

Primoris Services Corp  
Form DEF 14A  
April 07, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

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

PRIMORIS SERVICES CORPORATION  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (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:
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- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



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**2100 McKinney Avenue, Suite 1500**  
**Dallas, Texas 75201**  
*www.prim.com*

Dear Stockholder:

On behalf of the Board of Directors, I am pleased to invite you to attend the 2015 Annual Meeting of Stockholders of Primoris Services Corporation, a Delaware corporation (NASDAQ:PRIM), to be held on Friday, May 1, 2015, at 9:00 a.m., Central Time, at the Rosewood Crescent Hotel, located at 400 Crescent Court, Dallas, Texas 75201.

During the Annual Meeting, we will discuss each item of business described in the accompanying Notice of the 2015 Annual Meeting of Stockholders and Proxy Statement. We encourage you to carefully read these materials and the Annual Report to Stockholders on SEC Form 10-K for the fiscal year ended December 31, 2014, a copy of which is included with the Notice and the Proxy Statement.

Please participate in our Annual Meeting of Stockholders by signing, dating and promptly mailing your enclosed proxy card to ensure the presence of a quorum. **Your vote is important, whether or not you plan to attend.** I hope you will ensure that your shares are represented and voted by completing and returning the enclosed proxy card. If you plan to attend the Annual Meeting of Stockholders, you will have the right to revoke your proxy and vote in person if you so desire. If you hold your shares through an account with a broker, nominee, fiduciary or other custodian, please follow the instructions you receive from them to vote your shares.

Thank you for your ongoing support of and continued interest in Primoris Services Corporation.

Sincerely,

Brian Pratt  
*Chairman of the Board, Chief Executive Officer and  
President*

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Dallas, Texas 75201  
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**PROXY STATEMENT**

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**2100 McKinney Avenue, Suite 1500**

**Dallas, Texas 75201**

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**NOTICE OF THE  
2015 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On May 1, 2015**

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March 31, 2015

To our Stockholders:

The 2015 Annual Meeting of Stockholders of Primoris Services Corporation, a Delaware corporation, will be held on Friday, May 1, 2015, at 9:00 a.m., Central Time, at the Rosewood Crescent Hotel, located at 400 Crescent Court, Dallas, Texas 75201.

Only stockholders that owned shares of our common stock at the close of business on March 31, 2015 are entitled to vote at the Annual Meeting. A list of our stockholders will be made available at our principal executive offices at 2100 McKinney Avenue, Suite 1500, Dallas, Texas 75201 during ordinary business hours for ten days prior to the Annual Meeting and will also be available at the Annual Meeting.

At the Annual Meeting, we will consider the following proposals, which are described in detail in the accompanying Proxy Statement:

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1. to elect three Class A Directors to hold office for a three-year term expiring at the Annual Meeting of Stockholders to be held in 2018 or until a successor is elected and qualified. The Board of Directors has nominated Brian Pratt, Thomas E. Tucker and Peter C. Brown for election as Class A Directors at the meeting;
2. to ratify the appointment of Moss Adams, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and
3. to transact such other business as may properly come before the Annual Meeting and all adjournments or postponements thereof.

**PLEASE VOTE PROMPTLY YOUR PROXY IS REVOCABLE AND YOU MAY VOTE IN PERSON AT THE MEETING IF YOU WISH.**

References to Primoris, the Company, we, us or our in this Notice and the accompanying Proxy Statement refer to Primoris Services Corporation and its subsidiaries and affiliates, unless otherwise indicated.

By Order of the Board of Directors,

John M. Perisich  
*Executive Vice President, General Counsel and  
Secretary*

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**2100 McKinney Avenue, Suite 1500**

**Dallas, Texas 75201**

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**PROXY STATEMENT**

**FOR THE**

**2015 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 1, 2015**

**SOLICITATION**

This Proxy Statement, being mailed and made available electronically (on our Company website at *www.prim.com* ) to stockholders on or about April 8, 2015, is being sent to you by the Board of Directors (the Board ) of Primoris Services Corporation in connection with our 2015 Annual Meeting of Stockholders (the Annual Meeting ). The Annual Meeting will take place at 9:00 a.m. Central Time, on Friday, May 1, 2015, at the Rosewood Crescent Hotel, located at 400 Crescent Court, Dallas, Texas 75201. You are cordially invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement.

*Purpose of the Annual Meeting*

At the Annual Meeting, our stockholders will vote to elect three Class A Directors and will vote to ratify the appointment of Moss Adams, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. In addition, management will report on our performance over the last fiscal year and, following the Annual Meeting, respond to questions from stockholders.

*Materials provided*



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The Board sent you this Proxy Statement and the enclosed proxy card in order to solicit your proxy to vote your shares at the Annual Meeting. As a stockholder, you are invited to attend the meeting and are entitled to vote on the items of business described in this Proxy Statement.

### *Annual Meeting attendance*

All stockholders as of March 31, 2015 (the Record Date), or their duly appointed proxies, may attend the Annual Meeting. You may need to bring personal identification. Gaining admission to the Annual Meeting depends on how your stock ownership is recorded with our transfer agent, Continental Stock Transfer & Trust Company (the Transfer Agent). If your stock is held in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting, please obtain proof of ownership, such as a current brokerage account statement or certification from your broker. If your stock is registered directly in your name with our Transfer Agent, all you need is proof of identity; no proof of ownership is needed.

### *Voting at the Annual Meeting*

Holders of our common stock ( Common Stock ) as of the close of business on the Record Date will be entitled to vote at the Annual Meeting. On the Record Date, there were 51,569,564 shares of Common Stock outstanding, each of which is entitled to one vote with respect to each matter to be voted on at the Annual Meeting. There is no stockholder statutory right of appraisal or dissent with respect to any matters to be voted on at the Annual Meeting.

### *Quorum requirement*

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the voting power of all outstanding shares of Common Stock entitled to vote shall constitute a quorum for the transaction of business. Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by stockholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on such matters.

