

TETRA TECH INC
Form DEF 14A
January 19, 2016

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

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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
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Tetra Tech, Inc.

(Name of Registrant as Specified In Its Charter)

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

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-

January 19, 2016

Dear Tetra Tech Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Tetra Tech, Inc., which will be held at the Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101, on Thursday, March 3, 2016, at 10:00 a.m. Pacific Time.

Details of the business to be conducted at the Annual Meeting are given in the Notice of Annual Meeting of Stockholders and the proxy statement.

We use the Internet as our primary means of furnishing proxy materials to our stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a notice with instructions for accessing the proxy materials and voting via the Internet. The notice also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. Internet transmission and voting are designed to be efficient, minimize cost and conserve natural resources.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. As an alternative to voting in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. Voting by any of these methods will ensure your representation at the Annual Meeting.

Thank you for your continued support of Tetra Tech. We look forward to seeing you at the Annual Meeting.

Dan L. Batrack
Chairman and Chief Executive Officer

Pasadena, California

YOUR VOTE IS IMPORTANT

In order to ensure your representation at the Annual Meeting, you may submit your proxy and voting instructions via the Internet, by telephone or, if you receive a paper proxy card and voting instructions by mail, you may vote your shares by completing, signing and dating the proxy card as promptly as possible and returning it in the enclosed envelope. Please refer to the section entitled "Voting Your Shares" in the *Meeting and Voting Information* section of this proxy statement for a description of these voting methods. If your shares are held by a bank or brokerage firm (your record holder) and you have not given your record holder instructions to do so, your broker will NOT be able to vote your shares with respect to any matter other than ratification of the appointment of the independent registered public accounting firm. We strongly encourage you to vote.

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NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

You are cordially invited to attend our 2016 Annual Meeting of Stockholders to be held on Thursday, March 3, 2016, at 10:00 a.m. Pacific Time, at the Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101. At the meeting, stockholders will vote on the following items of business:

1. Election of the nine directors nominated by our Board to serve a one-year term;
2. Approval, on an advisory basis, of our executive compensation;
3. Approval of an amendment to our Employee Stock Purchase Plan (ESPP) to increase by 1,000,000 the number of shares of common stock authorized for issuance under the ESPP;
4. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016; and
5. Transaction of any other business properly brought before the meeting or any adjournment or postponement thereof.

Our Board recommends that stockholders vote FOR each of the director nominees nominated by our Board, and FOR Items 2, 3 and 4. After considering these items of business at the meeting, Dan Batrack, our Chairman and Chief Executive Officer, will review our fiscal 2015 performance and answer your questions.

The record date for determining those stockholders who will be entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof is January 8, 2016.

Even if you cannot attend the Annual Meeting, it is important that your shares be represented and voted. You may vote as follows:

By Telephone

In the U.S. or Canada, you can vote your shares by calling 1.800.690-6903 before 11:59 p.m. Eastern Time on March 2, 2016.

On the Internet

You can vote your shares online at www.proxyvote.com before 11:59 p.m. Eastern Time on March 2, 2016. You will need the 12-digit control number on your *Notice of Internet Availability* or proxy card.

By Mail

You can vote by mail by completing, dating and signing your proxy card and returning it in the postage-paid envelope provided or sending it to Vote Processing c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

In Person

You can vote in person at the Annual Meeting. Beneficial holders must contact their broker or other nominee if they wish to vote in person.

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On behalf of the Board of Directors, management and employees of Tetra Tech, thank you for your continued support.

BY ORDER OF THE BOARD OF DIRECTORS

Janis B. Salin

Senior Vice President, General Counsel and Secretary

Pasadena, California
January 19, 2016

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PROXY SUMMARY

This section contains summary information described in greater detail in other parts of this proxy statement and does not contain all the information you should consider before voting. Stockholders are urged to read the entire proxy statement before voting.

