

## **EMCOR GROUP, INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of EMCOR Group, Inc. (the "Company") to assist the Board in the exercise of its responsibilities to the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company's Certificate of Incorporation, By-laws and other corporate governance documents, and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification and the Board shall be able, in the exercise of its discretion, to deviate from these Guidelines from time to time, as the Board may deem appropriate or as required by applicable laws and regulations.

#### **1. Director Qualifications**

The Board will have a substantial majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating and Corporate Governance Committee of the Board is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics that the Board seeks in Board members as well as the composition of the Board as a whole, including an annual evaluation of whether members qualify as independent under applicable standards. During the course of a year, directors are expected to inform the Board of any material changes in their circumstances or relationships, including those that may impact their designation by the Board as independent.

The Nominating and Corporate Governance Committee is responsible for assisting the Board in identifying and attracting qualified candidates for election to the Board. Nominees for director will be selected on the basis of achievement in their personal careers; broad experience; wisdom; integrity; ability to make independent, analytical inquiries; understanding of the business environment; and willingness to devote adequate time to Board duties. The Board believes that each director should have a basic understanding of (i) the principal operational and financial objectives and plans and strategies of the Company, (ii) the results of operations and financial condition of the Company and of its significant subsidiaries or business segments, and (iii) the relative standing of the Company and its business segments in relation to its competitors.

The invitation to join the Board should be extended by the Board itself or by the Chairperson of the Nominating and Corporate Governance Committee.

The Board presently has eight members. The Nominating and Corporate Governance Committee and the Board periodically review the size of the Board and assess its ability to function effectively and with appropriate diversity of experience.

It is the sense of the Board that individual directors who significantly change responsibilities or job positions should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change the position they held when they joined the Board should necessarily leave the Board. There should,

however, be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

Directors should advise the Chairperson of the Board and the Chairperson of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board or an assignment to the audit committee of the board of directors of any other public company.

## 2. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders, and to perform their duties of care and loyalty. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's executives and its outside advisors and auditors, to the fullest extent permitted by law. The directors also shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf and have the benefits of: (i) indemnification to the fullest extent permitted by law and the Company's certificate of incorporation, by-laws and any indemnification agreements, and (ii) limitation on liability to the Company as provided by state law and the Company's Certificate of Incorporation.

The specific duties and responsibilities of the Board will include, among other things, overseeing the management of the business and affairs of the Company; selecting and recommending to stockholders appropriate candidates for election to the Board; reviewing and, where appropriate, approving the business plans, major strategies and financial objectives of the Company; evaluating Board processes and performance and the overall effectiveness of the Board; evaluating the performance of the Company and of senior management; requiring, approving and overseeing the implementation of the Company's succession plans; reviewing compliance with applicable laws and regulations and adopting policies of corporate conduct to assure compliance with applicable laws and regulations and to assure maintenance of necessary accounting, financial, and other controls; and showing, through its actions, its awareness that the Company's long-term success depends upon its strong relationship with its employees, customers, associates, suppliers and the communities, including the global community, in which it operates.

Directors are expected to attend regularly Board meetings and meetings of committees on which they serve, and to spend the time needed, and meet as frequently as necessary, to discharge properly their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting generally are distributed in writing to the directors before the meeting sufficiently in advance to permit prior review by the directors, and directors are expected to review these materials in advance of the meeting.

The Board will meet at least five times per year and will hold additional meetings as necessary.

The Chairperson of the Board will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each

Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year. All meetings of the Board shall be held pursuant to the by-laws of the Company with regard to notice and waiver thereof, and written minutes of each meeting, in the form approved by the Board, shall be duly filed in the Company records.