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*Stockholder of record & beneficial owner*

All stockholders are invited to attend the Annual Meeting. All shares that have been properly voted and not revoked will be voted at the Annual Meeting. Most of our stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are distinctions between shares held of record and those owned beneficially.

*Stockholder of Record*

If your shares are registered directly in your name with the Transfer Agent, you are considered the stockholder of record, and these proxy materials are being sent directly to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

Voting in person at the Annual Meeting You may vote in person at the Annual Meeting. If you choose to do so, please bring the enclosed proxy card and proof of identification. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.

Voting without attending the Annual Meeting Please complete and properly sign and date the accompanying proxy card and return it to the Transfer Agent in the accompanying pre-addressed envelope.

Changing your vote after returning your proxy card You can revoke your proxy before it is exercised by:

- delivering written notice of revocation of the proxy to our Secretary prior to the Annual Meeting;
- executing and delivering a later dated proxy card to our Secretary; or
- attending and voting by ballot in person at the Annual Meeting.

*Beneficial Owner of Shares*

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If your shares are held in a stock brokerage account, by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker, bank or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct the stockholder of record how to vote your shares. Your broker, bank or nominee has enclosed a voting instruction card for your use.

Voting in person at the Annual Meeting You may vote in person at the Annual Meeting by obtaining a signed legal proxy from the record holder (e.g., your broker, bank or nominee) prior to the meeting.

Voting without attending the Annual Meeting If you sign the accompanying proxy card and return it to the Transfer Agent, your shares will be voted as you direct on the proxy card. Please follow the instructions provided by your broker, bank or nominee. You may vote by mail by completing, signing and dating the voting instruction cards provided by your broker, bank or nominee and mailing them to such entities in the accompanying pre-addressed envelopes.

Changing your vote after returning your proxy card You may submit new voting instructions by contacting your broker, bank or other nominee. You may also vote at the Annual Meeting by following the instructions as described above in Voting in person at the Annual Meeting.

### ***Required votes to approve each item***

Each outstanding share of Common Stock is entitled to one vote on each proposal at the Annual Meeting. All matters require the existence of a quorum at the Annual Meeting. All proposals require an affirmative vote of the majority of shares represented in person or by proxy. Election of Directors is determined by plurality voting. The individual receiving the largest number of votes for each position will be elected.

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In voting on Proposal 1, the election of Directors, you may vote **FOR** the nominee or your vote may be **WITHHELD** with respect to the nominee. A properly executed proxy marked **ABSTAIN** with respect to any other matter will not be voted, although it will be counted for purposes of determining whether there is a quorum. An abstention on Proposal 2 will have the effect of a negative vote on that matter. If you are a beneficial owner, shares represented by broker non-votes (when the broker indicates they do not have their customer's direction on how to vote, nor has discretionary authority on how to vote) will be counted in determining whether there is a quorum but will not be counted as votes cast on any matter.

***Inspector of elections***

Our Executive Vice President, General Counsel and Secretary, John M. Perisich, will act as Inspector of Elections and oversee the voting results. The Inspector of Elections will also determine the presence of a quorum.

***Voting results of the Annual Meeting***

We will announce preliminary voting results at the Annual Meeting and will publish final results in a Current Report on a Form 8-K filing with the Securities and Exchange Commission ( **SEC** ) within four business days of the Annual Meeting.

***Board recommendations***

The Board recommends a vote:

- **FOR** Proposal No. 1 to elect each of the three Class A Directors.
  
- **FOR** Proposal No. 2 to ratify the appointment of Moss Adams, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Unless you give other instructions on your proxy card, the individual(s) named as proxy holder on the proxy card will vote in accordance with the recommendations of the Board.

***Expense of soliciting proxies***

We will pay the costs for the solicitation of proxies, including the cost of preparing and mailing this Proxy Statement. Proxies are being solicited primarily by mail, but the solicitation by mail may be followed-up by solicitation in person, or by telephone or facsimile, by our regular employees without additional compensation for such proxy solicitation activity or by a proxy solicitation firm. We will reimburse brokers, banks and other custodians and nominees for their reasonable out-of-pocket expenses incurred in sending proxy materials to our stockholders.

***Stockholder proposal deadline for the 2016 Annual Meeting***

The rules of the SEC establish the eligibility requirements and the procedures that must be followed for inclusion of a stockholder's proposal in a public company's proxy materials. Under those rules, proposals submitted for inclusion in our 2016 proxy materials must be received on or before the close of business on the day that is 120 days prior to March 31, 2016. Proposals for inclusion in our 2016 proxy materials must comply with the procedures set forth in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

In addition to the requirements of the SEC, our Amended and Restated Bylaws ( Bylaws ) provide that in order for a proposal to be properly brought before an Annual Meeting of Stockholders, it must be either: (1) specified in the notice of the meeting given by us, (2) otherwise brought before the meeting by or at the direction of our Board, or (3) properly brought before the meeting by a stockholder entitled to vote at the meeting who complies with the following notice procedures: (i) the stockholder must give timely notice thereof in writing of the business to be brought before such meeting to our Secretary, and (ii) such business must be a proper matter for stockholder action under the Delaware General Corporation Law. Our Bylaws provide that to be timely, a stockholder's notice must be delivered to our Secretary at our principal executive offices not less than 45 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's Annual Meeting. If the date of the subsequent year's Annual Meeting of Stockholders is changed by more than 30 days from the date of the prior year's meeting, notice by the stockholder for the subsequent year's Annual Meeting must be delivered to our Secretary within a reasonable time prior to our mailing of the proxy materials for the subsequent year's Annual Meeting of Stockholders. We expect to announce the date of the 2016 Annual Meeting of Stockholders in early 2016.

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If a stockholder proposes to nominate for election or reelection a director, the stockholder's notice must include all information relating to such director nominee that is required to be disclosed in solicitation of proxies for election of directors in an election contest, or otherwise required, in each case, pursuant to Regulation 14A and Rule 14a-11 under the Exchange Act.

