

EMCOR GROUP INC  
Form DEF 14A  
May 15, 2002

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EMCOR GROUP, INC.  
101 Merritt Seven Corporate Park  
Norwalk, Connecticut 06851

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NOTICE OF ANNUAL MEETING  
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To the Stockholders of EMCOR Group, Inc.

The Annual Meeting of Stockholders of EMCOR Group, Inc. (the "Company") will be held in the Tarnopol Room, Penn Club, 30 West 44th Street, New York, New York, on June 19, 2002 at 10:00 A.M. (local time) for the following purposes:

1. To elect six directors to serve until the next annual meeting and until their successors are duly elected and qualify.
2. To ratify the appointment of Ernst & Young LLP as independent public accountants for 2002.
3. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on May 1, 2002 as the record date for determination of stockholders entitled to receive notice of, and to vote at, the Annual Meeting and any adjournment thereof.

YOUR ATTENTION IS RESPECTFULLY DIRECTED TO THE ACCOMPANYING PROXY STATEMENT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

By Order of the Board of Directors

Sheldon I. Cammaker  
SECRETARY

Norwalk, Connecticut  
May 15, 2002

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EMCOR GROUP, INC.

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PROXY STATEMENT  
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2002 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD JUNE 19, 2002  
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The enclosed proxy is solicited by the Board of Directors of EMCOR Group, Inc., a Delaware corporation (the "Company"), for use at the Annual Meeting of Stockholders to be held at 10:00 A.M. (local time) on Wednesday, June 19, 2002 in the Tarnopol Room, Penn Club, 30 West 44th Street, New York, New York and at any adjournment or postponement of such meeting. The enclosed proxy may be revoked at any time before it is exercised by delivering a written notice to the Secretary of the Company stating that the proxy is revoked, by executing a duly exercised proxy bearing a later date and presenting it to the Secretary of the Company, or by attending the Annual Meeting and voting in person. Unless otherwise specified, the proxies from holders of Common Stock will be voted in favor of each proposal set forth in the Notice of Annual Meeting.

As of May 1, 2002, the Company had outstanding 14,861,917 shares of Common Stock, par value \$.01 per share (the "Common Stock"). Only stockholders of record of Common Stock at the close of business on May 1, 2002 (the "Record Date") are entitled to notice of, and to vote at, the Annual Meeting. The mailing address of the principal executive offices of the Company is 101 Merritt Seven Corporate Park, Norwalk, Connecticut 06851, and the approximate date on which this Proxy Statement and the accompanying proxy are being first sent or given to stockholders is May 15, 2002.

The Common Stock was the only voting security of the Company outstanding and entitled to vote on the Record Date. The holders of record of a majority of the outstanding shares of Common Stock entitled to vote will constitute a quorum for the transaction of business at the Annual Meeting. Holders of Common Stock are entitled to one vote per share on each matter to be voted upon at the Annual Meeting. Assuming the presence of a quorum at the Annual Meeting, the affirmative vote of the holders of a plurality of the votes cast by the holders of shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is necessary for the election of directors. The affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required for ratification of the appointment of independent public accountants to audit the accounts of the Company and its subsidiaries. With respect to an abstention from voting on any matter and broker "non-votes", the shares will be considered present and entitled to vote at the Annual Meeting for purposes of determining a quorum. Abstentions will have the effect of a vote against proposals brought before the meeting, but will not have an effect on the election of directors. A broker "non-vote" occurs if a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular proposal. Broker "non-votes" are not counted for purposes of approving that proposal and, therefore, will be disregarded and will have no effect on the outcome of the vote on the proposal.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth as of May 1, 2002 certain information regarding beneficial ownership of the Company's Common Stock by each person or group known by the Company to be a beneficial owner of more than five percent of the outstanding shares of Common Stock. Except as otherwise noted, to the Company's knowledge, each person or group listed below has sole voting and investment power with respect to the shares listed next to its name.

Number of Shares	Percent
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Name and Address of Beneficial Owner -----	Beneficially Owned -----	Owned -----
Artisan Investment Corporation ..... 1000 North Water Street, #1770 Milwaukee, Wisconsin 53202	816,339 (1)	5.5%
FMR Corp.. ..... 82 Devonshire Street Boston, Massachusetts 02109	756,500 (2)	5.1%

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- (1) As reported in Amendment 3 to Schedule 13G dated February 13, 2002 filed with the Securities and Exchange Commission ("SEC") by Artisan Investment Corporation ("Artisan") and its affiliates Artisan Partners Limited Partnership, Andrew A. Ziegler and Carlene M. Ziegler. Artisan and its affiliates have shared voting power and shared dispositive power of these shares.
  
  - (2) As reported in Amendment 2 to Schedule 13G dated February 14, 2002 filed with the SEC by FMR Corp. ("FMR"), Fidelity Management & Research Company ("Fidelity"), Edward C. Johnson, 3rd and Abigail P. Johnson. Fidelity, a wholly owned subsidiary of FMR and a registered investment advisor, is the beneficial owner of 665,400 shares as a result of acting as investment advisor to various investment companies ("Funds"), and Fidelity Management Trust Company ("FMT"), a wholly owned subsidiary of FMR and a bank, is the beneficial owner of 91,100 shares as a result of serving as investment manager of institutional accounts. Mr. Johnson, FMR, through its control of Fidelity, and the Funds each has sole power to dispose of the 665,400 shares, and Mr. Johnson and FMR, through its control of FMT, each has sole dispositive power over and sole power to vote, or direct the voting of, 91,100 shares.

### ELECTION OF DIRECTORS

At the Annual Meeting, six directors are to be elected by the holders of Common Stock to serve until the next Annual Meeting of Stockholders and until their successors have been duly elected and qualify. To be elected as a director, each nominee must receive the favorable vote of a plurality of the shares present in person or represented by proxy and entitled to vote at the meeting. Certain information concerning the nominees for election at the Annual Meeting is set forth below. Each nominee is presently a director of the Company. While the Board of Directors has no reason to believe that any of those named as a nominee for election to the Board of Directors will not be available as a candidate, should such a situation arise, the proxy may be voted for the election of other nominees in the discretion of the persons acting pursuant to the proxy.

FRANK T. MACINNIS, Age 55. Mr. MacInnis has been Chairman of the Board and Chief Executive Officer of the Company since April 1994 and President of the Company from April 1994 to April 1997. From April 1990 to April 1994, Mr. MacInnis served as President and Chief Executive Officer, and from August 1990 to April 1994 as Chairman of the Board, of Comstock Group Inc., a nationwide electrical contracting company. From 1986 to April 1990 Mr. MacInnis was Senior Vice President and Chief Financial Officer of Comstock Group, Inc. In addition, from 1986 to April 1994 Mr. MacInnis was also President of Spie Group Inc., which has or had interests in Comstock Group Inc., Spie Construction Inc., a Canadian pipeline construction company, and Spie Horizontal Drilling Inc., a United States company engaged in underground drilling for pipelines and communications cable. Mr. MacInnis is also a director of The Williams Companies, Inc., ITT Industries, Inc. and Geneva Steel Holdings Corp.