ANNUAL MEETING INFORMATION

Time And Date	10:00 a.m. Pacific Time on Thursday, March 3, 2016
Place	Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101
Record Date	Stockholders as of the close of business on January 8, 2016
Attending the Meeting	Please follow the instructions described under "Annual Meeting Procedures" in the <i>Meeting and Voting Information</i> section of this proxy statement

ITEMS BEING VOTED ON AT ANNUAL MEETING

Item	Board Recommendation	Vote Required	Discretionary Broker Voting
1. Election of directors	FOR	Majority of votes cast	No
2. Advisory vote to approve executive compensation	FOR	Majority of shares represented and entitled to vote	No
3. Approval of amendment to Employee Stock Purchase Plan (ESPP) to increase by 1,000,000 the number of shares of common stock authorized for issuance	FOR	Majority of shares represented and entitled to vote	No
4. Ratification of appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm for fiscal year 2016	FOR	Majority of shares represented and entitled to vote	Yes

FISCAL 2015 PERFORMANCE HIGHLIGHTS

General. Fiscal 2015 was a year of solid progress for our company. We continued our focus on the delivery of differentiated water, environmental, infrastructure, resource management and energy services in our ongoing operations, which consist of our Water, Environment and Infrastructure (WEI) and Resource Management and Energy (RME) business groups. On revenue from ongoing operations of approximately \$2.2 billion, WEI/RME delivered operating income of \$154 million, diluted earnings per share (EPS) of \$1.63 and operating cash of \$134 million. The wind-down of non-core construction activities in our Remediation and Construction Management segment is proceeding well, with remaining work to be substantially complete by the end of fiscal 2016.

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Results of Ongoing Operations: FY 2015 vs. FY 2014

These financial measures, which are not in accordance with generally accepted accounting principles in the United States of America (GAAP), are reconciled to GAAP in Appendix A to this proxy statement.

Capital Discipline. We are committed to maintaining capital discipline, as demonstrated through our return of cash to stockholders in fiscal 2015. We paid dividends each fiscal quarter, and also executed our share repurchase program. Our fiscal 2015 return to stockholders consisted of \$18 million in dividends and \$100 million in share repurchases. Accordingly, we have \$100 million remaining in the \$200 million repurchase plan authorized by our Board in fiscal 2015.

CORPORATE GOVERNANCE HIGHLIGHTS

Our corporate governance policies and practices reflect our values, and allow our Board to effectively oversee our company in the interest of creating long-term value. The key elements of our program and the related benefits to our stockholders are set forth below:

Our Practice or Policy

Description and Benefit to Our Stockholders

STOCKHOLDER RIGHTS

Annual Election of Directors	Our directors are elected annually, reinforcing their accountability to our stockholders.
Single Class of Outstanding Voting Stock	We have no class of preferred stock outstanding, which means that our common stockholders together control our company with equal voting rights.
Majority Voting for Director Elections	We have a majority vote standard for uncontested director elections, which increases Board accountability to stockholders.
Mandatory Director Resignation Policy	Incumbent directors who receive more "AGAINST" votes than "FOR" votes must tender their resignation to the Board for consideration.
No Poison Pill	We do not have a stockholder rights plan (commonly referred to as a "poison pill").
Stockholder Calls for Special Meetings	Our Bylaws allow stockholders owning 20% or more of our shares to call a special meeting of stockholders.

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BOARD STRUCTURE

Governance Policies	Our Corporate Governance Policies provide stockholders with information regarding the best practice principles of our corporate governance program and Board framework.
90% Independent	All of our current directors, except our Chairman/CEO, are independent, ensuring that our directors oversee our company without undue influence from management.
Robust Presiding Director Role	Our Presiding Director is selected annually by our independent directors to perform clearly delineated duties, such as presiding at executive session of our Board and serving as principal liaison between the independent directors and the CEO.
Committee Governance	Our Board Committees have written charters that clearly establish their respective roles and responsibilities, and are comprised exclusively of independent directors. Committee composition and charters are reviewed annually by our Board.
Director Tenure	Our Board's Nominating and Corporate Governance Committee annually reviews our Board composition, which helps ensure we have the right balance between continuity and fresh perspectives. We added two new directors in 2013 who remain on our Board today, reducing the average tenure of the Board from 15 years to just over 11 years.
Annual Performance Evaluations	Our Board's Nominating and Corporate Governance Committee oversees an annual performance evaluation of our Board, and its Committees and leadership, to ensure they continue to serve the best interests of stockholders.
Access to Management and Experts	Our Board and Committees have complete access to all levels of management and can engage advisors at our expense, giving them access to employees with direct responsibility for managing our company and experts to help them fulfill their oversight responsibilities on behalf of our stockholders.
Succession Planning	Our Board's Nominating and Corporate Governance Committee and/or our full Board reviews potential CEO and other senior executive successors annually to develop our future leaders and ensure we can sustain business continuity if any of these key employees were to leave our company.