For any business that a stockholder desires to bring before an annual meeting, the stockholder's notice must comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder, and must include the following:

- a brief description of the proposal and the reasons for the proposal;
- the number of shares of Common Stock which are owned beneficially and of record by such stockholder or such beneficial owner;
- a representation that the stockholder is a holder of record of Common Stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; and
- a representation whether the stockholder or the beneficial owner intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of our outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

Any stockholder who intends to present a proposal at the 2016 Annual Meeting of Stockholders must send the proposal via standard mail, overnight delivery or other courier service, to Primoris Services Corporation, 2100 McKinney Avenue, Suite 1500, Dallas, Texas 75201, Attention: Secretary.

The Nominating and Corporate Governance Committee will consider all stockholder recommendations for candidates for the Board, which should be sent to the Nominating and Corporate Governance Committee, c/o Secretary, Primoris Services Corporation, 2100 McKinney Avenue, Suite 1500, Dallas, Texas 75201.

The Nominating and Corporate Governance Committee will evaluate recommendations for Director nominees submitted by Directors, management or qualifying stockholders in the same manner, using the criteria stated above and discussed on page 13 in the section entitled "Selection of Board Nominees". All Directors and Director nominees will be required to submit a completed directors' and officers' questionnaire as part of the nominating process. At the discretion of the Committee, the process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating and Corporate Governance Committee.

### *Information about Primoris Services Corporation*

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We maintain a corporate website at [www.prim.com](http://www.prim.com). Visitors to the Investor Relations section of our website can view and print copies of our SEC filings, including this Proxy Statement and Forms 10-K, 10-Q and 8-K. Copies of the charters for our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee and our Code of Ethics, are also available through our website. Alternatively, stockholders may obtain, without charge, copies of all of these documents by writing to Investor Relations at the Company's headquarters. Please note that the information contained on our website is not incorporated by reference in, or considered to be a part of, this Proxy Statement.

### *Documents not incorporated by reference into this Proxy Statement*

The Audit Committee Report and the Compensation Committee Report are not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by us under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that we specifically, and in writing, incorporate such information by reference.

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**MATTERS TO COME BEFORE THE MEETING**

**PROPOSAL 1 ELECTION OF DIRECTORS**

**(Item 1 on Proxy Card)**

**General Information**

We currently have a classified Board consisting of six members. Four of our Directors are independent Directors as determined under NASDAQ listing rules. Our Directors are divided into three classes (Class A, Class B and Class C). Directors in each class are elected to serve for three-year terms that expire in successive years. The terms of the Class A Directors Brian Pratt, Thomas E. Tucker and Peter C. Brown expire at the upcoming 2015 Annual Meeting.

In February 2015, the Board of Directors Nominating and Corporate Governance Committee recommended to the Board the nomination of Brian Pratt, Thomas E. Tucker and Peter C. Brown for re-election as Class A Director for three-year terms expiring at the 2018 Annual Meeting, or until their successors are elected and qualified or their earlier death, resignation or removal. These recommendations were adopted unanimously by the Board. If the nominees become unavailable for any reason, or if any vacancy occurs before the election at the 2015 Annual Meeting (although we know of no reason to anticipate that this will occur), the proxies may be voted for such substitute nominees as the Board may designate.

Each nominee has consented to being named in this Proxy Statement and has agreed to serve if elected. If a quorum is present and voting, the nominees receiving the highest number of votes will be elected as Class A Directors. Abstentions and broker non-votes have no effect on the result of the vote; however, abstentions and broker non-votes will be counted as shares present for purposes of determining the presence of a quorum.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR BRIAN PRATT, THOMAS E. TUCKER AND PETER C. BROWN AS CLASS A DIRECTORS TO HOLD OFFICE UNTIL OUR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD IN 2018 OR UNTIL THEIR RESPECTIVE SUCCESSORS ARE DULY ELECTED AND QUALIFIED OR UPON THEIR EARLIER DEATH, RESIGNATION OR REMOVAL.**

**Information Regarding Directors and Director Nominees**

The following table sets forth information regarding our current Directors, including the Class A Director nominees up for election at the Annual Meeting. There are no family relationships among any Directors, nominees or named executive officers of the Company. To our knowledge, there are no material proceedings to which any Director or executive officer is a party adverse to the Company or has a material interest adverse to the Company.



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Name	Position with our Company	Age	Director Since
<i>Class A Directors whose terms will expire at the 2015 Annual Meeting and are re-nominated for terms ending at the 2018 Annual Meeting:</i>			
	Director, Chairman of the Board, Chief Executive Officer and President		
Brian Pratt		63	2008
Thomas E. Tucker	Independent Director	72	2008
Peter C. Brown	Independent Director	71	2009
<i>Class B Directors whose terms will expire at the 2016 Annual Meeting:</i>			
Stephen C. Cook	Independent Lead Director	65	2008
Peter J. Moerbeek	Director, Executive Vice President, Chief Financial Officer	67	2008
<i>Class C Director whose term will expire at the 2017 Annual Meeting:</i>			
Robert A. Tinstman	Independent Director	68	2009

The person(s) named in the enclosed proxy card will vote to elect Brian Pratt, Thomas E. Tucker and Peter C. Brown as Class A Directors, unless you withhold this authority to vote for the election of any or all of the nominees by marking the proxy to that effect.

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**Director Biographies and Special Skills**

**Directors with Terms Expiring at the 2018 Annual Meeting (Class A)**

**BRIAN PRATT** has been a Director and our Chairman, as well as our President and Chief Executive Officer, since July 2008. Mr. Pratt directs strategy, establishes goals and oversees our operations. Since 1983, he served as the President, Chief Executive Officer and Chairman of the Board of Primoris and its predecessor, ARB, Inc., a California corporation. Prior to July 2008, Mr. Pratt was the majority owner of Primoris. Mr. Pratt has over 35 years of hands-on operations and management experience in the construction industry. Mr. Pratt completed four years of courses in Civil Engineering at California Polytechnic College in Pomona, California.