The Board will meet in executive session at every regularly scheduled meeting of the Board without the presence of any member of the Company's management or any employee director. The director who presides at these meetings will be a chairperson of one of the standing committees of the Board on a rotating basis. This procedure will be disclosed in the Company's annual proxy statement. The Company will also disclose in the proxy statement a method for interested parties to contact directly the non-management directors as a group.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. The Board encourages presentations at its meetings by employees whose direct involvement in a particular area can bring key insight into a topic being reviewed with the Board. Management presentations should be scheduled on the agenda so as to allow for questions and answer sessions and open discussions of key policies and procedures.

Directors are expected to attend the Company's Annual Meeting of Stockholders.

### 3. Board Committees

The Board will have at all times an Audit Committee, a Personnel and Compensation Committee, and a Nominating and Corporate Governance Committee. All members of these committees will be independent directors under the criteria established by the New York Stock Exchange. Committee members and chairpersons of each committee will be appointed annually by the Board upon recommendation of the Nominating and Corporate Governance Committee with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each such committee will have its own charter. The charters will set forth the respective purpose, duties and responsibilities of such committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each such committee will annually evaluate its own performance. These charters will be published on the Company's website and will be made available in print to any stockholder who requests them.

In addition, the Board may, from time to time, establish or maintain additional or alternative standing committees or ad hoc committees that it determines to be necessary or appropriate and determine the composition and areas of competence of such committees.

The chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. During the year, the chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the agenda for each meeting. Board members who are not members of a particular committee are welcome to attend meetings of that committee.

A report regarding each committee meeting will be provided to the full Board, as appropriate. Upon request, a director will be given copies of the minutes of any committee meeting.

#### 4. Director Access to Officers and Outside Advisors

Directors have full and free access to officers and other employees of the Company and the Company's outside advisors. Any meetings or contacts that a director wishes to initiate may be arranged through the Company's chief executive officer or the secretary of the Company or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. It is the expectation of the Board that directors will keep the chief executive officer informed of communications between a director and an officer or other employee, or outside advisors of the Company, as appropriate.

The Board and each committee have the power to hire independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Each committee shall communicate to the full Board its intent to hire an outside consultant or other advisor.

At least once per year management will report to the Board regarding management development and succession and long-term strategic planning.

#### 5. Director Compensation

The Nominating and Corporate Governance Committee shall make recommendations annually with respect to the form and amount of director compensation. The Nominating and Corporate Governance Committee will conduct an annual review of director compensation. The Nominating and Corporate Governance Committee may request information from Company staff or outside consultants on the compensation of boards of companies of comparable size, industry and complexity. Changes to director compensation will be proposed to the full Board for consideration. A director who is also an officer or other employee of the Company shall not receive additional compensation for service as a director.

In general, the Nominating and Corporate Governance Committee believes that the compensation for outside directors shall consist of both a cash component to compensate members for their service on the Board and committees of the Board and an equity component designed to align the interests of the directors and stockholders.

The Nominating and Corporate Governance Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels or if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting

contracts or other transactions with, or provides other indirect forms of compensation to, a director or an organization with which the director is affiliated.

#### 6. Director Orientation and Continuing Education

The Company shall establish an orientation program for new directors in order to ensure that the Company's directors are fully informed as to their responsibilities and the means at their disposal for the effective discharge of those responsibilities. The orientation program shall, at a minimum, familiarize new directors with the Company's (a) strategic plans, (b) financial control systems and procedures and any significant financial, accounting and risk-management issues, (c) compliance programs, including U.S. Securities and Exchange Commission reporting obligations and the New York Stock Exchange corporate governance listing standards, (d) codes of ethics and other policies, (e) principal officers and (f) internal and independent auditors. The new directors shall be introduced to such management and other personnel and representatives of the Company's outside accounting and other outside advisors as is appropriate to familiarize them with the resources available to them.

It is expected that management will from time to time make presentations to or arrange educational programs for the Board on different aspects of the Company's business, which may include risk management, financial reporting, business unit strategy, services, industry trends and developments, and any other relevant and appropriate topics. Directors are also encouraged to take advantage of any other available educational opportunities that would further their understanding of the Company's business and enhance their performance on the Board.