EXECUTIVE COMPENSATION

Stock Ownership Guidelines	All of our directors and executive officers have met our stock ownership guidelines, helping ensure the alignment of their interests with those of our stockholders.
Annual Say-on-Pay Vote	Stockholders have the opportunity annually to cast an advisory vote on our executive compensation.
Best Practices	Our executive compensation program reflects a number of best practices that are summarized on the last page of this proxy summary and in the executive summary of the <i>Compensation Discussion and Analysis</i> section of our proxy statement.

2016 DIRECTOR NOMINEES

During fiscal 2015, our Board has overseen a significant transformation of our company, including the realignment of our business to focus on our ongoing, front-end consulting and engineering business. We reorganized these operations to better align them with our markets, and began the wind-down of our non-core construction activities. Further, the Board oversaw the continuation of our capital allocation plan, which included a return to stockholders consisting of share repurchases (\$100 million) and cash dividends (\$18 million). Our Board members have demonstrated commitment to

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diligently and effectively executing their fiduciary duties on behalf of our stockholders, and we recommend that each of the following currently serving directors be re-elected at the Annual Meeting.

Name	Age	Director Since	Principal Occupation	Independent	AC	CC	GC	SC
Dan L. Batrack	57	2005	Chairman and CEO, Tetra Tech, Inc.	No				
Hugh M. Grant	79	2003	Retired Vice Chair & Regional Managing Partner, Ernst & Young LLP	Yes	C		M	
Patrick C. Haden	62	1992	Athletic Director, University of Southern California	Yes		M	C	
J. Christopher Lewis (PD)	59	1988	Managing Director, Riordan, Lewis & Haden	Yes	M		M	
Kimberly E. Ritrievi	57	2013	President, The Ritrievi Group LLC	Yes	M			M
Albert E. Smith	66	2005	Retired Executive Vice President, Lockheed Martin	Yes		M		C
J. Kenneth Thompson	64	2007	President and CEO, Pacific Star Energy, LLC	Yes		C		M
Richard H. Truly	78	2003	Retired Vice Admiral, U.S. Navy and former NASA Administrator	Yes			M	M
Kirsten M. Volpi	51	2013	EVP for Finance and Administration, CFO and Treasurer, Colorado School of Mines	Yes	M	M		

AC = Audit Committee

CC = Compensation Committee

GC = Nominating and Corporate Governance Committee

SC = Strategic Planning and Enterprise Risk Committee

M = Member

C = Chairman

PD = Presiding Director

EXECUTIVE COMPENSATION HIGHLIGHTS

Our Board's Compensation Committee designs our executive compensation program to motivate our executives to execute our business strategies and deliver long-term stockholder value. The program delivers pay for performance, with compensation dependent on our achieving annual and long-term financial and business performance objectives that advance the interests of our stockholders.

We value our stockholders' opinions about our governance and compensation practices, and we actively solicit input through our stockholder outreach program. In advance of the 2016 Annual Meeting, we engaged in telephonic and/or in-person discussions with stockholders representing more than 50% of our outstanding shares. Based on stockholders' feedback and on the Compensation Committee's further review of certain "best practices," the Committee made a number of changes to the executive compensation program for fiscal years 2015 and 2016 as summarized on pages 41 to 42 in the *Compensation Discussion and Analysis* section of this proxy statement

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Total direct compensation to our executives is comprised of the following three components:

Base salary;

Performance-based cash incentive under our annual incentive plan (AIP) award; and

Long-term performance-based incentives (LTIs) delivered in equity: consists 50% of performance share units (PSUs) with cliff vesting after a three-year performance period based on EPS growth and relative TSR, 25% of stock options vesting over four years, and 25% of restricted stock units (RSUs) vesting over four years.