Mr. Pratt has an intimate knowledge of our business, employees, culture, competitors and the effect on our business of various government policies. We believe that his long history and experience with Primoris, his significant ownership position in the Company and his in-depth knowledge of the construction industry demonstrate that Mr. Pratt is well qualified to serve on our Board.

**THOMAS E. TUCKER** has served as one of our Directors since July 2008. He is currently Chairman of Pennhill Land Company, a real estate development and investment company, where he has worked since he founded the company in 1983. He served as a board member of RSI Holding Corporation, a privately held national manufacturer of cabinets for homes, from 2002 to November 2008. Prior to that, he served as an advisory board member of ORCO Block Company, a Southern California manufacturer of block products, and Gemini Investors, a Boston based Investment Capital firm. Mr. Tucker also serves as a board member of the Segerstrom Center for the Arts in Orange County, California. Mr. Tucker received a B.S. in Business from the University of Southern California.

We believe that Mr. Tucker's experience as a founder and executive officer of a large real estate development company, his expertise in the real estate development business and his directorships of both private and public companies qualify him to serve on our Board. The Board determined that Mr. Tucker meets the NASDAQ rules for independence and is therefore an independent Director.

**PETER C. BROWN** joined our Board on February 6, 2009. He has served from 1974 to 2005 as President at Brown Armstrong Accountancy Corporation, a regional provider of tax, audit, consulting and business services headquartered in Bakersfield, California and is a retired partner. Mr. Brown received a B.S. in Accounting from the University of Arizona. He is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants and the Colorado Society of Certified Public Accountants.

We believe that Mr. Brown's qualifications to serve on our Board include his in-depth knowledge and understanding of generally accepted accounting principles, his background in tax regulations, experience in preparing, auditing and analyzing financial statements and understanding of the responsibilities and functions of audit committees. The Board determined that Mr. Brown meets the NASDAQ rules for independence and is therefore an independent Director.

**Directors with Terms Expiring at the 2016 Annual Meeting (Class B)**

**STEPHEN C. COOK** has served as one of our Directors since July 2008 and in May 2010 was appointed by the Board as Lead Director of the Company. Since 1990 he has served as President and principal stockholder of Fieldstone Partners, a Houston, Texas-based investment banking firm, focused primarily on corporate merger and acquisition advisory services. He has over 30 years of experience in the investment banking business, including 10 years with Rotan Mosle, Inc., a Texas-based regional investment firm and underwriter where he served as co-head of the corporate finance department and as a director of the firm. Mr. Cook received an A.B. in Economics from Princeton University and an M.B.A. from Harvard Business School.

We believe that Mr. Cook's qualifications to serve on our Board include his business and investment banking experience and his wealth of knowledge of mergers and acquisitions. The Board has determined that Mr. Cook meets the NASDAQ rules for independence and is therefore an independent Director.

**PETER J. MOERBEEK** was named our Executive Vice President, Chief Financial Officer effective February 6, 2009. He has served as one of our Directors since July 2008 and was Chairman of the Audit Committee until February 2009. From 2006 through February 2009, he was the Chief Executive Officer and a founder of a private equity-funded company engaged in the acquisition and operation of water and wastewater utilities. From August 1995 to June 2006, Mr. Moerbeek held several positions with publicly traded Southwest Water Company, a California based company which provides water and wastewater services, including director from 2001 to 2006; President and Chief Operating Officer from 2004 to 2006; President of the Services Group from 1997 to 2006; Secretary from 1995 to 2004; and Chief Financial Officer from 1995 to 2002. From 1989 to 1995, Mr. Moerbeek was the Vice President of

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Finance and Operations for publicly traded Pico Products, Inc., a manufacturer and distributor of cable television equipment. Mr. Moerbeek received a B.S. in Electrical Engineering and an MBA from the University of Washington and is a licensed certified public accountant.

We believe that Mr. Moerbeek's qualifications to serve on our Board include his prior experience as the chief operating officer and the chief financial officer of a NASDAQ listed company, as well as his in-depth knowledge and understanding of generally accepted accounting principles, experience in analyzing financial statements, understanding of internal control over financial reporting and his understanding and knowledge of public company rules and regulations.

**Nominee whose Term Expires at the 2017 Annual Meeting (Class C)**

**ROBERT A. TINSTMAN** was appointed a Director on December 18, 2009. Mr. Tinstman was the former president of Tinstman and Associates, LLC. From 1974 to 1999, Mr. Tinstman was employed by Morrison Knudsen and served as its President/Chief Executive Officer for the period 1995 to 1999. Mr. Tinstman was the Executive Chairman of James Construction Group from 2002 to 2007. Mr. Tinstman is a registered Professional Engineer in the state of Idaho. He graduated from University of Wisconsin, Platteville, with a B.S., Mining Engineering in 1968.

Mr. Tinstman is also a director on the following public company boards: IDA CORP, Inc., where he is chairman of the board; Home Federal Bancorp, where he was a member of the audit committee and chairman of the compensation committee until May 2014; and CNA Surety, where he was a member of the audit committee and chairman of the compensation committee until June 2011.

We believe that Mr. Tinstman's qualifications to serve on our Board include his experience as President and Chief Executive Officer of one of the largest construction companies in the United States, as well as his wealth of knowledge of business systems and construction operations. The Board determined that Mr. Tinstman meets the NASDAQ rules for independence and is therefore an independent Director.

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**PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**(Item 2 on Proxy Card)**

**General**

We are asking the stockholders to ratify the Audit Committee's appointment of Moss Adams, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. The firm is a registered public accounting firm with the Public Company Accounting Oversight Board (PCAOB), as required by the Sarbanes-Oxley Act of 2002 and the rules of the PCAOB. In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider this appointment. If the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and our stockholders.

A Moss Adams, LLP representative is expected to attend the 2015 Annual Meeting of the Stockholders. The representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate stockholder questions.

The affirmative vote of a majority of the shares of Common Stock present, in person or by proxy, entitled to vote at the Annual Meeting is required to approve the ratification of the appointment of Moss Adams, LLP as our independent registered public accounting firm for 2015.