STEPHEN W. BERSHAD, Age 60. Mr. Bershad has been Chairman of the Board

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and Chief Executive Officer for more than the past five years of Axsys Technologies, Inc., a manufacturer of precision components and systems for high technology markets. Mr. Bershad has been a Director of the Company since December 15, 1994.

DAVID A.B. BROWN, Age 58. Mr. Brown has been President of The Windsor Group, a management consulting firm of which he is a co-founder, for more than the past five years. Mr. Brown has been a Director of the Company since December 15, 1994. Mr. Brown is also a director of BTU International, Inc., Pride International, Inc., NS Group, Inc. and Technical Communications Corp.

ALBERT FRIED, JR., Age 72. Mr. Fried has been Managing Member of Albert Fried & Company, LLC, a broker/dealer and member of the New York Stock Exchange, since 1955. Mr. Fried has been a Director of the Company since December 15, 1994. Mr. Fried is also a director of Geneva Steel Holdings Corp.

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RICHARD F. HAMM, JR., Age 42. Mr. Hamm is Deputy General Counsel and a Vice President of Medtronic, Inc., a medical technology company. From July 2000 to April 2002 he was Vice President, Corporate Development & Planning of Carlson Companies, Inc. ("Carlson"), a global travel, hospitality and marketing services company, and was Vice President, Corporate Strategic Development & Acquisitions of Carlson from January 1999 to June 2000. From January 1997 to December 1998 he was Senior Vice President, Legal and Business Development of Tropicana Products, Inc. ("Tropicana"), a manufacturer of fruit juices, and Vice President and General Counsel of Tropicana from June 1993 to January 1997. Mr. Hamm has been a Director of the Company since June 19, 1998. Mr. Hamm is also a director of Axsys Technologies, Inc.

KEVIN C. TONER, Age 38. Mr. Toner has been Principal of Aristeia Capital LLC, an investment manager, since June 1997 and President of the Isdell 86 Foundation, a not-for-profit organization, since December 1994. He was a private investor from March 1995 to June 1997 and a Managing Director from December 1991 to February 1995 of UBS Securities Inc., a broker/dealer and member of the New York Stock Exchange, engaged in corporate finance, underwriting and distribution of high grade U.S. corporate issues and Eurobonds. Mr. Toner has been a Director of the Company since December 15, 1994.

### COMMITTEES OF THE BOARD

The Company has standing Audit, Compensation and Personnel, and Corporate Governance Committees of the Board of Directors.

The Audit Committee, comprised of Messrs. Bershad, Brown and Hamm, serves as the focal point for communication between the Board of Directors and the Company's independent public accountants, chief internal auditor and management, to the extent that their duties relate to financial or accounting reporting and controls. The Audit Committee is responsible for engaging and discharging the independent public accountants for the Company, reviewing their fees, reviewing the scope and audit procedures of the independent public accountants, reviewing annual financial statements, reviewing quarterly and annual financial results prior to their release, and meeting with the Company's internal auditors and independent public accountants on matters relating to, among other things, the adequacy of the Company's internal audit controls and accounting and auditing personnel. The Company's Board of Directors has adopted a written charter for the Audit Committee. Each of the three members of the Audit Committee is independent as independence is defined in Sections 303.01 B(2)(a) and (3) of the New York Stock Exchange's listing standards. During 2001,

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the Audit Committee held four meetings.

The Compensation and Personnel Committee, comprised of Messrs. Bershad and Fried, reviews and advises the Board of Directors with respect to the qualifications of individuals identified as candidates for positions as the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel and for the position of Chief Executive Officer of each subsidiary of the Company whose proposed annual compensation is \$400,000 or more. It also reviews and recommends to the Board of Directors for its approval any employment, severance or similar contracts, or modifications thereof, for the Chairman of the Board and Chief Executive Officer of the Company and is charged with fixing on an annual basis his compensation, subject to the approval of the Board of Directors. The Compensation and Personnel Committee also is responsible for fixing, based on proposals made by the Chief Executive Officer, compensation for the Chief Operating Officer, Chief Financial Officer and General Counsel of the Company as well as the compensation of other officers and employees of the Company and each subsidiary whose proposed annual compensation is \$400,000 or more and for approving any employment, severance or similar contracts for such officers and employees, or modifications thereof. The Compensation and Personnel Committee also recommends to the Board of Directors for its approval any incentive, benefit, award or bonus plans and programs for employees, administers the 1994 Management Stock Option Plan and reviews executive development plans. During 2001, the Compensation and Personnel Committee held three meetings. Mr. Georges de Buffevent, a director of the Company, who passed away in December 2001, was also a member of the Compensation and Personnel Committee during 2001.

The Corporate Governance Committee, comprised of Messrs. Fried, Hamm and Toner, is responsible to the Board of Directors for the review and recommendation of director candidates; recommendations regarding directors' retirement age and removal; review of all committees of the Board of Directors and recommendations regarding their number, function and membership; recommendations with respect to compensation of and other benefits for non-employee directors; and review of and recommendation with respect to directors' and officers'

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liability insurance and indemnification agreements between the Company and its officers and directors. The Corporate Governance Committee will consider nominees to the Board of Directors recommended by stockholders. The Corporate Governance Committee has not adopted formal procedures for the submission of such recommendations. Such recommendations should be sent to the Secretary, EMCOR Group, Inc., 101 Merritt Seven Corporate Park, Norwalk, Connecticut 06851. The Company's by-laws specify certain time limitations, notice requirements and other procedures applicable to the submission of nominations to be brought before an Annual or Special Meeting of Stockholders of the Company. During 2001, the Corporate Governance Committee did not meet.

### MEETINGS OF THE BOARD

There were nine meetings of the Board of Directors during 2001.

### AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the fiscal year ended December 31, 2001, included in the Company's annual report on Form 10-K for that year.

The Audit Committee has reviewed and discussed these audited financial

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statements with management and the Company's independent public accountants, Arthur Andersen LLP.

The Audit Committee has discussed with Arthur Andersen LLP the matters required to be discussed by Statement of Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AUss.380).

The Audit Committee has received the written disclosures and letter from Arthur Andersen LLP required by Independence Standards Board Standard No. 1 ("Independence Discussions with Audit Committees"), as amended, and has discussed with Arthur Andersen LLP that firm's independence from the Company.

Based on the review and discussions referred to above in this report, the Audit Committee recommended to the Company's Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 for filing with the Securities and Exchange Commission.

By: Audit Committee:

David A.B. Brown, Chairman  
Stephen W. Bershad  
Richard F. Hamm, Jr.