We target our Named Executive Officers' (NEOs') total direct compensation at the market median and, for fiscal 2015, each of our NEOs' target total direct compensation fell at or around the median of the market data utilized by the Compensation Committee. The majority of this compensation is at risk, meaning that if we fail to deliver on our financial objectives and create stockholder value, our executives may ultimately not realize some or all of these performance-based components of compensation. In fiscal 2015, 68% of our Chief Executive Officer's (CEO's) total direct compensation, and an average of 55% of our other current NEOs' total direct compensation, was performance-based.

Fiscal 2015 CEO Total Direct Compensation (TDC) Mix

CEO 2015 PERFORMANCE-BASED TDC: 68%

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Fiscal 2015 Average Other Current NEOs TDC Mix

**AVERAGE OTHER CURRENT NEOs' 2015 PERFORMANCE-
BASED TDC: 55%**

As summarized below and described in further detail in the *Compensation Discussion and Analysis* section of this proxy statement, our executive compensation program is aligned with our goals and strategies and reflects best practices.

What We Do

Pay for performance in fiscal 2015, 68% of our CEO's total direct compensation was tied to company performance

Emphasize long-term performance in fiscal 2015, 64% of our CEO's total direct compensation was equity-based and thereby tied to creating stockholder value

Use double-trigger change of control vesting provisions vesting of equity following a change of control requires termination of employment within two years

Maintain stock ownership guidelines

Maintain clawback policy

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Use an independent compensation consultant retained directly by the Compensation Committee, in its sole discretion

Regularly assess potential risks relating to our compensation policies and practices

What We Don't Do

Have employment agreements with our NEOs

Gross up change of control severance benefits

Provide gross-ups to cover tax liabilities associated with executive perquisites

Permit directors or officers to hedge or pledge company stock

Grant stock options with an exercise price less than the fair market value on the date of grant

Re-price or exchange stock options without stockholder approval

Promise multi-year guarantees for salary increases

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AMENDMENT TO THE EMPLOYEE STOCK PURCHASE PLAN

Our Board has approved an amendment to our Employee Stock Purchase Plan (ESPP) to increase the maximum number of shares of common stock authorized for issuance over the term of the ESPP by 1,000,000 shares. We are seeking stockholder approval of this amendment.

The purpose of the amendment is to ensure that we will have a sufficient reserve of common stock available under the ESPP to provide eligible employees with the continuing opportunity to acquire a proprietary interest in us through participation in a payroll deduction-based employee stock purchase plan. As of December 31, 2015, employees had purchased 2,194,821 shares of our common stock under the ESPP, and only 259,281 shares remained for purchase. At that date, approximately 9,800 employees were eligible to participate in the ESPP, including 10 executive officers.

RATIFICATION OF APPOINTMENT OF PwC

Our Board's Audit Committee has appointed PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for the 2016 fiscal year, and our Board is seeking stockholder ratification of the appointment. PwC is knowledgeable about our operations and accounting practices, and is well qualified to act as our independent registered public accounting firm. The Audit Committee considered the qualifications, performance and independence of PwC, the quality of its discussions with PwC, and the fees charged by PwC for the level and quality of services provided during fiscal 2015, and has determined that the reappointment of PwC is in the best interest of our company and its stockholders.

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CORPORATE GOVERNANCE AND ETHICS

Under the oversight of our Board of Directors, we have designed our corporate governance program to ensure continued compliance with applicable laws and regulations, the rules of the Securities and Exchange Commission (SEC) and the listing standards of the Nasdaq Stock Market (Nasdaq), and to reflect best practices as informed by the recommendations of our outside advisors, the voting guidelines of our stockholders, the policies of proxy advisory firm, and the policies of other public companies.

We are committed to operating with honesty and integrity, and maintaining the highest level of ethical conduct. We encourage stockholders to visit the Corporate Governance section of our website, which includes the following corporate governance documents:

Code of Business Conduct;

Finance Code of Professional Conduct, which applies to our CEO and all members of our finance department, including our chief financial officer and principal accounting officer;

Corporate Governance Policies;

Charters for our Board's Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Strategic Planning and Enterprise Risk Committee; and

Stock Ownership Guidelines.

You can access these documents by going to our website at www.tetratech.com/en/corporate-governance, but should note that information on our website is not and should not be considered part of, nor is it incorporated by reference into, this proxy statement. You can also receive copies of these documents, without charge, by written request mailed to our Corporate Secretary at Tetra Tech, Inc., 3475 E. Foothill Blvd., Pasadena, California 91107.