**THE BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF MOSS ADAMS, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015.**

**Independent Registered Public Accounting Firm Fees and Services**

All fees billed by Moss Adams, LLP, have been approved in advance by the Audit Committee of the Board of Directors. The following is a summary of the fees billed for professional services for the fiscal years ended December 31, 2014 and 2013:

Fee Category	Calendar Year 2014 Fees	Calendar Year 2013 Fees
Audit Fees (1)	\$ 841,000	\$ 686,000
Audit Related Fees (2)	152,000	180,000
Tax Fees (3)	190,000	88,000
<b>Total Fees</b>	<b>\$ 1,183,000</b>	<b>\$ 954,000</b>

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- (1) Fees for audit services consist of the fees associated with the annual audit, for quarterly SAS 100 reviews and reviews of our Quarterly Reports on Form 10-Q.
- (2) Audit related fees include proxy filings, registration statements and standalone audits for Primoris subsidiaries.
- (3) Tax fees include professional services rendered for tax compliance (preparation and review of tax returns), tax advice and tax planning.

### **Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The Audit Committee has adopted policies and procedures regarding the pre-approval of the performance by Moss Adams, LLP of audit, audit-related and tax services, except as may otherwise be provided by law or regulation. Moss Adams, LLP has also been instructed to obtain advance approval of any other services. All services listed above were approved in advance by the Audit Committee.

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**Audit Committee Report**

*The following report of the Audit Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing by us under the Securities Act or the Securities Exchange Act, except to the extent we specifically incorporate this report by reference.*

The primary purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee (i) the integrity of our financial statements, (ii) the independent registered public accounting firm's qualifications, independence and performance, (iii) our accounting and financial reporting processes, (iv) our compliance with financial legal and regulatory requirements, and (v) the audits of our financial statements. The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm. The independent registered public accounting firm reports directly to the Audit Committee.

Management has the primary responsibility for the preparation of the financial statements and the reporting process. Our management has represented to the Audit Committee that the consolidated financial statements for the fiscal year ended December 31, 2014 were prepared in accordance with generally accepted accounting principles. In addition to its review of the consolidated financial statements and in the performance of its oversight function, the Audit Committee reviewed and discussed with management the critical accounting policies that were applied in the preparation of our consolidated financial statements, and the process for certifications by our Chief Executive Officer and our Executive Vice President, Chief Financial Officer. Our independent registered public accounting firm is responsible for auditing the consolidated financial statements for the fiscal year ended December 31, 2014. The Audit Committee discussed the results of the work of the independent registered public accounting firm. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No.16 (Communications with Audit Committees). In addition, the Audit Committee received from the independent registered public accounting firm the written disclosures required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with them their independence from the Company and its management. The Audit Committee also evaluated whether the independent registered public accounting firm's provision of non-audit services to us was compatible with the auditor's independence and determined it was compatible.

The Board determined that the Audit Committee members meet the independence requirements of Rule 10A-3 of the Exchange Act and applicable NASDAQ independence rules.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved, the inclusion of the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the Securities and Exchange Commission.

Peter C. Brown (Chairman)

Stephen C. Cook

Thomas E. Tucker





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**CORPORATE GOVERNANCE**

We believe that effective corporate governance is an important element of our long-term success and ability to create value for our stockholders. Our Board periodically reviews our existing corporate governance policies and practices, as well as related provisions of the Sarbanes-Oxley Act of 2002, current and proposed rules of the SEC, and the corporate governance requirements of NASDAQ. Based on its review, the Board has approved charters, policies, procedures and controls that we believe promote and enhance our corporate governance, accountability and responsibility and promote a culture of honesty and integrity.

Charters for each of our Board committees are available on the Investor Relations section of our website at [www.prim.com](http://www.prim.com), and copies are available free of charge upon request to our Secretary at Primoris Services Corporation, 2100 McKinney Avenue, Suite 1500, Dallas, Texas 75201.

**Board Independence**

The listing standards of NASDAQ require that companies have a board of directors with at least a majority of independent directors. Determining director independence requires that the Board affirmatively determine that the director has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

To assist it in making independence determinations, the Board has adopted independence standards, which include the standards required by NASDAQ for independent directors. Under these standards, a director is not independent if:

- The director is, or has been within the last three years, one of our or our subsidiaries' employees, or the director has an immediate family member who is, or has been within the last three years, one of our executive officers;
- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in compensation from us (other than compensation for Board or Committee service, compensation to a family member who is an employee but not an executive officer, or benefits under a tax-qualified retirement plan or non-discretionary compensation);
- The director is, or has a family member that is, a partner in, or a controlling stockholder or an executive officer of, any organization to which we made, or from which we received, payments for property or services in the current year or in any of the last three years, that exceed 5% of the recipient's consolidated gross revenues for that year or \$200,000, whichever is greater, other than payments arising solely from investments in our securities or payments under non-discretionary charitable contribution matching programs;

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- The director, or an immediate family member, is currently employed, or has been employed within the last three years, as an executive officer of another company where any of our present executive officers serves or has served on that company's compensation committee; or
- The director is, or has a family member, that is a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

On the basis of the Board independence standards identified above, and such other factors as the Board may consider from time to time, the Board has affirmatively determined that Messrs. Brown, Cook, Tinstman and Tucker are independent.

### **Board Structure and Committee Composition**

The Board has: (i) an Audit Committee, (ii) a Compensation Committee, (iii) a Nominating and Corporate Governance Committee and (iv) a Succession Planning Committee. The Board and its Committees meet throughout the year on a set schedule and also hold special meetings, both telephonically and in person, and act by written consent from time to time, as appropriate. During 2014, the Board held a total of ten meetings, the Audit Committee held four meetings, the Compensation Committee held four meetings, the Nominating and Corporate Governance Committee held four meetings and the Succession Planning Committee held two meetings. The independent Directors meet in executive session at meetings of the Board and Committees as necessary. During the Board meetings, all of the independent Directors met in executive session without any management members four times during 2014.