#### 7. CEO Evaluation and Management Succession

The Board will conduct an annual review of the performance of the Chief Executive Officer ("CEO"). The Board will evaluate whether the CEO is providing the best leadership for the Company in the long- and short-term. The Personnel and Compensation Committee will then conduct a review of and make a recommendation regarding the CEO's compensation as set forth in its charter, which it will present to the Board. The independent directors will determine CEO compensation.

The Personnel and Compensation Committee shall make an annual review of management succession planning and report to the Board thereon. The entire Board shall work with the Personnel and Compensation Committee to evaluate potential successors to the CEO. The CEO shall meet periodically with the Personnel and Compensation Committee in order to make available his/her recommendations and evaluations of potential successors to himself/herself and other members of senior management, along with a review of any development plans recommended for such individuals.

#### 8. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. Following the end of each fiscal year of the

Company, each director will be requested to provide his/her assessment of the effectiveness of the Board and the committees on which he/she serves. The Nominating and Corporate Governance Committee will receive such comments and report them to the full Board. The assessments will focus on the Board's contribution to the Company and specifically focus on areas in which directors believe that the Board could improve.

9. Policy Regarding Transactions with Related Parties

When the Company or one of its subsidiaries is a participant in a transaction where a Related Party (defined below) has or will have a direct or indirect material interest, there may be risks to the Company that are heightened as a result of potential conflicts of interest (or the perception thereof). Accordingly, the following policy shall be followed in connection with all Related Party Transactions (defined below).

A Related Party must promptly disclose to the General Counsel and to the Chairman of the Audit Committee of the Board any proposed Related Party Transaction and all material facts with respect thereto. The General Counsel will promptly communicate such information to the Board.

Except as indicated in the last paragraph of this Policy, no Related Party Transaction shall be consummated or shall continue without the review and approval or ratification of the Board or a committee of the Board designated by it and consisting exclusively of at least three disinterested directors. It is the policy of the Company that directors interested in a Related Party Transaction shall recuse themselves from any such vote. No approval or ratification of any such transaction shall be effected unless the transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders. Instances where approval may be forthcoming may include when the Company or one of its subsidiaries may obtain from a Related Person products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company or one of its subsidiaries provides products or services to a Related Person on an arms length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally.

For these purposes, a "Related Party" is:

1. an executive officer, a director or a director nominee of the Company;
2. a beneficial owner of five percent or more of any class of the Company's voting securities ("Significant Stockholder");
3. a person who is an immediate family member of any director, director nominee, executive officer or Significant Stockholder of the Company (the term "immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and any person (other than a tenant or employee) sharing the household of any director, director nominee, executive officer or Significant Stockholder of the Company); or

4. an entity which is directly or indirectly owned or controlled by someone referred to in 1, 2 or 3 above or an entity in which someone referred to in 1, 2 or 3 above has a direct or indirect substantial ownership interest.

For these purposes, a "Related Party Transaction" is any transaction in which the Company or a subsidiary of the Company was or is to be a participant and the amount involved exceeds \$60,000 and in which any Related Party had or will have a direct or indirect material interest. A "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangement or relationships.

The amount involved in any Related Party Transaction shall be determined in accordance with Item 404 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended.

Notwithstanding anything contained herein to the contrary, if a Related Party Transaction principally consists of the providing of products and/or services by a subsidiary of the Company to a (i) Significant Stockholder, (ii) an immediate family member of a Significant Stockholder, or (iii) an entity which is directly or indirectly owned or controlled by a person referred to in (i) or (ii), or an entity in which a person referred to in (i) or (ii) has a direct or indirect substantial ownership interest, and such transaction is entered into by such subsidiary in the ordinary course of its business, the Related Party Transaction need not be disclosed to the General Counsel or be approved or ratified by the Board or a Committee of the Board.