We maintain a hotline that is available to all employees for the anonymous submission of employee complaints. All complaints go directly to our General Counsel, and all complaints relating to accounting, internal controls or auditing matters also go directly to the Chairman of our Audit Committee. We also maintain an internal audit control function that provides critical oversight over the key areas of our business and financial processes and controls, and reports directly to the Audit Committee. Our Board has also adopted a written related person transactions policy. Under the policy, the Audit Committee (or other committee designated by the Nominating and Corporate Governance Committee) reviews transactions between us and "related persons."

CODE OF CONDUCT

Our company conducts its business on the bases of the quality of its services and the integrity of its association with its clients and others. Our Code of Conduct demonstrates our commitment to ascribe to the highest standards of ethical conduct in the pursuit of our business, and applies to all of our directors, officers and employees. It has been translated into five languages, and our employees are trained on it and affirm their commitment to comply with it when they first join our company and periodically thereafter.

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The core ethical matters discussed in our Code of Conduct, and the related guidance we provide to members of our team throughout the world, are summarized below.

Ethical Matter	Our Policy
Dealing with Each Other	We work to create an atmosphere of mutual trust and respect by being honest, fair and consistent. We treat all employees fairly and impartially.
Employee Development	Employee initiative is the primary driver of career development, and we offer opportunities for training and development.
Non-Discrimination and Sexual Harassment	We are committed to non-discrimination. We provide a workplace free of sexual harassment. Verbal or physical harassment or behavior that creates a hostile work environment will not be tolerated.
Health and Safety	We maintain a workplace free of recognized safety and health hazards. We have developed a comprehensive health and safety program.
Conflict of Interest	Employees must avoid situations in which their private interests or those of the members of their family conflict with our interests.
Confidential and Proprietary Information	Employees must maintain the confidentiality of our trade secrets and proprietary information.
Insider Trading	Employees must ensure that inside information is not misused, and may not buy or sell our securities when they have inside information of a material nature.
Dealing with Clients	We accurately represent services in our marketing efforts.
Dealing with Suppliers	We are committed to the fair treatment of suppliers, and will select those who provide the best value for us and our clients.
Proprietary Information of Others	We prohibit the wrongful possession or use of any proprietary information of any supplier, customer, business partner or competitor.
Gifts, Meals and Entertainment	We prohibit the giving and receiving of gifts of significant value, while customary business entertainment is proper (determined by frequency, nature or value).
Improper Payments	We prohibit payments made by, or anything of value given, on our behalf either directly or indirectly to government officials or political candidates that violate applicable laws.
Accurate Records and Reporting	We prohibit false or misleading entries in our records for any reason.
Legal Compliance	We prohibit the use of our funds or resources for an unlawful or improper purpose.
Antitrust Laws	We prohibit activities in restraint of trade, including price-fixing or bid-rigging.
Business with the U.S. Government	We must comply with the Federal Acquisition Regulation (FAR), and the related rules and regulations, including the Truth in Negotiations Act and the Anti-Kickback Act.

Table of Contents**OUR BOARD OF DIRECTORS
OVERVIEW**

Our Board of Directors is responsible for overseeing, counseling and directing management in serving the long-term interests of our company and stockholders, with the goal of building long-term stockholder value and ensuring the strength of our company for our clients, employees and other stakeholders. In this capacity, the Board's primary responsibilities include establishing an effective corporate governance program, with a Board and Committee structure that ensures independent oversight; overseeing our business, strategies and risks; maintaining the integrity of our financial statements; evaluating the performance of our senior executives and determining their compensation; undertaking succession planning for our CEO and other senior executives; and reviewing our annual operating plan and significant strategic and operational objectives and actions.

BOARD COMPOSITION

Our Bylaws provide that our Board consist of between five and nine directors, with the exact number fixed from time to time by Board resolution. Our Board has nine members. We believe a limited number of directors helps maintain personal and group accountability. Our Board is independent in composition and outlook, and comprised of independent directors, other than the CEO. Each of the nine current directors has been nominated for election by the Board of Directors upon recommendation by the Nominating and Corporate Governance Committee and has decided to stand for election.