Mr. Pratt, our Chief Executive Officer also serves as the Chairman of the Board. The Board believes that as a result of his significant ownership of Primoris stock and his knowledge of the strategy and business of the Company and the predecessor companies as Chief Executive Officer since 1983, there is no benefit to be derived by separating the positions of Chairman and Chief

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Executive Officer. As the Company continues to grow, the Board will review the advisability of separating the two positions. In May 2010, Mr. Cook was appointed by the Board as the Lead Director, responsible for chairing the Board meetings in the absence of the Chairman, chairing executive sessions of independent Directors, acting as the principal liaison between the Chairman and the independent Directors and serving as the contact Director for stockholders.

The Board and the Compensation Committee do not make decisions regarding an executive officer's compensation in the presence of such executive officer. The compensation of our Chief Executive Officer and all other executive officers is recommended to the Board of Directors for approval by the Compensation Committee. The Board of Directors act on the recommendations in a vote in which only independent Directors participate and which takes place during executive sessions of independent Board members.

Director nominees are selected or recommended for the Board of Directors' selection by the Nominating and Corporate Governance Committee. The Board of Directors act on the recommendation in a vote in which only independent Directors participate and which takes place during executive sessions of independent Board members.

Each Director attended at least 90% of all Board meetings held in 2014. In addition, each Director attended all of the meetings held by all Board committees on which such person served (during the periods that such person served).

Each Board committee operates under a written charter adopted by the Board. The Board committee charters are available on the investor relations section of our website at [www.prim.com](http://www.prim.com).

The members of the Board committees are identified in the following table:

Director (1)	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Succession Planning Committee
Brian Pratt				X
Stephen C. Cook	X	Chair	X	X
Thomas E. Tucker	X		Chair	
Peter C. Brown	Chair	X		
Robert A. Tinstman		X	X	Chair

(1) Messrs. Brown, Cook, Tinstman and Tucker are independent Directors.

**Audit Committee**

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The Audit Committee consists of three persons, all of whom are independent under the NASDAQ listing standards. Members of the Audit Committee must also satisfy additional SEC independence requirements, which provide that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than compensation in their capacity as Director, or otherwise be an affiliated person of us. The Board has determined that Audit Committee members Messrs. Brown, Cook and Tucker all satisfy the applicable SEC independence requirements. The Board has also determined that each member of our Audit Committee qualifies as independent under Rule 10A-3 of the Exchange Act.

The Audit Committee oversees our accounting and financial reporting processes, internal control systems, independent auditor relationships and the audits of our financial statements. Among other matters, the Audit Committee's responsibilities include the following:

- Selecting and hiring our independent registered public accounting firm;
- Evaluating the qualifications, independence and performance of our independent registered public accounting firm;
- Reviewing and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- Reviewing with management and our independent registered public accounting firm the results of our annual and quarterly financial statements;

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- Overseeing the administration of management's process for the design, review of adequacy, implementation and effectiveness of our internal controls established for finance, accounting, legal compliance and ethics;
- Reviewing management's assessment of internal control and steps taken to monitor and control our exposure to financial risk;
- Overseeing the administration of management's process of reviewing the design, adequacy, implementation and effectiveness of our critical accounting and financial policies;
- Overseeing and monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements of accounting matters; and
- Reviewing and approving any related party transactions.

*Audit Committee Financial Expert.* The Board has also determined that Mr. Brown is the Audit Committee financial expert as defined under SEC rules and regulations. Management has the primary responsibility for the preparation of the financial statements and the financial reporting processes of the Company. On a quarterly basis, the independent Audit Committee members meet with the auditors without the presence of management. During these independent sessions, the Committee and the auditors discuss, among other things, the acceptability of the Company's accounting principles, critical accounting policies and sensitive accounting estimates.

**Compensation Committee**

The members of the Compensation Committee of the Board are Messrs. Cook (Chairman), Brown and Tinstman. All of the members of the Compensation Committee meet the independence requirements of NASDAQ listing standards.

The Compensation Committee monitors and assists the Board in determining compensation for our senior management and Directors. The Board and the Compensation Committee do not make decisions regarding an executive officer's compensation in the presence of such executive officer. After the Compensation Committee analyzes compensation issues related to our Chief Executive Officer and other executive officers, it makes a recommendation to the Board's independent Directors for determination by independent Directors in a vote in which only independent Directors participate. The Compensation Committee has the following authority and responsibilities, among others, with respect to our Director and executive compensation plans:

- Reviewing the goals and objectives of our executive compensation programs and recommending to the Board any changes to these goals and objectives;

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- Reviewing our executive compensation plans including incentive, equity-based and benefit plans, and recommending to the Board the adoption of new plans or amendments to existing plans;
- Evaluating annually the performance of the Chief Executive Officer and recommending to the independent members of the Board his or her compensation level based on this evaluation;
- Evaluating annually the performance of the other executive officers of the Company and its subsidiaries and recommending to the independent members of the Board the compensation level of each based on this evaluation;
- Reviewing and recommending to the independent members of the Board, concurrently with the Board's Audit Committee, any employment, severance or termination arrangements made with any executive officer of the Company or its subsidiaries; and
- Evaluating the appropriate level and types of compensation for Board and Committee service by non-employee Directors and recommending any changes to the Board.

The Compensation Committee has the power to form subcommittees for any purpose that it deems appropriate and may delegate to such subcommittee such power and authority as the Compensation Committee may deem appropriate, provided it does not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole. The Compensation Committee may consider the recommendations of our Chief Executive Officer in determining the level of compensation of the executive officers of the Company and its subsidiaries. The Compensation Committee has the authority to retain such independent consultants or advisers as it deems necessary and appropriate, including compensation consultants, to advise it with respect to amounts or forms of executive or Director compensation, and may rely on the

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integrity and advice of any such advisers. The Compensation Committee also has the sole authority to retain a compensation consultant to assist it in carrying out its responsibilities, including the sole authority to approve the consultant's fees and other retention terms, such fees to be borne by us, and to terminate any such consultant.

