms identical with those afforded all other employees. In addition, the Company provides certain key employees, including the Named Executive Officers, with additional life insurance and disability coverage at no cost to the individual. The amount paid on behalf of the Named Executive Officers is set forth in the "All Other Compensation" column of the Summary Compensation Table on page 40 of this Proxy Statement.

Perquisites and Executive Benefits. The Company provides executive officers, including the Named Executive Officers, with limited perquisites and executive benefits, namely, premiums paid by the Company for group term life insurance and long-term disability insurance. As described above, the Company also provides

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matching contributions to the Dycom Industries, Inc. Retirement Savings Plan on the same basis as those matching contributions made for all other employees of the Company. The Compensation Committee periodically reviews the perquisites provided to the Company's executive officers under the executive compensation program.

Severance and Change of Control Benefits

Messrs. Nielsen, Estes, DeFerrari and Vilsoet are provided with severance benefits under individual arrangements negotiated with the Company. The Company provides for the payment of severance benefits to these executives upon certain types of employment terminations both prior to and following a change of control. If an executive's employment terminates on or following a change of control under certain circumstances, the Company provides for the vesting of certain equity-based awards. Providing severance and change of control benefits assists the Company in attracting and retaining executive talent and reduces the personal uncertainty that executives are likely to feel when considering a corporate transaction. These arrangements also provide valuable retention incentives that focus executives on completing such transactions, thus enhancing long-term shareholder value. The terms and payment amounts reflect the Compensation Committee's determination of competitive practices at those companies that the Company competes with for executive talent at the time the arrangements were entered into and were based, in part, on market information provided by its independent compensation consultant.

The terms of the individual arrangements, and a calculation of the estimated severance benefits that would be payable to each executive under their respective arrangements upon the occurrence of certain events, are set forth under the Potential Payments Upon Termination of Employment or Change of Control table beginning on page 46 of this Proxy Statement.

2018 Transition Period Executive Compensation Program

As previously reported, the Company has changed its fiscal year end from July to January. Beginning with a six-month transition period ending January 27, 2018, the Company's fiscal year will end on the last Saturday of January. As part of this transition, compensation opportunity levels, equity award grants and related performance goals have been or will be made or established for the six-month transition period that began on July 30, 2017 and will end on January 27, 2018.

In September 2017, the Compensation Committee established prorated award opportunities under the Company's incentive plan for the six-month transition period for Messrs. Nielsen and Estes at 50% of the target and maximum amounts that otherwise would have applied for a 12-month fiscal year. At the same time, performance vesting restricted stock units also were granted by the Compensation Committee to Messrs. Nielsen and Estes at 50% of the grant date value that otherwise would have applied for a 12-month fiscal year. The two-component structure of the annual incentive award opportunities for Messrs. Nielsen and Estes was retained. The performance goals of the first component of the annual incentive award adopted by the Committee reflect the seasonality of the shortened performance period and the relative difficulty of impacting cash flow over a six-month period. The performance vesting restricted stock units granted to Messrs. Nielsen and Estes in September 2017 are subject to the achievement of annual goals and, for supplemental units to be earned, three-year goals. Due to the transition period, the relevant one- and three-year-long performance periods will end with the second quarter of fiscal 2019, 2020 and 2021, respectively.

In October 2017, the Compensation Committee approved pro rata grants of time vesting restricted stock units and stock options to Messrs. Nielsen and Estes with grant date values at 50% of the grant date values that otherwise would have applied for a 12-month fiscal year. Consistent with these actions taken by the Compensation Committee with respect to Messrs. Nielsen and Estes, pro rata annual incentive and long-term incentive awards were also made in October 2017 to the other Named Executive Officers.

Stock Ownership Guidelines

The Board of Directors has established stock ownership guidelines for the Chief Executive Officer and the non-employee directors to further align their economic interests with those of the Company's shareholders. Under these guidelines, stock ownership includes shares (including time vesting restricted stock units) owned directly or held in trust by an individual. It does not include shares that an individual has the right to acquire through stock options or performance vesting restricted stock or performance vesting restricted stock units. The Board of Directors has set the minimum number of shares under the guidelines at 265,000 shares for the Chief Executive Officer and 10,000 shares for each non-employee director.

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In order to satisfy the ownership thresholds, each individual is required to retain 50% of the net after-tax shares that he or she acquires under the Company's equity plans (and non-employee directors must retain all shares received in lieu of cash fees) until the thresholds are achieved. No sales of existing shareholdings are permitted until the required thresholds are attained, but once attained, the individual may sell any shares that exceed the applicable threshold.