Name	Director Since	Principal Occupation	Independent	AC	CC	GC	SC
Dan L. Batrack	2005	Chairman and CEO, Tetra Tech, Inc.	No				
Hugh M. Grant	2003	Retired Vice Chair & Regional Managing Partner, Ernst & Young LLP	Yes	C		M	
Patrick C. Haden	1992	Athletic Director, University of Southern California	Yes		M	C	
J. Christopher Lewis (PD)	1988	Managing Director, Riordan, Lewis & Haden	Yes	M		M	
Kimberly E. Ritrievi	2013	President, The Ritrievi Group LLC	Yes	M			M
Albert E. Smith	2005	Retired Executive Vice President, Lockheed Martin	Yes		M		C
J. Kenneth Thompson	2007	President and CEO, Pacific Star Energy, LLC	Yes		C		M
Richard H. Truly	2003	Retired Vice Admiral, U.S. Navy and former NASA Administrator	Yes			M	M
Kirsten M. Volpi	2013	Executive Vice President for Finance and Administration, Chief Financial Officer and Treasurer, Colorado School of Mines	Yes	M	M		

AC = Audit Committee

CC = Compensation Committee

GC = Nominating and Corporate Governance Committee

SC = Strategic Planning
and Enterprise Risk
Committee

M = Member

C = Chairman

PD = Presiding Director

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BOARD MEETINGS AND ATTENDANCE

During fiscal 2015, our Board of Directors held seven meetings. During this period, all of the incumbent directors attended or participated in more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all committees of the Board on which each such director served, during the period for which each such director served. Our directors are strongly encouraged to attend the annual meeting of stockholders, and all of our directors attended last year's annual meeting.

CORPORATE GOVERNANCE POLICIES

Our Corporate Governance Policies, as updated in November 2015, provide the corporate governance framework for our company and reflect the beliefs of our Board with respect to the matters described below:

Matter	Description
Board Composition	<p>Reasonable Size. Our Board should be between five and nine directors.</p> <p>No Over-Boarded Directors. Our directors should sit on three or fewer other public company boards.</p> <p>Mandatory Retirement; Term Limits. Our Board has fixed the retirement age for directors at 75; however, Mr. Grant and Admiral Truly have been "grandfathered" because of their special qualifications and experience, and the Board has waived this mandatory retirement requirement solely for them. There are no established term limits on service.</p>
Director Independence	<p>Majority Independent. A majority of our directors should satisfy the Nasdaq independence standards.</p> <p>Regular Executive Sessions. Our independent directors should meet in executive session following each meeting of the Board.</p>
Board Leadership Structure	<p>Robust Presiding Director Role. Since our CEO is also Chairman, our independent directors should select one of themselves to serve as Presiding Director, with established roles and responsibilities.</p> <p>Annual Review. The Board appoints a Chair and determines whether the positions of Chair and CEO will be held by one individual or separated.</p>
Board Committees	<p>Independence. Board Committees should be comprised only of independent directors.</p> <p>Governance. Board Committees should act under charters setting forth their purposes and responsibilities, which charters are evaluated annually. The charters allow for the engagement, at our expense, of independent legal, financial or other advisors as the directors deem necessary or appropriate.</p>
Director Qualifications	<p>Attendance. Directors should prepare for and attend all meeting of our Board and its Committees on which they serve, and are strongly encouraged to attend all annual stockholder meetings.</p> <p>Diverse and Relevant Experience. The Nominating and Corporate Governance Committee works with the Board to determine the appropriate characteristics, skills and experiences for the directors. We are committed to selecting candidates regardless of gender, ethnicity and national origin.</p>

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	Management Succession Planning. Our Board will review with the CEO succession and development plans for senior executive officers.
Board Duties	Financial Reporting, Legal Compliance and Ethical Conduct. Our Board maintains governance and oversight functions, but our executive management maintains primary responsibility.
	Stock Ownership Guidelines. To align the interests of stockholders with the directors and executive officers, our Board has established stock ownership guidelines.
	New Director Orientation. All new directors participate in an orientation program to familiarize themselves with our company.
Continuous Board Improvement	Continuing Education. Directors continue their education through meetings with executive management and other managers to enhance the flow of meaningful financial and business information. They also receive presentations to assist with their continuing education.
	Annual Performance Evaluations. The Nominating and Corporate Governance Committee oversees an annual self-assessment process to ensure our Board and Committees are functioning effectively.