The Committee engaged Pay Governance, LLC as its independent advisor in 2012. Prior to their engagement, Pay Governance did not perform any services for the Company. The Committee considered independence factors under Dodd-Frank and NASDAQ rules and concluded that the work performed by Pay Governance did not present any conflicts of interest. Pay Governance advises and consults with the Committee on compensation issues, compensation design and trends, and keeps the Committee apprised of regulatory, legislative, and accounting developments and competitive practices related to executive compensation. Pay Governance reviews, at the direction of the Committee, compensation levels, trends and practices annually. Pay Governance does not determine the exact amount or form of executive compensation for any executive officers. See Compensation Discussion and Analysis Our Compensation Program. Pay Governance reports directly to the Committee, and a representative of Pay Governance, when requested, attends meetings of the Committee, is available to participate in executive sessions and communicates directly with the Committee Chair or its members outside of meetings. Pay Governance does no other work for the Company.

**Compensation Committee Interlocks and Insider Participation**

No interlocking relationship exists between any member of our Board and any member of the Board of Directors or compensation committee of any other companies, nor has such interlocking relationships existed in the past.

**Stockholder Advisory Say on Pay Vote**

In our 2011 proxy, we indicated that we believed that seeking stockholder approval advisory votes every third year would provide the most efficient form of communication and would lend itself to the long-term nature of the compensation plans for our management. At the 2011 annual meeting, of those votes that expressed a position on the frequency of pay, 76.25% recommended an advisory vote every three years. After deliberation, the Compensation Committee and the Board adopted the position of asking for an advisory vote every three years. Three years later, at the 2014 Annual Meeting, the stockholders made a non-binding advisory vote approving the Company's executive compensation program.

**Nominating and Corporate Governance Committee**

On November 4, 2014, Mr. Pratt stepped down as chairman and a member of the Nominating and Corporate Governance Committee. Since that date, the members of the Nominating and Corporate Governance Committee have been Messrs. Tucker (Chairman), Cook, and Tinstman. All of the members of the Committee meet the independence requirements of NASDAQ listing standards.

The Nominating and Corporate Governance Committee assists the Board by identifying individuals qualified to become Directors consistent with criteria established by the Board. After the Nominating and Corporate Governance Committee identifies qualified individuals, it makes a

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recommendation to the Board's independent Directors. Director nominees are selected by a majority of the Board's independent Directors in a vote in which only independent Directors participate. Among other matters, the Committee's responsibilities include the following:

- Evaluating the composition, size and governance of the Board and its committees and making recommendations regarding future planning and the appointment of Directors to committees of our Board;
- Administering a policy for evaluating and considering nominees for election to the Board;
- Overseeing the evaluation of our Board as a whole;
- Reviewing our corporate governance principles and providing recommendations to the Board regarding possible changes; and
- Developing and reviewing our Code of Ethics and assuring that it is appropriate for us.

### **Selection of Board Nominees**

In identifying Board nominees, we may consider individuals who are known to our officers or Directors, or individuals with significant industry or other relevant experience. Following the establishment of our Nominating and Corporate Governance Committee, the Nominating and Corporate Governance Committee has reviewed the qualifications of potential Director candidates in accordance with its Charter.



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The Nominating and Corporate Governance Committee's consideration of a candidate as a Director includes assessment of the individual's understanding of our business, the individual's professional and educational background, skills, expertise, potential time commitment, and other criteria established by the Nominating and Corporate Governance Committee from time to time. To provide such a contribution to us, a Director must generally possess one or more of the following, in addition to personal and professional integrity:

- Experience in corporate management;
- Experience in our industry;
- Experience as a board member or officer of a publicly held company;
- Experience in financial and accounting matters;
- Diversity of expertise and experience in substantive matters related to our business; and
- Practical and mature business judgment.

The Nominating and Corporate Governance Committee has adopted its own procedures for evaluating the suitability of potential Director nominees, including qualifications for a financial expert and financially literate members for the Audit Committee.

**Succession Planning Committee**

In May 2011, the Board of Directors established a Succession Planning Committee and appointed Mr. Tinstman as Committee Chair with Mr. Pratt, our CEO, and Mr. Cook, our independent Lead Director, as members. The purpose of the Committee is to coordinate the efforts of the Board and executive management in establishing the processes, procedures and practices that the Board and management will use to meet their succession planning responsibilities, including succession with respect to the position of CEO. In addition, the Committee has established contingency plans for the departure, death or disability of our CEO.

**Board Role in Risk Oversight**

Our Board is responsible for oversight of our Company's risks. As with all companies, and especially with construction companies, we face a variety of risks in our business. Many of these risks are discussed in Item 1A, *Risk Factors* in our most recent Annual Report on Form 10-K, which was filed with the SEC on March 16, 2015.

The Board believes that having a system in place for risk management and implementing strategies responsive to our risk profile and exposures is the best way to identify in a timely manner specific material risks, but we can give no assurances that we will be able to identify or mitigate all possible risks in advance. In order to more efficiently provide oversight of these material risks, the Board has designated certain risk oversight responsibilities to relevant Board committees. The Audit Committee has the direct responsibility for risk oversight relating to accounting matters, financial reporting, enterprise, legal and compliance risks. To assist in this risk oversight function, the Audit Committee obtains assistance from the following: (1) our Chief Financial Officer, who is responsible for managing our risk management function, (2) our General Counsel, who is responsible for the Company's third party insurance programs and (3) our independent registered public accounting firm. The Audit Committee meets periodically with management and the independent auditors to review financial exposures. The Compensation Committee is responsible for risks related to employment policies and our compensation and benefits systems. The Nominating and Corporate Governance Committee oversees risks associated with our Code of Conduct, including compliance with listing standards for independent Directors and committee assignments. As necessary, the committee chairmen report any risk-related matters to the full Board at Board of Directors meetings.

While the Board is responsible for risk oversight, the day-to-day risk management is the responsibility of the operating management and executive officers. Our executive officers maintain a significant ownership interest which results in an increased level of awareness of the need of risk management and risk oversight for the long-term benefit of the Company.