The Board of Directors periodically reviews the stock ownership guidelines and may make adjustments. The guidelines are expected to be met within five years of the date they were established or, if later, from the date that the individual initially joins the Board of Directors or is appointed to the position of Chief Executive Officer. As of July 29, 2017, Mr. Nielsen held a total of approximately 657,199 shares of the Company's common stock and exceeded the stock ownership threshold. In addition, each non-employee director has either exceeded the stock ownership threshold or is making satisfactory progress toward achieving the threshold.

Shareholding Requirements

Named Executive Officers (other than the Chief Executive Officer) and other key employees who receive awards of time vesting restricted stock and time vesting restricted stock units are generally subject to shareholding requirements. As each grant vests, the recipient is required to retain on account with the Company's stock transfer agent one-half (50%) of the shares that have vested, net of shares withheld to pay taxes. The shareholding requirement continues until the shares on account are equal in value to the recipient's base salary then in effect. From that point forward, the recipient is free to sell shares that vest subsequently, but must continue to hold on account those shares required to satisfy the applicable threshold until termination of employment with the Company. All restrictions on those shares held by the transfer agent lapse 90 days after the recipient is no longer employed by the Company. As of July 29, 2017, all of the Named Executive Officers have either exceeded their respective goals or are making satisfactory progress towards achieving their goals.

Reflecting these requirements, as of July 29, 2017, Company employees (other than the Chief Executive Officer) collectively held, on account with the Company's stock transfer agent, a total of approximately 121,781 shares. The Named Executive Officers (other than the Chief Executive Officer) individually held the following number of shares pursuant to this shareholding requirement:

Name	**Number of Shares Held as of July 29, 2017**
Timothy R. Estes	7,992
H. Andrew DeFerrari	13,510
Richard B. Vilsoet	5,435
Kimberly L. Dickens	1,100

As of July 29, 2017, including the shares in the table above, Messrs. Estes, DeFerrari and Vilsoet, and Ms. Dickens, held a total of approximately 220,829 shares, 106,153 shares, 53,741 shares and 3,708 shares, respectively, of the Company's common stock.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code (and the regulations promulgated thereunder) precludes a public corporation from taking an income tax deduction in any one year for compensation in excess of $1 million for its named executive officers (excluding the Chief Financial Officer) employed on the last day of the fiscal year, unless certain specific performance goals are satisfied. While the executive compensation program seeks to maximize the tax deductibility of compensation payable to the Named Executive Officers by having such compensation qualify as qualified performance-based compensation, the Compensation Committee retains the flexibility and discretion to compensate Named Executive Officers in a manner intended to promote varying corporate goals, even if certain amounts that may be payable in excess of $1 million may not be deductible under Section 162(m). For fiscal 2017, the Company estimates that approximately $1.3 million of executive compensation expenses will not be deductible under Section 162(m).

Internal Revenue Code Section 409A

Internal Revenue Code Section 409A regulates the tax treatment of most forms of nonqualified deferred compensation. The Company believes it is in compliance with Code Section 409A and the regulations promulgated thereunder.

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Accounting Rules

The Compensation Committee takes into consideration the accounting treatment of equity-based incentive awards under Financial Accounting Standards Board Accounting Standard Codification Topic 718, Compensation-Stock Compensation when determining the form and timing of equity grants to employees, including the Named Executive Officers. The accounting treatment of such grants, however, is not determinative of the type, timing or amount of any particular grant of equity-based incentive award made to the Company’s employees.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the preceding Compensation Discussion and Analysis as required by Item 402(b) of Regulation S-K. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company’s Annual Report on Form 10-K for the fiscal year ended July 29, 2017.

The foregoing report has been furnished on behalf of the Board of Directors by the undersigned members of the Compensation Committee.

Compensation Committee

Dwight B. Duke, Chair
Charles B. Coe
Eitan Gertel
Laurie J. Thomsen

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Summary Compensation Table

The following table sets forth the compensation of our Chief Executive Officer, Chief Financial Officer and the next three highest paid individuals serving as executive officers on July 29, 2017.