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### SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth as of May 1, 2002 certain information regarding the beneficial ownership of the Company's Common Stock by each of the Company's directors, its chief executive officer, each of the other four most highly compensated executive officers of the Company and all its directors and executive officers as a group for the fiscal year ended December 31, 2001. Except as otherwise noted, to the Company's knowledge, each of the persons listed below has sole voting power and investment power with respect to the shares listed next to his name.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent
Frank T. MacInnis .....	606,889 (2)	4.0%
Stephen W. Bershad .....	70,879 (3)	*
David A. B. Brown. ....	28,949 (3)	*
Albert Fried, Jr. ....	77,386 (3)	*
Richard F. Hamm, Jr. ....	36,554 (3)	*
Kevin C. Toner .....	45,379 (3)	*
Jeffrey M. Levy. ....	166,779 (2)	*
Sheldon I. Cammaker .....	130,672 (2)	*
Leicle E. Chesser. ....	136,799 (2)	*
R. Kevin Matz .....	74,671 (2)	*
All directors and executive officers as a group .....	1,434,645 (4)	8.8%

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\* Represents less than 1%.

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- (1) The information contained in the table reflects "beneficial ownership" as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended. All percentages set forth in this table have been rounded.
- (2) Includes in the case of Mr. MacInnis 564,800 shares, in the case of Mr. Levy 150,700 shares, in the case of each of Messrs. Cammaker and Chesser 120,275 shares, and in the case of Mr. Matz 67,200 shares, that may be acquired upon the exercise of presently exercisable options or options exercisable within 60 days of the date hereof granted pursuant to the Company's stock option plans and programs. Also includes in the case of Mr. MacInnis 38,989 shares, in the case of Mr. Levy 14,979 shares, in the case of Mr. Cammaker 10,397 shares, in the case of Mr. Chesser 16,524 shares, and in the case of Mr. Matz 7,471 shares, to be issued in respect of stock units granted under the Company's Executive Stock Bonus Plan referred to below (the "Stock Bonus Plan").
- (3) Includes in the case of Mr. Bershad 55,879 shares, in the case of Mr. Brown 27,949 shares, in the case of Mr. Fried 42,379 shares, in the case of Mr. Hamm 36,554 shares, and in the case of Mr. Toner 45,379 shares, that may be acquired upon exercise of presently exercisable options or options exercisable within 60 days of the date hereof granted to each non-employee director pursuant to the Company's 1995 Non-Employee Directors' Non-Qualified Stock Option Plan and its 1997 Non-Employee Directors' Non-Qualified Stock Option Plan.
- (4) Includes 1,286,165 shares that may be acquired upon the exercise of presently exercisable options or options exercisable within 60 days of the date hereof granted pursuant to the Company's stock options plans and programs and 93,273 shares to be issued in respect of stock units granted under the Stock Bonus Plan.

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EXECUTIVE COMPENSATION

SUMMARY OF CASH AND CERTAIN OTHER COMPENSATION

The following Summary Compensation Table sets forth the compensation awarded to, earned by or paid to, each of the Chief Executive Officer and the other four most highly compensated executive officers of the Company (collectively, the "named executive officers") during the fiscal years ended December 31, 2001, 2000 and 1999 for services rendered in all capacities to the Company and its subsidiaries. For information regarding employment agreements of the named executive officers, see "Employment Contracts and Termination of Employment and Change of Control Arrangements" below.

SUMMARY COMPENSATION TABLE

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Annual  
Compensation

Long Term  
Compensation Awa

Other Restricted Secur

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Name and Principal Position	Year	Salary (\$)	Bonus (1) (\$)	Annual Compensation (2) (\$)	Stock Award (4) (\$)	Underlying Options SA
Frank T. MacInnis	2001	775,000	992,602	13,586	367,602	75
Chairman of the Board and Chief Executive Officer	2000	750,000	794,162	25,350	294,163	25
	1999	725,000	900,000	6,375	None	225
Jeffrey M. Levy	2001	510,000	731,699	12,073	91,170	48
President and Chief Operating Officer	2000	485,000	730,911	10,361	0	15
	1999	465,000	600,000	8,053	None	15
Sheldon I. Cammaker	2001	400,000	377,636	18,325	47,045	35
Executive Vice President and General Counsel and Secretary	2000	380,000	331,722	14,858	66,169	10
	1999	372,000	340,000	11,709	None	10
Leicle E. Chesser	2001	400,000	447,069	15,764	88,250	35
Executive Vice President and Chief Financial Officer	2000	380,000	333,541	15,374	160,170	10
	1999	365,000	410,000	16,767	None	10
R. Kevin Matz	2001	260,000	314,177	16,980	48,019	24
Vice President and Treasurer	2000	230,000	231,505	7,916	34,827	5
	1999	210,000	200,000	18,583	None	5

(1) The amounts reported under "Bonus" for 2001 include the value of units that correspond to shares of Company Common Stock mandatorily deferred and credited to each named executive officer's account under the EMCOR Group, Inc. Executive Stock Bonus Plan (the "Stock Bonus Plan"). Pursuant to the Stock Bonus Plan, 25% of the annual bonus earned by each named executive officer is automatically credited to him in the form of units that will subsequently be converted into Common Stock at a 15% discount from the fair market value of Common Stock as of the date the annual bonus is determined. The units are to be converted into shares of Common Stock and delivered to the executive officer on the earliest of (i) the first business day of the fourth calendar year following the year in respect of which the annual bonus was payable, (ii) the executive officer's termination of employment for any reason or (iii) immediately prior to a "change of control" (as defined in the Stock Bonus Plan). Dividend equivalents are credited in the form of additional units (at a 15% discount) at the same rate as dividends are paid to all stockholders. The portion of the amount reported under "Bonus" associated with mandatory deferrals under the Stock Bonus Plan for each named executive officer is as follows: Frank T. MacInnis - \$367,602; Jeffrey M. Levy - \$227,949; Sheldon I. Cammaker - \$117,636; Leicle E. Chesser - \$147,069; and R. Kevin Matz - \$99,977.

(2) The personal benefits provided to the named executive officers did not exceed the disclosure threshold established by the Securities and Exchange Commission pursuant to applicable rules. Figures represent amounts reimbursed for the payment of taxes upon certain fringe benefits.

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(3) The column specified by Item 402 (b) of Regulation S-K to report Long-Term Incentive Plan Payouts has been excluded because the Company has no



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long-term incentive compensation plans and has not had any such plan during any portion of fiscal years 2001, 2000 and 1999.