DIRECTOR INDEPENDENCE

Upon recommendation of the Nominating and Corporate Governance Committee, our Board of Directors has determined that, as of the date of this proxy statement, each member of the Board of Directors other than Mr. Batrack is independent under the criteria established by Nasdaq for director independence. The Nasdaq criteria include various objective standards and a subjective test. A member of the Board of Directors is not considered independent under the objective standards if, for example, he or she is, or at any time during the past three years was, employed by us. Mr. Batrack is not independent because he is an employee.

In connection with the assessment of Mr. Thompson's independence, we reviewed the facts and circumstances of his role as an independent director of Coeur Mining, Inc. and Pioneer Natural Resources Company, two of our clients, and Alaska Air Group, Inc., one of our vendors. We concluded that Mr. Thompson is an independent director because his role at each of these companies is limited to that of an independent director, each of the companies is a large public company, and the amount of business done with each of the companies is immaterial to us (less than 1% of our fiscal 2015 net revenue) and each such company.

All members of each of our Audit, Compensation, Nominating and Corporate Governance, and Strategic Planning and Enterprise Risk committees are independent directors. In addition, upon recommendation of the Nominating and Corporate Governance Committee, the Board has determined that the members of the Audit Committee meet the additional independence criteria required for audit committee membership under applicable Nasdaq listing standards.

The subjective test under Nasdaq criteria for director independence requires that each independent director not have a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The subjective evaluation of director independence by the Board of Directors was made in the context of the objective standards referenced above. In making its independence determinations, the Board of Directors considers the transactions and other relationships between us and each director and his or her family members and affiliated entities. The Board of Directors determined that there were no transactions or

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other relationships that exceeded Nasdaq objective standards and none would otherwise interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

BOARD LEADERSHIP STRUCTURE

We currently have a combined Chairman/CEO role and an independent Presiding Director. We believe that the combined Chairman/CEO role is appropriate because it allows for one individual to lead our company with a cohesive vision, the ability to execute that vision, and the understanding of the significant enterprise risks that need to be mitigated or overcome to achieve that vision. It also fosters clear accountability, effective decision-making and alignment on corporate strategy. Combined leadership at the top also provides the necessary flexibility for us to rapidly address the changing needs of our business.

Balancing our combined Chairman/CEO is our Presiding Director, elected by and from the independent directors, who has critical duties in the boardroom to ensure effective and independent oversight of Board decision-making. Mr. Lewis currently serves as our Presiding Director. Our Governance Policies describe these duties, which delineate clear responsibilities to ensure independent stewardship of our Board, as summarized below.

scheduling meetings of the independent directors;

chairing the separate meetings of the independent directors;

serving as principal liaison between the independent directors and the Chairman/ CEO on sensitive issues;

**Presiding Director Roles
and Responsibilities:**

communicating from time to time with the Chairman/CEO, and disseminating information to the rest of the Board of Directors as appropriate;

providing leadership to the Board of Directors if circumstances arise in which the role of the Chairman may be, or may be perceived to be, in conflict; and

being available, as appropriate, for communication with stockholders.

In November 2015, the Board determined that the role of Presiding Director would rotate and the term would be four years. Accordingly, at a meeting in January 2016, the independent directors will elect a successor to Mr. Lewis to serve as Presiding Director for a four-year term.

Supplementing the Presiding Director are our Committee Chairs and members, all of whom are independent. With the Compensation Committee conducting a rigorous annual evaluation of the CEO's performance that is discussed by all independent directors during executive sessions, we believe our Board leadership structure provides independent oversight of our company.

BOARD COMMITTEES

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Each of our Board committees has a written charter that describes its purposes, membership and meeting structure, and authority and responsibilities. These charters, which may be found in the "Corporate Governance" section of our website at www.tetratech.com/en/corporate-governance, are reviewed by the respective committee on an annual basis, with any recommended changes adopted upon approval by our Board. Updated charters are promptly posted on our website.