ame and Principal Position	Year	Salary	Bonus[1]	Stock Awards[2][4][5]	Option Awards[2]	Non-Equity Incentive Plan Compensation[1]	All Other Compensation[3]	Total[6]
teven E. Nielsen	2017	$ 946,400	$ —	$ 1,231,850	$ 913,173	$ 1,286,404	$ 5,442	$ 4,383,269
resident and	2016	$ 910,000	$ —	$ 1,139,740	$ 1,003,198	$ 1,774,500	$ 6,942	$ 4,834,380
hief Executive Officer	2015	$ 875,000	$ —	$ 938,844	$ 1,096,711	$ 1,575,000	$ 7,072	$ 4,492,627
. Andrew DeFerrari	2017	$ 470,000	$ 360,000	$ 834,736	$ —	$ —	$ 5,382	$ 1,670,118
enior Vice President and	2016	$ 450,000	$ 400,000	$ 760,260	$ —	$ —	$ 6,289	$ 1,616,549
hief Financial Officer	2015	$ 425,000	$ 350,000	$ 673,684	$ —	$ —	$ 5,507	$ 1,454,191
imothy R. Estes	2017	$ 650,000	$ —	$ 755,169	$ 559,795	$ 733,373	$ 8,364	$ 2,706,701
xecutive Vice President and	2016	$ 625,000	$ —	$ 698,876	$ 615,159	$ 1,000,000	$ 10,092	$ 2,949,127
hief Operating Officer	2015	$ 600,000	$ —	$ 573,535	$ 669,988	$ 900,000	$ 9,775	$ 2,753,298
ichard B. Vilsoet	2017	$ 445,000	$ 350,000	$ 488,413	$ —	$ —	$ 7,028	$ 1,290,441
ice President, General	2016	$ 425,000	$ 350,000	$ 447,226	$ —	$ —	$ 6,185	$ 1,228,411
ounsel and Secretary	2015	$ 400,000	$ 315,000	$ 398,378	$ —	$ —	$ 5,239	$ 1,118,617
imberly L. Dickens	2017	$ 320,000	$ 125,000	$ 272,099	$ —	$ —	$ 5,024	$ 722,123
ice President and	2016	$ 309,000	$ 125,000	$ 262,596	$ —	$ —	$ 6,056	$ 702,652
hief Human Resources Officer	2015	$ 299,999	$ 105,000	$ 224,970	$ —	$ —	$ 11,794	$ 641,763

(1) Bonuses and incentive compensation awards under the Annual Incentive Plan for the fiscal year ended July 29, 2017 were paid in October 2017.

(2) Amounts in these columns present the aggregate grant date fair value of stock and option awards granted during the relevant fiscal years computed in accordance with Financial Accounting Standards Board Accounting Standard Codification Topic 718, Compensation-Stock Compensation ("FASB ASC 718"). These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the awards (such as by exercising stock options). For performance-based awards included in the "Stock Awards" column, the grant date fair value represents the probable outcome of the awards rather than the maximum potential value. Please refer to "—Compensation Discussion and Analysis—Long-Term Equity-Based Compensation" beginning on page 30 of this Proxy Statement for a description of the performance vesting restricted stock units, stock options and time vesting restricted stock units (see footnotes 4 and 5 below for the maximum potential value of all stock-based awards). For information on the valuation assumptions used in these computations, see Note 15 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended July 29, 2017. The terms applicable to the stock awards and the option awards granted for the fiscal year ended July 29, 2017 are set forth below in the Grant of Plan-Based Awards Table.

(3) All Other Compensation for fiscal 2017 consists of (i) Company contributions to the Dycom Industries, Inc. Retirement Savings Plan (Mr. Nielsen — $4,050; Mr. DeFerrari — $4,050; Mr. Estes — $4,050; Mr. Vilsoet — $4,724; Ms Dickens — $3,692); and (ii) premiums paid by the Company for group term life and long-term disability insurance (Mr. Nielsen — $1,392; Mr. DeFerrari — $1,332; Mr. Estes — $4,314; Mr. Vilsoet — $2,304; Ms. Dickens — $1,332).

(4) The maximum potential grant date fair value for the fiscal 2017 performance vesting restricted units in the "Stock Awards" column was as follows: Mr. Nielsen — $1,675,804; Mr. DeFerrari — $1,255,360; Mr. Estes — $1,027,337; Mr.

Vilsoet — $734,543; and Ms. Dickens — $384,140. The number of performance vesting restricted stock units that will vest could be zero depending on performance over the relevant period and the value realized of any units that vest will depend on the stock price at the time of vesting.

(5) The grant date fair value for the fiscal 2017 time vesting restricted units included in the "Stock Awards" column was as follows:
Mr. Nielsen — $393,948; Mr. DeFerrari — $207,056; Mr. Estes — $241,500; Mr. Vilsoet — $121,142; and Ms. Dickens — $80,029. The value realized will depend on the stock price at the time of vesting.

(6) Represents total of all columns in table.