- (4) The amounts reported under "Restricted Stock Award" for 2001 represent the value of units that correspond to shares of Common Stock voluntarily deferred and credited to a named executive officer's account under the Stock Bonus Plan. Pursuant to the Stock Bonus Plan, each named executive officer is permitted at his election to cause all or part of his annual bonus not mandatorily deferred under the Stock Bonus Plan to be credited to him in the form of units that will subsequently be converted into Common Stock at a 15% discount from the fair market value of Common Stock as of the date the annual bonus is determined. Any voluntary deferral election under the Stock Bonus Plan generally must be made at least six months prior to the end of the calendar year in respect of which the bonus will be payable. These units are to be converted into shares of Common Stock and delivered to the executive officer on the earliest of (i) the date elected by the executive officer but in no event earlier than the first business day of the fourth calendar year following the year in respect of which the annual bonus was payable, (ii) the executive officer's termination of employment, or (iii) immediately prior to a "change of control." Dividend equivalents are credited in the form of additional units (at a 15% discount) at the same rate as dividends are paid to all stockholders.
- (5) The awards set forth in this column are of stock options only. The Company did not award stock appreciation rights.
- (6) The amounts reported in this column include matching contributions of \$3,600 made by the Company under the 401(k) part of the Company's Retirement and Savings Plan, a defined contribution profit sharing plan, during 2001 for the account of each of the named executive officers. The amounts reported for 2001 also include contributions of \$5,100 to be paid during 2002 in respect of 2001 by the Company pursuant to the retirement account part of the Company's Retirement and Savings Plan for the account of each of the named executive officers.

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

OPTION GRANTS IN LAST FISCAL YEAR

The following table sets forth certain information concerning certain grants to the named executive officers of stock options during the last fiscal year. As indicated under the Summary Compensation Table above, the Company did not grant stock appreciation rights ("SARs") of any kind.

	Individual Grants			Grant Da
	Number of Securities Underlying Options Granted(1)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh) (2)	Expiration Date
Frank T. MacInnis .....	25,000	10%	\$25.44	January 2, 201
	50,600	19%	\$41.70	December 13, 20
Jeffrey M. Levy .....	15,000	6%	\$25.44	January 2, 201
	33,200	13%	\$41.70	December 13, 20
Sheldon I. Cammaker .....	10,000	4%	\$25.44	January 2, 201

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	25,900	10%	\$41.70	December 13, 20
Leicle E. Chesser .....	10,000	4%	\$25.44	January 2, 201
	25,900	10%	\$41.70	December 13, 20
R. Kevin Matz .....	5,000	2%	\$25.44	January 2, 201
	19,000	7%	\$41.70	December 13, 20

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- (1) The options referred to in this table have a ten-year term. The options with an expiration date of January 2, 2011 became exercisable on January 2, 2002 and the options with an expiration date of December 13, 2011 became exercisable on December 14, 2001.
  - (2) The stock option exercise price for a share of Common Stock is the fair market value of a share of Common Stock on the date of grant. No SARs, performance units or other instruments were granted in tandem with the stock options reported herein.
  - (3) Present value was calculated using the Black-Scholes option-pricing model which involves an extrapolation of future price levels based solely on past performance. The present value as of the date of grant, calculated using the Black-Scholes method, is based on assumptions about future interest rates, dividend yield, stock price volatility, and exercise dates. In calculating the present value as of the date of grant of the options reported in the table, the Company assumed an interest rate of 4.25% per annum, an annual dividend yield of zero, volatility of 30.6%, and an exercise date at the end of contractual term in 2011. There is no assurance that these assumptions will prove to be true in the future. The actual value, if any, that may be realized by each individual will depend on the future market price of the Common Stock and cannot be forecasted accurately by application of an option-pricing model.

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OPTION EXERCISES AND HOLDINGS

The following table sets forth certain information concerning unexercised options to purchase Common Stock of the Company held at the end of fiscal year 2001 by the named executive officers. None of the named executive officers exercised any options during fiscal year 2001. No named executive officer holds any SARs.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND  
FISCAL YEAR-END OPTION VALUE

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Unexercised Options at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at FY-End (\$) Exercisable/ Unexercisable
-----	-----	-----	-----	-----
Frank T. MacInnis .....	None	---	525,600/25,000	\$15,428,470/\$499

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Jeffrey M. Levy .....	None	---	128,200/15,000	\$3,373,090/\$299
Sheldon I. Cammaker .....	None	---	105,900/10,000	\$2,933,830/\$199
Leicle E. Chesser .....	None	---	105,900/10,000	\$2,933,830/\$199
R. Kevin Matz .....	None	---	59,000/5,000	\$1,168,110/\$99,

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 (1) For purposes of this column, value is calculated based on the aggregate amount of the excess of \$45.40 (the closing price of the Common Stock as reported on the New York Stock Exchange on December 31, 2001) over the relevant exercise price for a share of Common Stock with respect to the options.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT  
 AND CHANGE OF CONTROL ARRANGEMENTS

EMPLOYMENT AGREEMENTS

The Company has employment agreements made as of January 1, 2002 with Frank T. MacInnis providing for his employment as Chief Executive Officer of the Company through December 31, 2004 and with Jeffrey M. Levy providing for his employment as President and Chief Operating Officer of the Company through December 31, 2004. Each such employment agreement provides that the term of employment will automatically be extended for successive one-year periods unless the Company or the officer gives written notice not to extend at least six months prior to the end of the initial term or any extended term of the employment agreement. However, following the date of a Change of Control (as defined their employment agreements), the term of Mr. MacInnis' and Mr. Levy's respective employment shall be for a period of three years from such date. Under Mr. MacInnis' employment agreement, the Company is also to use its best efforts to ensure Mr. MacInnis' election as Chairman of the Board of Directors of the Company.

Pursuant to the terms of their respective employment agreements, Mr. MacInnis is to receive an annual base salary of \$800,000 for 2002 and Mr. Levy is to receive an annual base salary of \$525,000 for 2002. Their annual base salaries are to increase on the first day of each succeeding calendar year during the employment periods by the percentage increase in the consumer price index for the preceding year for the area in which the principal office of the Company is located or an amount specified by the Board of Directors, whichever is greater. In addition, Mr. MacInnis and Mr. Levy are each entitled to receive an annual bonus, which is to be determined with reference to a target bonus and based upon factors agreed upon annually by the respective officer and the Compensation and Personnel Committee of the Board of Directors (the "Compensation Committee"); provided that Mr. MacInnis' annual target bonus may not be less than \$800,000 and Mr. Levy's annual target bonus may not be less than \$600,000. Pursuant to the terms of their respective employment agreements, Mr. MacInnis and Mr. Levy are to receive an option on the first business day of each of 2002, 2003 and 2004 to purchase a number of shares of Common Stock of the Company determined by dividing in Mr. MacInnis' case 125% of his base salary, and in Mr. Levy's case 100% of his base salary, for such year by the value of an option to purchase a share of Company Common Stock on such date which value is to be determined by the Black-Scholes

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methodology. Accordingly, on January 2, 2002 Mr. MacInnis was granted an option to purchase 56,800 shares at \$46.35 per share, and Mr. Levy was granted an option to purchase 30,000 shares at \$46.35 per share. Each option is to have a ten-year term, is to have an exercise price equal to the fair market value of a share of Common Stock on the grant date, and is to be exercisable as follows: one-fourth on or after the grant date, one-fourth on or after the first anniversary of the grant date, one-fourth on or after the second anniversary of the grant date and one-fourth on or after the last business day of the calendar year immediately preceding the third anniversary of the grant date.