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**Code of Ethics**

The Company has a Code of Ethics that complies with the rules and regulations adopted by the SEC and NASDAQ listing standards and are applicable to all of our Directors, officers and employees. The Code of Ethics is available on the Investor Relations section of our website at *www.prim.com*. We intend to post amendments to, or waivers, if any, from our Code of Ethics (to the extent applicable to our Directors or Chief Executive Officer, Principal Financial Officer, or Principal Accounting Officer) at this location on our website. Among other matters, this Code of Ethics is designed to promote:

- Honest and ethical conduct;
  
- Avoidance of conflicts of interest;
  
- Full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in our other public communications;
  
- Compliance with applicable governmental laws and regulations and stock exchange rules;
  
- Prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code of Ethics; and
  
- Accountability for adherence to the Code of Ethics.

**Policy Regarding Director Attendance at Annual Meetings of Stockholders**

Directors are strongly encouraged to attend our Annual Meetings of Stockholders, and we currently expect all of our Directors to be in attendance at the Annual Meeting on May 1, 2015. All the Directors were in attendance at the 2014 Annual Meeting.

**Stockholder Communications with the Board of Directors**

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Stockholders may communicate with any of our Directors, either individually or as a group, by writing to them at Primoris Services Corporation, c/o Secretary, 2100 McKinney Avenue, Suite 1500, Dallas, Texas 75201. Please specify to whom your correspondence should be directed. The Secretary will promptly forward all correspondence to the Board or any specific committee member, as indicated in the correspondence, except for mass mailings, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate material. Our Secretary may forward certain correspondence, such as product-related or service-related inquiries, elsewhere within the Company for review and possible response.

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**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Our Board has adopted a written policy requiring review, approval and ratification of any related party transaction. All related party transactions may be consummated and continued only if the Audit Committee has approved or ratified such transaction after a review of the relevant facts and circumstances.

The following is a description of related party transactions to which we have been a party, in which the amount involved exceeded \$120,000, other than compensation and employment arrangements described elsewhere in this Proxy Statement. The descriptions are for the periods during 2012, 2013, 2014 and during the current period. We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm's length transactions with independent third parties.

From time to time we have entered into various leasing transactions with Stockdale Investment Group, Inc. ( SIGI ). Our majority stockholder, Chief Executive Officer, President and Chairman of the Board, Brian Pratt, also holds a majority interest in SIGI and is the chairman, president and chief executive officer and a director of SIGI. John M. Perisich, our Executive Vice President, General Counsel and Secretary, is secretary of SIGI. During 2014 and the current period, we continued with the following related party transactions:

The Company leases properties from SIGI at the following locations:

- Bakersfield, California (lease expires October 2022)
- Pittsburg, California (lease expires April 2023)
- San Dimas, California (lease expires March 2019)
- Pasadena, Texas (lease was mutually terminated as of August 31, 2014)

During the years ended December 31, 2014, 2013 and 2012, the Company paid \$862,000, \$907,000 and \$929,000, respectively, in lease payments to SIGI for the use of these properties.

Primoris leases a property from Roger Newnham, a former owner and current employee of our subsidiary, OnQuest Canada, ULC. The property is located in Calgary, Canada. During the years ended December 31, 2014, 2013 and 2012 Primoris paid \$289,000, \$295,000 and \$292,000, respectively, in lease payments. The current term of the lease is through December 31, 2017.

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Primoris leases a property from Lemmie Rockford, one of the Rockford sellers, which commenced November 1, 2011. The property is located in Toledo, Washington. During the years ended December 31, 2014, 2013 and 2012, Primoris paid \$90,000, \$90,000 and \$90,000, respectively, in lease payments. The current term of the lease is through January 13, 2016.

Primoris leases a property from Quality RE Partners, owned by three of the Q3C selling shareholders, of whom two are current employees, including Jay Osborn, President of Q3C. The property is located in Little Canada, Minnesota. During the years ended December 31, 2014 and 2013, the Company paid \$264,000 and \$264,000, respectively, in lease payments to Quality RE Partners. The lease expires in October 2022.

We believe that the amounts that we pay for the leases approximate terms that we could obtain from independent third parties. In addition, any new leases, extensions of lease terms and changes in lease terms or amounts must be approved in advance by the independent directors of the Board of Directors Audit Committee.

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**DIRECTOR COMPENSATION**

Directors who also are employees of the Company or any of its subsidiaries do not receive additional compensation for serving as Directors. Compensation for employee Directors is determined by the Board's Compensation Committee and is discussed further in the Compensation Discussion and Analysis section of this proxy.

As part of its annual review of Director compensation and after discussions with its independent compensation consultant, the Compensation Committee recommended on May 2, 2014, that Director compensation be increased over the levels established in May 2012. The independent Directors of the Board of Directors adopted the recommendation.

Current compensation, effective July 1, 2014, includes the following components:

- Cash payments of \$34,833 made for the second and fourth calendar quarters of each year.
  
- In lieu of cash payments for the first and third calendar quarters of each year, the Directors are issued Common Stock with an approximate aggregate value of \$45,834 each. The Common Stock cannot be traded for a period of one year from the date of issuance. The number of shares is determined using the average of the closing prices of the Company's Common Stock on NASDAQ for the one-month period prior to the beginning of the quarter. The shares are issued pursuant to the Primoris 2013 Equity Incentive Plan, approved by the stockholders on May 3, 2013 (Equity Plan).
  
- Additional annual cash compensation as follows:
  - \$20,000 to the Chairman of the Audit Committee;
  
  - \$15,000 to the Chairman of the Compensation Committee; and
  
  - \$15,000 to the non-employee chairman of any other committees established by the Board of Directors.

In addition, Directors are reimbursed for expenses incurred in connection with Board and Board Committee meetings and assignments.

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The table below details the compensation earned by our non-employee Directors in 2014.

<b>Non-Employee Director</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards (1)</b>	<b>All Other Compensation</b>	<b>Total</b>
Peter C. Brown	\$ 86,458	\$ 85,701	\$	