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Grant of Plan-Based Awards Table

The following table sets forth certain information with respect to grants of restricted stock units and stock options under the 2012 Long-Term Incentive Plan and the potential range of awards that were approved under the Annual Incentive Plan for each of the Named Executive Officers for the fiscal year ended July 29, 2017.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			**Estimated Future Payouts Under Equity Incentive Plan Awards**(2)			**All Other Stock Awards: Number of Shares of Stock or Units**(3)	**All Other Option Awards: Number of Securities Underlying Options**(4)	**Exercise or Base Price of Option Awards**	**Grant Date Fai Value o Stock and Option Awards**(
ame	Grant Date	Threshold	Target	Maximum	Threshold	Target	Maximum				
even E. Nielsen	10/24/2016	$ —	$ 993,720	$ 1,987,440	—	—	—	—	—	$ —	$
	10/24/2016	$ —	$ —	$ —	73	9,784	19,568	—	—	$ —	$ 837,90
	12/14/2016	$ —	$ —	$ —	—	—	—	5,021	—	$ —	$ 393,94
	12/14/2016	$ —	$ —	$ —	—	—	—	—	22,885	$ 78.46	$ 913,17
Andrew DeFerrari	12/14/2016	$ —	$ —	$ —	—	—	—	2,639	—	$ —	$ 207,05
	12/14/2016	$ —	$ —	$ —	60	8,000	16,000	—	—	$ —	$ 627,68
mothy R. Estes	10/24/2016	$ —	$ 552,500	$ 1,105,000	—	—	—	—	—	$ —	$
	10/24/2016	$ —	$ —	$ —	45	5,998	11,996	—	—	$ —	$ 513,66
	12/14/2016	$ —	$ —	$ —	—	—	—	3,078	—	$ —	$ 241,50
	12/14/2016	$ —	$ —	$ —	—	—	—		14,029	$ 78.46	$ 559,79
chard B. Vilsoet	12/14/2016	$ —	$ —	$ —	—	—	—	1,544	—	$ —	$ 121,14
	12/14/2016	$ —	$ —	$ —	35	4,681	9,362	—	—	$ —	$ 367,27
mberly L. Dickens	12/14/2016	$ —	$ —	$ —	—	—	—	1,020	—	$ —	$ 80,02
	12/14/2016	$ —	$ —	$ —	18	2,448	4,896	—	—	$ —	$ 192,07

(1) Mr. Nielsen's and Mr. Estes's fiscal 2017 Annual Incentive Plan ("AIP") compensation was derived from performance measures that were established within 90 days of the beginning of the fiscal year pursuant to Section 162(m) of the Internal Revenue Code. The AIP for fiscal 2017 was composed of two components. The first component applied a pre-established payout ratio to operating earnings (before asset impairments, annual incentive plan compensation, amounts associated with the extinguishment of debt or termination of debt agreements, and amounts for amortization of debt discount) above a threshold percentage of contract revenues. The payout ratio varied as a function of the Company's cash flow performance, which was measured as a ratio of operating cash flow to net income (before asset impairments, annual incentive plan compensation, amounts associated with the extinguishment of debt or termination of debt agreements, and amounts for amortization of debt discount); provided, however, that if the Company's operating earnings equaled or exceeded 1.0% of contract revenues, the Compensation Committee could, at its discretion, modify the awards, subject to the maximum amount available under the first component. For fiscal 2017, the first component of the AIP provided that Mr. Nielsen receive an annual incentive award only if the award as calculated equaled or exceeded 10% of his base salary. The second component of the AIP applied a pre-established payout ratio to operating earnings (before asset impairments,

annual incentive plan compensation, amounts associated with the extinguishment of debt or termination of debt agreements, and amounts for amortization of debt discount) above a threshold percentage of contract revenue. The maximum annual incentive award payable to Mr. Nielsen for fiscal 2017 was set at 210% of his base salary and the maximum annual incentive award payable to Mr. Estes for fiscal 2017 was set at 170% of his base salary. Mr. Nielsen's and Mr. Estes's actual fiscal 2017 incentive plan payout of $1,286,404 and $733,373, respectively, were paid in October 2017, as set forth under the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table on page 40 of this Proxy Statement.

(2) Represents performance vesting restricted stock units ("PRSUs") for the fiscal 2017 to 2019 performance period granted under the Company's 2012 Long-Term Incentive Plan. The PRSUs vest in three substantially equal annual installments commencing on or about the anniversary of the date of grant, subject to meeting certain performance targets. The Named Executive Officers also have an opportunity to vest in supplemental units if the Company satisfies certain performance targets for the previous three fiscal years. With respect to the fiscal 2017 performance period, 50% of the fiscal 2015 supplemental units and 76.4% of the fiscal 2016 and fiscal 2017 supplemental units will vest in October 2017 for Mr. Nielsen and Mr. Estes and in December 2017 for Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens, based on fiscal 2017 performance.