In addition, in connection with their respective employment agreements, Messrs. MacInnis and Levy were granted on December 14, 2001 options to purchase 50,600 and 33,200 shares of Common Stock, respectively, at a per share exercise price of \$41.70, the fair market value of a share of Common Stock on the grant date. Each of these options is vested in full and expires December 14, 2011.

Under the terms of their employment agreements, Messrs. MacInnis and Levy each has been provided with certain benefits customarily accorded to the Company's executive officers. These benefits include \$870 per month for the leasing of an automobile and the cost of a lease capital reduction payment; maintenance and insurance on their respective automobiles; reimbursement for initiation fees and monthly dues for membership in a club suitable for entertaining clients of the Company; life insurance in an amount equal to twice their current annual salary times the number of full or partial calendar years that remain prior to the expiration of their respective employment agreements; all legal expenses incurred in connection with their employment agreements; and the cost of any increased tax liability to them caused by receipt of these fringe benefits.

If, during the term of his employment agreement, Mr. MacInnis' employment is terminated by the Company other than for Cause (as defined in his employment agreement) or he terminates his employment for Good Reason (as defined in his employment agreement), he will be entitled to receive a cash payment equal to the sum of (i) the greater of (A) his base salary at the highest annual rate in effect during his term of employment for the period from the date of termination through December 31, 2004 or (B) two times his base salary at its then current annual rate and (ii) the greater of (A) his target bonus for the calendar year in which the termination takes place multiplied by the number of full or partial calendar years remaining from the date of termination through December 31, 2004 and (B) two times his target bonus for the calendar year in which the termination takes place; however, in the event of a termination following a Change of Control (as defined in his employment agreement), the factor of two in clauses (i)(B) and (ii)(B) above will be increased to three. If, during the term of his employment agreement, Mr. Levy's employment is terminated by the Company other than for Cause (as defined in his employment agreement) or he terminates his employment for Good Reason (as defined in his employment agreement), he will be entitled to a cash payment equal to the sum of (i) two times his base salary at its then current annual rate and (ii) two times his target bonus for the calendar year in which the termination occurs; however, in the event of a termination following a Change of Control (as defined in his employment agreement) the factor of two in clauses (i) and (ii) above will be increased to three. In addition, Messrs. MacInnis and Levy each will be entitled to receive all unpaid amounts in respect of his bonus for any calendar year ending before the date of termination and an amount equal to his target bonus for the calendar year in which the termination takes place multiplied by a fraction the numerator of which is the number of days in such calendar year that he was an employee of the Company and the denominator of which is 365.

The Company has employment agreements made as of January 1, 2002 with Sheldon I. Cammaker providing for his employment as Executive Vice President and General Counsel of the Company through December 31, 2004, with Leicle E. Chesser

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providing for his employment as Executive Vice President and Chief Financial Officer of the Company through December 31, 2004, and with R. Kevin Matz providing for his employment as Vice President and Treasurer of the Company through December 31, 2004. Each such employment agreement provides that the term of employment will automatically be extended for successive one-year periods unless the Company or the officer gives written notice not to extend at least six months prior to the end of the initial term or any extended term of the employment agreement. However, following the date of a Change of Control (as defined in their employment agreements), the terms of their respective employment shall be for a period of three years from such date.

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Pursuant to the terms of their respective employment agreements, Mr. Cammaker is to receive an annual base salary of \$410,000 for 2002, Mr. Chesser is to receive an annual base salary of \$410,000 for 2002, and Mr. Matz is to receive an annual base salary of \$300,000 for 2002. Their annual base salaries are to increase on the first day of each succeeding calendar year during the employment periods by the percentage increase in the consumer price index for the preceding year for the area in which the principal office of the Company is located or an amount specified by the Board of Directors, whichever is greater. In addition, each of them is entitled to receive an annual cash bonus determined by the Compensation Committee, and under the terms of their respective employment agreements, Messrs. Cammaker, Chesser and Matz are each to receive an option on the first business day of 2002, 2003, and 2004 to purchase a number of shares of Common Stock of the Company determined by dividing 75% of their respective base salaries for such year by the value of an option to purchase a share of Common Stock of the Company on such date, which value shall be determined by the Black-Scholes methodology. Accordingly on January 2, 2002 Messrs. Cammaker and Chesser were each granted an option to purchase 17,500 shares at \$46.35 per share and Mr. Matz was granted an option to purchase 12,800 shares at \$46.35 per share. Each option is to have a ten-year term, is to have an exercise price equal to the fair market value of a share of Common Stock on the grant date, and is to be exercisable as follows: one-fourth on or after the grant date, one-fourth on or after the first anniversary of the grant date, one-fourth on or after the second anniversary of the grant date and one-fourth on or after the last business day of the calendar year immediately preceding the third anniversary of the grant date.

In addition, in connection with their respective employment agreements, Messrs. Cammaker, Chesser and Matz were granted options to purchase 25,900, 25,900 and 19,000 shares of Common Stock, respectively, at a per share exercise price of \$41.70 per share, the fair market value of a share of Common Stock on the grant date. Each of these options is fully exercisable and expires December 14, 2011.

Under the terms of their employment agreements, Messrs. Cammaker, Chesser and Matz each have been provided with certain benefits customarily accorded to the Company's executive officers, including in Messrs. Cammaker's and Chesser's case \$870 per month, and, in Mr. Matz' case \$700 per month, for leasing of an automobile and the cost of a lease capital reduction payment; maintenance and insurance on their respective automobiles, reimbursement for initiation fees and monthly dues for membership in a club suitable for entertaining clients of the Company; life insurance in an amount equal to twice their current annual salary times the number of full or partial calendar years that remain prior to the expiration of their respective employment agreements; all legal expenses incurred in connection with their employment agreements; and the cost of any increased tax liability to them caused by receipt of these fringe benefits.

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If Messrs. Cammaker's, Chesser's or Matz' employment is terminated during the term of his respective employment agreement by the Company other than for Cause (as defined in his employment agreement), or if he terminates his employment for Good Reason (as defined in his employment agreement), he will be entitled to receive a cash payment generally equal to the sum of (i) two times his base salary at its then current annual rate and (ii) two times the highest bonus paid to him during his employment by the Company ("Deemed Bonus"). However, in the event of a termination following a Change of Control (as defined in his employment agreement), the factor of two in clauses (i) and (ii) above will be increased to three. In addition, Messrs. Cammaker, Chesser and Matz each will be entitled to receive all unpaid amounts in respect of his bonus for any calendar year ending before the date of termination and an amount equal to his Deemed Bonus multiplied by a fraction the numerator of which is the number of days in the calendar year in which the termination takes place that he was an employee of the Company and the denominator of which is 365.

### CONTINUITY AGREEMENTS

Each of Messrs. MacInnis, Levy, Cammaker, Chesser and Matz (each referred to herein as an "Executive") is a party to a Continuity Agreement with the Company. The purpose of the Continuity Agreements is to retain the services of these Executives and to assure their continued productivity without disturbance in circumstances arising from the possibility or occurrence of a Change of Control of the Company. For purposes of the agreements a "Change of Control" means, in general, the occurrence of (i) the acquisition by a person or group of persons of 25% or more of the voting securities of the Company, (ii) the approval by the Company's stockholders of a merger, business combination or sale of the Company's assets, the result of which is that less than 65% of the

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voting securities of the resulting corporation is owned by the holders of the Company's Common Stock prior to such transaction or (iii) the failure of Incumbent Directors (as defined in the Continuity Agreements) to constitute at least a majority of the Board of Directors of the Company during any two year period.

Generally, no benefits are provided under the Continuity Agreements for any type of termination before a Change of Control, for termination after a Change of Control due to death, disability, any termination for Cause (as that term is defined in the Continuity Agreement) or for voluntary termination (other than for Good Reason) (as that term is defined in the Continuity Agreements).

Upon a Change of Control each Continuity Agreement generally provides to the Executive a severance benefit if the Company terminates the Executive's employment without Cause or the Executive terminates his employment for Good Reason within two years following a Change of Control equal to the sum of three times (i) his base salary at the time of the Change of Control, (ii) the higher of (x) his bonus in respect of the year prior to the Change of Control or (y) the average of his bonuses for the three years prior to the Change of Control and (iii) the value of perquisites provided in respect of the year prior to the Change of Control. Other severance benefits include outplacement assistance and a continuance of insurance benefits for three years. The severance benefits under the Executive's Continuity Agreements are reduced by any severance benefits payable under the Executive's employment agreement.

If all or any portion of the payments or benefits referred to in the preceding paragraphs under "Employment Agreements" and "Continuity Agreements"

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either alone or together with other payments and benefits which Messrs. MacInnis, Levy, Cammaker, Chesser or Matz receives or is then entitled to receive from the Company would constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code"), then such officer shall be entitled to such additional payments as may be necessary to ensure that the net after tax benefit of all such payments shall be equal to his respective net after tax benefit as if no excise tax had been imposed under Section 4999 of the Code.

### DIRECTOR COMPENSATION

Each director who is not an officer of the Company ("non-employee director") is entitled to receive an annual cash retainer of \$30,000 and \$1,000 for each meeting of the Board of Directors he attends, other than telephonic meetings of the Board in which case each non-employee director who participates receives \$500. Each non-employee director also receives \$500 for each meeting of a committee of the Board of Directors attended by the director, and each non-employee director who chairs a committee of the Board of Directors receives an additional \$2,000 per annum. In addition, pursuant to the 1995 Non-Employee Directors' Non-Qualified Stock Option Plan, each non-employee director on July 12, 2001 was granted an option to purchase 3,000 shares of Common Stock at an exercise price of \$42.30 per share. These options are fully exercisable as of the date of grant and have a term of ten years. A director who also serves as an officer of the Company does not receive compensation for services rendered as a director.

Under the 1997 Non-Employee Directors' Non-Qualified Stock Option Plan and the 1997 Stock Plan for Directors, each non-employee director, in lieu of all or part of his annual cash retainer, may elect to receive in accordance with such plans (a) options to purchase shares of Common Stock and/or (b) deferred stock units in respect of which shares of Common Stock will be issued following the non-employee director's termination of service as a director of the Company. For 2001 each non-employee Director elected to receive his annual retainer in options, and, accordingly, each was granted options to purchase 5,325 shares of Common Stock at \$25.44 per share. These options vest during the course of the calendar year in which they are granted and have a five-year term.

### CERTAIN RELATED TRANSACTIONS

In the latter part of December 2001 and in January 2002 the Company retained Albert Fried & Company, LLC ("AFC"), a broker dealer and member of the New York Stock Exchange, to act as its broker in connection with sale of common stock of a customer that the Company had accepted from the customer in satisfaction of the customer's indebtedness. To effectuate the sale, the Company paid AFC aggregate brokerage

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commissions of \$181,441. The commission rate that AFC charged the Company was substantially less than the commission rates for the transactions quoted to the Company by other major brokerage firms. Mr. Albert Fried, Jr., a director of the Company, is a principal owner and the managing member of AFC.

During 2001 certain of the Company's subsidiaries in the normal course of their respective businesses acted as a subcontractor to ComNet, Inc. ("ComNet"), a corporation of which Mr. Frank T. MacInnis, Chairman of the Board of Directors and Chief Executive Officer of the Company, is the sole stockholder. The amounts charged ComNet by the Company's subsidiaries for such work, which amounted to an aggregate of approximately \$176,000, were based on competitive rates. Nevertheless, Mr. MacInnis and the Board of Directors of the

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Company have concluded that ComNet and the Company shall no longer engage in business with one another.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2001 the Compensation and Personnel Committee of the Board of Directors of the Company (the "Compensation Committee") was responsible for matters concerning executive compensation.

Messrs. Bershad and Fried, each of whom is a non-employee director, served as members of the Compensation Committee during 2001. Mr. de Buffevent, a director who passed away in December 2001, was also a member of the Compensation Committee during 2001.

No member of the Compensation Committee was at any time during 2001 a present or former officer of the Company or any of its subsidiaries or had any relationship requiring disclosure by the Company under any paragraph of Item 404 of Securities and Exchange Commission Regulation S-K except for Mr. Fried with respect to the brokerage commissions described above under "Certain Related Transactions." In addition, no executive officer of the Company has served as a director or member of the compensation committee (or other committee performing an equivalent function) of another entity, one of whose executive officers served as a director of, or member of the Compensation Committee of, the Company.

### COMPENSATION COMMITTEE REPORT

The Compensation and Personnel Committee (the "Compensation Committee") generally reviews and determines, based on proposals made by the Chief Executive Officer, the compensation of the Company's Chief Operating Officer, Chief Financial Officer and General Counsel as well as the compensation of other officers and employees of the Company and each subsidiary whose annual compensation is \$400,000 or more. It also generally reviews and approves any employment, severance or similar agreements with such individuals. The Compensation Committee is charged with fixing on an annual basis, the compensation of the Chairman of the Board and the Chief Executive Officer of the Company, subject to the approval of the Board of Directors, and reviewing and recommending to the Board of Directors any employment, severance or similar agreement for him. The Compensation Committee also administers the Company's 1994 Management Stock Option Plan and is charged with recommending to the Board of Directors any incentive, benefit, award or bonus plans or programs. The entire Board of Directors determines the amount, if any, of the Company's contributions pursuant to its Retirement and Savings Plan. While other compensation decisions generally are not submitted to the Board of Directors, the Board of Directors has the ultimate power and authority with respect to compensation matters.