(3) Represents time vesting restricted stock units ("TRSUs") granted under the Company's 2012 Long-Term Incentive Plan. The TRSUs vest in four equal annual installments commencing on the anniversary date of the grant.

(4) Represents stock options granted under the Company's 2012 Long-Term Incentive Plan. The stock options vest in four equal annual installments commencing on the anniversary of the date of grant.

(5) The amounts in this column do not represent amounts that Named Executive Officers received or are entitled to receive. As required by SEC rules, this column represents the grant date fair value of PRSUs at target amounts, TRSUs, and stock options granted to the Named Executive Officers during fiscal 2017. For PRSUs, only the grant date fair value for awards actually vested will be recognized by the Company in the financial statements. For TRSUs and stock options, the grant date fair value is the amount that the Company will recognize in its financial statements over the award's vesting schedule, subject to any forfeitures. The grant date fair value was determined under FASB ASC 718. See Note 15 to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended July 29, 2017 regarding assumptions underlying valuation of equity awards.

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Narrative Accompanying Grant of Plan-Based Awards Table

The equity incentive awards granted to Mr. Nielsen and Mr. Estes on October 24, 2016, and to Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens on December 14, 2016, were subject to the Company achieving the Annual Goals established by the Compensation Committee. The Annual Goals were pre-established performance measures based upon (a) pre-tax operating earnings (before asset impairments, performance unit compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount), in excess of 2.5% of contract revenues and (b) the ratio of operating cash to net income (before asset impairments, performance unit compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount). Each of the Named Executive Officers' target awards vest in three substantially equal installments subject to the Company achieving the Annual Goals in each of fiscal years 2017, 2018 and 2019.

In the event the Company achieves the Annual Goals with respect to a performance period and the Company also achieves additional goals established by the Compensation Committee which are based, for each year, on the trailing three-year period, Mr. Nielsen, Mr. Estes, Mr. DeFerrari, Mr. Vilsoet and Ms. Dickens will each vest in up to an additional 100% of the number of shares of the target award that vested in such annual performance period. These additional goals are pre-established performance measures for the indicated period based upon (a) pre-tax operating earnings (before asset impairments, performance unit compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount), in excess of 5% of contract revenues and (b) the ratio of operating cash flow to net income (before asset impairments, performance unit compensation, amounts associated with the extinguishment of debt or termination of debt agreements and amounts for amortization of debt discount).

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Outstanding Equity Awards Table

The following table sets forth certain information with respect to all outstanding equity awards held by each of the Named Executive Officers as of July 29, 2017.

		Option Awards(1)				Stock Awards(2)			
Name	Date of Grant	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units that Have Not Vested	Market Value of Shares or Units that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested	Equity Incentive Plan Awards: Market Value or Payout of Unearned Shares, Units, or Other Rights that Have Not Vested
Steven E. Nielsen	12/17/2010	75,000	—	$ 13.88	12/17/2020				
	12/15/2011	57,110	—	$ 19.56	12/15/2021				
	12/14/2012	55,681	—	$ 18.67	12/14/2022				
	12/13/2013	34,305	11,435	$ 27.14	12/13/2023				
	12/13/2013					2,441 (3)	$ 220,422		
	10/24/2014					10,619 (4)	$ 958,896		
	12/12/2014	28,147	28,148	$ 31.46	12/12/2024				
	12/12/2014					5,188 (5)	$ 468,476		
	10/23/2015					6,035 (4)	$ 544,961		
	10/23/2015							3,422 (6)	$ 309,007
	12/14/2015	5,557	16,674	$ 78.20	12/14/2025				
	12/14/2015					3,471 (7)	$ 313,431		
	10/24/2016					5,752 (4)	$ 519,406		
	10/24/2016							6,523 (9)	$ 589,027
	12/14/2016	—	22,885	$ 78.46	12/14/2026				
	12/14/2016					5,021 (10)	$ 453,396		
H. Andrew DeFerrari	12/16/2009	5,903	—	$ 8.55	12/16/2019				
	12/13/2013					1,208 (3)	$ 109,082		
	12/12/2014					2,712 (5)	$ 244,894		
	12/12/2014					7,997 (4)	$ 722,129		

12/14/2015	1,820 [7]	$ 164,346		
12/14/2015	4,290 [4]	$ 387,387		
12/14/2015			2,432 [8]	$ 219,610
12/14/2016	2,639 [10]	$ 238,302		
12/14/2016	4,703			