The members of the Compensation Committee reviewed salaries paid to the named executive officers for 2001 and recommended to the Board for its approval their employment agreements, their salary increases for 2002, and their bonuses in respect of 2001, and the grant to them of stock options.

The Compensation Committee seeks to compensate executive officers at levels competitive with other companies in the same industry that are comparable in size to the Company and to provide short-term rewards and long-term incentives for superior individual and corporate performance. In making compensation decisions, the Compensation Committee periodically reviews information about the compensation paid or payable to officers of comparably sized public companies (both in the same and related businesses), the compensation recommendations of Mr. MacInnis, and reports from outside consultants. The Compensation Committee does not have target amounts of stock ownership for its executive officers.



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The key components of executive officer compensation are base salary, bonuses and stock options. The Compensation Committee attempts to combine these components in such a way as to attract, motivate and retain key executives critical to the long-term success of the Company. A discussion of the various components of the executives' compensation for 2001 follows.

**BASE SALARY.** Each executive officer received a base salary and has the potential for annual salary increases largely determined by reference to the salaries of executive officers holding comparable positions in companies of comparable size.

**BONUSES.** Each executive officer was eligible for an annual bonus based upon both his individual performance and the Company's performance. Bonuses were awarded to the named executive officers in respect of 2001 which took into account their performance and the Company's contractual obligations. Under the terms of their respective employment agreements, Messrs. MacInnis and Levy are each entitled to a bonus determined with reference to a target bonus (which may be greater or less than the executive's actual bonus) and based upon factors agreed upon annually by the respective officer and the Compensation Committee. For 2001, Mr. MacInnis' target bonus was \$850,000, and he received a bonus of \$1,250,000, of which a portion was paid in deferred stock units, as described in footnotes 1 and 4 to the "Summary Compensation Table", above. Mr. MacInnis' bonus was based upon achieving or exceeding several goals, including the Company's net income goal, increase in the Company's market capitalization, and policy and organizational leadership. For 2001, Mr. Levy's target bonus was \$650,000, and he received a bonus of \$775,000, of which a portion was paid in deferred stock units as described in footnotes 1 and 4 to the "Summary Compensation Table", above. Mr. Levy's bonus was based upon the Company achieving or exceeding its operating income goal. Pursuant to the new employment agreements of Messrs. MacInnis and Levy, during the term thereof Mr. MacInnis' annual target bonus may not be less than \$800,000 and Mr. Levy's annual target bonus may not be less than \$600,000.

**STOCK OPTIONS.** The Company's stock options are intended to provide executive officers with the promise of long-term rewards which appreciate in value with the positive performance of the Company. As previously reported, in 2001 each named executive officer was granted stock options.

**OTHER COMPENSATION.** The executive officers also participate in the Retirement and Savings Plan as well as the medical, life and disability insurance plans available to all employees of the Company. In addition, under the terms of their new employment agreements each of the executive officers is to receive life insurance in an amount equal to twice his current annual salary times the number of full or partial calendar years that remain prior to the expiration of his employment agreement.

**CHIEF EXECUTIVE OFFICER COMPENSATION.** The minimum compensation of Mr. MacInnis is provided for in his employment agreement described above. The basis for Mr. MacInnis' bonus is described earlier in this Report. As part of its evaluation, the Compensation Committee also considered a report by Mr. MacInnis on his activities and the Company's performance.

**SECTION 162(M).** Section 162(m) of the Code provides that the deduction by a publicly-held corporation for compensation paid in a taxable year to the Chief Executive Officer and any of the other four most highly compensated executive officers whose compensation is required to be reported in the Summary

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Compensation Table is limited to \$1 million per officer, subject to certain exceptions. In pertinent part, these exceptions require bonus compensation to be based on strictly objective performance criteria. The Compensation Committee has taken, and intends to continue to take, such actions as are necessary to reduce the Company's non-deductible compensation expense, while maintaining, to the extent possible, the flexibility which the Compensation Committee believes to be an important element of the Company's executive compensation program.

By: Compensation and Personnel Committee:

Stephen W. Bershad, Chairperson,  
Albert Fried, Jr.

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### PERFORMANCE GRAPH

The following performance graph compares the Company's total stockholder return on its Common Stock from January 1, 1997 to December 31, 2001 as compared to the Russell 2000 Index and the Dow Jones Heavy Construction Index.

The following performance graph assumes \$100 was invested on January 1, 1997 in Common Stock of the Company and in each of the indices and assumes reinvestment of all dividends.

### COMPARATIVE FIVE YEAR TOTAL RETURNS

[Data below represents line chart in the printed piece]

	EMCOR -----	Russell 2000 Index -----	Dow Jones Heavy Construction Index -----
1/1/97	100	100	100
	107.27	94.19	82.76
	115.45	109.48	100
	145.45	126.99	89.66
12/31/97	149.09	120.64	67.59
	156.36	134.25	82.76
	139.09	126.66	75.86
	112.73	96.65	55.17
12/31/98	117.27	116.61	65.52
	125	110.19	48.28
	163.18	126.16	64.14
	138.18	117.05	58.62
12/31/99	132.73	139.49	55.17
	141.36	148.98	44.14
	168.64	142.94	55.17
	189.09	144.08	55.17
12/31/00	185.45	133.63	60.69
	222.04	120.12	69.79
	262.91	133.55	82.5
	232	114.68	78.37
12/31/01	330.18	135	75.24

RATIFICATION OF APPOINTMENT OF ERNST & YOUNG LLP  
AS INDEPENDENT PUBLIC ACCOUNTANTS

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On May 14, 2002, with the approval of the Board of Directors, the Audit Committee of the Board of Directors decided to no longer engage Arthur Andersen LLP as the Company's independent public accountants and appointed Ernst & Young LLP, certified public accountants, as the Company's independent public accountants for 2002, subject to ratification by stockholders.

The reports of Arthur Andersen LLP on the Company's consolidated financial statements for the past two years did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's two most recent fiscal years and through the date of this proxy statement, there were no disagreements with Arthur Andersen LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction Arthur Andersen LLP, would have caused it to make reference thereto in connection with its report on the Company's consolidated financial statements for such years; and there were no reportable events, as such term is used in Item 304 (a) (1) (v) of Securities and Exchange Commission Regulation S-K.

During the Company's two most recent fiscal years and through the date of this proxy statement, the Company did not consult Ernst & Young LLP with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, or any other matters or reportable events set forth in Items 304 (a) 2 (i) and (ii) of Securities and Exchange Commission Regulation S-K.

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Representatives of Arthur Andersen LLP and Ernst & Young LLP are expected to be present at the Annual Meeting to respond to appropriate questions and will have an opportunity to make a statement if they desire to do so.

The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the meeting and entitled to vote thereon is required for approval of the appointment of the independent public accountants.

### AUDIT FEES

The aggregate fees billed by Arthur Andersen LLP for professional services rendered for the audit of the Company's annual financial statements for the fiscal year ended December 31, 2001, including statutory financial statement audits in non-U.S. jurisdictions, and reviews of the financial statements included in the Company's Forms 10-Q for such year were \$923,900.

### FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

There were no fees billed by Arthur Andersen LLP for the professional services described in paragraph (c) (4) (ii) of Rule 2-01 of Regulation S-X for the fiscal year ended December 31, 2001.

### ALL OTHER FEES

The aggregate fees billed by Arthur Andersen LLP for services rendered by Arthur Andersen LLP other than as stated under the captions Audit Fees and Financial Information Systems and Design and Implementation Fees above for the fiscal year ended December 31, 2001 were \$192,550. The Audit Committee considers

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the provisions of these services to be compatible with maintaining the independence of Arthur Andersen LLP.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT PUBLIC ACCOUNTANTS FOR 2002.

### STOCKHOLDERS' PROPOSALS

Stockholders' proposals must be received by the Company at its headquarters in Norwalk, Connecticut on or before January 15, 2003 in order to be considered for inclusion in next year's proxy statement.

The Company's By-laws set forth advance notice provisions and procedures to be followed by stockholders who wish to bring business before an annual meeting of stockholders or who wish to nominate candidates for election to the Board of Directors. A stockholder may propose business to be included in the agenda of an annual meeting only if written notice of such stockholder's intent is given to the Secretary of the Company not earlier than 90 days nor later than 60 days in advance of the anniversary of the date of the immediately preceding annual meeting, or if the date of the annual meeting occurs more than 30 days before or 60 days after the anniversary of such immediately preceding annual meeting, not later than the close of business on the later of (a) the sixtieth day prior to such annual meeting and (b) the tenth day following the date on which a public announcement of the date of such meeting is first made. Each such notice must set forth certain background and other information specified in the By-laws, including a description of the proposed business and the reasons for conducting such business at the annual meeting.

A stockholder may nominate candidates for election to the Board of Directors at an annual meeting only if written notice of such stockholder's intent to make such nomination is given to the Secretary of the Company not earlier than 90 days nor later than 60 days in advance of the anniversary of the date of the immediately preceding annual meeting, or if the date of the annual meeting occurs more than 30 days before or 60 days after the anniversary of such immediately preceding annual meeting, not later than the close of business on the later of (a) the sixtieth day prior to such annual meeting and (b) the tenth day following the date on which a public announcement of the date of such meeting is first made. Each such notice must set forth certain background and other information specified in the By-laws.

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The time limits described above also apply in determining whether notice is timely for purposes of Rule 14a-4(c)(1) under the Securities Exchange Act of 1934 relating to exercise of discretionary voting authority, and are separate from and in addition to the Securities and Exchange Commission's requirements a stockholder must meet to have a proposal included in the Company's proxy statement.

### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file initial reports of ownership and reports of change in ownership of Common Stock and other equity securities of the Company with the Securities and Exchange Commission and to furnish copies of such statements to the Company.

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To the Company's knowledge, during the fiscal year 2001 all such reports relating to share ownership were timely filed.

OTHER INFORMATION

The cost of soliciting proxies will be borne by the Company. The Company expects to solicit proxies primarily by mail. Proxies also may be solicited personally and by telephone by certain officers and regular employees of the Company. D.F. King & Co., Inc. has been retained for solicitation of all brokers and nominees for a fee of \$7,500 plus customary out-of-pocket expenses. The Company may reimburse brokers and other nominees for their expenses in communicating with the persons for whom they hold Common Stock of the Company.

The Board of Directors is aware of no other matters that are to be presented to the stockholders for formal action at the Annual Meeting. If, however, any other matters properly come before the meeting or any adjournments thereof, it is the intention of the persons named in the enclosed proxy to vote in accordance with their judgment in such matters.

UPON THE WRITTEN REQUEST OF ANY STOCKHOLDER OF RECORD ON MAY 1, 2002, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 (EXCLUDING EXHIBITS) AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WILL BE SUPPLIED WITHOUT CHARGE. REQUESTS SHOULD BE DIRECTED TO SHELDON I. CAMMAKER, SECRETARY, EMCOR GROUP, INC., 101 MERRITT SEVEN CORPORATE PARK, NORWALK, CONNECTICUT 06851.

By Order of the Board of Directors

Sheldon I. Cammaker  
SECRETARY

May 15, 2002

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EMCOR GROUP, INC.

EMCOR GROUP, INC.

ANNUAL MEETING OF STOCKHOLDERS  
JUNE 19, 2002

-----  
The undersigned hereby appoints Frank T. MacInnis, Sheldon I. Cammaker and

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Leicle E. Chesser, and each of them, with full power to act without the other and with full power of substitution, as proxies to represent and to vote, as directed herein, all shares the undersigned is entitled to vote at the annual meeting of the stockholders of EMCOR Group, Inc. to be held in the Tarnopol Room, Penn Club, 30 West 44 Street, New York, New York on Wednesday, June 19, 2002 at 10:00 A.M. (local time), and all adjournments thereof, as follows:

PLEASE MARK, DATE AND SIGN THIS PROXY ON THE REVERSE SIDE AND RETURN IT PROMPTLY USING THE ENCLOSED POSTAGE PREPAID ENVELOPE.

Unless otherwise marked, the proxies are appointed with authority to vote "FOR" all nominees for election and "FOR" the appointment of independent public accountants.

(Continued and to be signed on the reverse side.)

EMCOR GROUP, INC.  
P.O. BOX 11343  
NEW YORK, N.Y. 10203-0343

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o DETACH PROXY CARD HERE o

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Sign, Date and Return the [X]  
[ ] Proxy Card Promptly Using Votes must be indicated  
the Enclosed Envelope. (x) in Black, or Blue ink.

The Board of Directors recommends a vote "FOR" all nominees in item 1 and "FOR" Item 2.

1. Election of Directors

FOR all nominees [ ] WITHHOLD AUTHORITY to vote [ ] \*EXCEPTIONS [ ]  
listed below for all nominees listed below

Nominees: F. MacInnis, S. Berhad, D. Brown, A. Fried, R. Hamm, K. Toner  
(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the "Exceptions" box and write that nominee's name in the space provided below.)

\*Exceptions

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2. Appointment of Independent Public Accountants FOR AGAINST ABSTAIN  
[ ] [ ] [ ]

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To change your address, please mark this box [ ]

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In their discretion to vote upon other matters that may properly come before the meeting.  
Please sign exactly as your name appears to the left.  
When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder should sign.

|  
|  
----- Date    Share Owner sign here    Co-Owner sign here  
-----  
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