We have four standing committees composed solely of independent directors, each with a different independent director serving as chairperson of the committee. Our Board committees are: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee,

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and the Strategic Planning and Enterprise Risk Committee. We hold our Board committee meetings sequentially (i.e., committee meetings do not overlap with one another). As a result of holding sequential meetings, each of our Board members is given the opportunity to attend each committee meeting. We believe this practice is highly beneficial to our Board as a whole and the company in general because each of our Board members is aware of the detailed work conducted by each Board committee. This practice also affords each of our Board members the opportunity to provide input to the committee members before any conclusions are reached.

The primary responsibilities, membership and meeting information for our four standing committees are summarized below.

Audit Committee

Members:

Hugh M. Grant (Chair)
 J. Christopher Lewis
 Kirsten M. Volpi
 Kimberly E. Ritrievi

Meetings in Fiscal 2015: 6

Average Attendance in Fiscal 2015: 100%

All members satisfy the audit committee experience and independence standards required by Nasdaq, and have been determined to be financially literate.

Each of Mr. Grant and Ms. Volpi has been determined to be an "audit committee financial expert" under applicable SEC regulations.

Responsibilities:

reviewing our significant accounting principles, policies and practices in reporting our financial results under generally accepted accounting principles;

reviewing our annual audited financial statements and related disclosures;

reviewing management letters or internal control reports, and reviewing our internal controls over financial reporting;

reviewing the effectiveness of the independent audit effort;

appointing, retaining and overseeing the work of the independent accountants;

pre-approving audit and permissible non-audit services provided by the independent registered public accounting firm;

reviewing our interim financial results for each of the first three fiscal quarters;

reviewing the reports of our internal Management Audit Department;

reviewing and discussing financial, liquidity, tax and treasury, litigation and Sarbanes-Oxley compliance matters in accordance with our enterprise risk management (ERM) responsibility matrix;

reviewing and overseeing related party transactions;

reviewing complaints regarding accounting, internal controls or auditing matters; and

preparing the annual Audit Committee Report to be included in the proxy statement.

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Compensation Committee

Members:

J. Kenneth Thompson (Chair)
Patrick C. Haden
Albert E. Smith
Kirsten M. Volpi

Meetings in Fiscal 2015: 5

Average Attendance in Fiscal 2015:
100%

All members satisfy the independence standards required by Nasdaq.

All members qualify as "non-employee directors" under Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and "outside directors" under Section 162(m) of the Internal Revenue Code.

Responsibilities:

reviewing and approving the annual base salaries and annual incentive opportunities of the CEO and other executive officers, including an evaluation of the performance of the executive officers in light of our performance goals and objectives;

reviewing and approving, as they affect the executive officers, all other incentive awards and opportunities, any employment agreements and severance arrangements, any change-in-control agreements, and any special or supplemental compensation and benefits;

reviewing and discussing comments provided by stockholders and proxy advisory firms regarding our executive compensation;

overseeing our compliance with SEC rules and regulations regarding stockholder approval of certain executive compensation matters;

reviewing director and executive officer stock ownership under our Stock Ownership Guidelines;

reviewing and discussing incentives and rewards in accordance with our ERM responsibility matrix;

making recommendations to the Board with respect to incentive-based compensation plans, equity-based plans and executive benefits;

reviewing and approving all grants of equity awards; and

reviewing and discussing the annual Compensation Discussion and Analysis and Compensation Committee Report to be included in the proxy statement;

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Nominating and Corporate Governance Committee

Members:

Patrick C. Haden (Chair)
Hugh M. Grant
J. Christopher Lewis
Richard H. Truly

Responsibilities:

developing criteria for nominating and appointing directors, including Board size and composition, corporate governance policies, and individual director expertise, attributes and skills;

Meetings in Fiscal 2015: 4

Average Attendance in Fiscal 2015:

100%

All members satisfy the independence standards required by Nasdaq.

recommending to the Board the individuals to be nominated as directors;

recommending to the Board the appointees to be selected for service on the Board committees;

overseeing an annual review of the performance of the Board and each committee;

reviewing annually the adequacy of the committee charters and recommending proposed changes to the Board;

making recommendations to the Board on changes in the compensation of non-employee directors;

reviewing the succession plans relating to the positions held by executive officers;

reviewing our Code of Conduct and anti-fraud policies in accordance with our ERM responsibility matrix; and

considering any conflict of interest issues between us and directors or executive officers.

Strategic Planning and Enterprise Risk Committee

Members:

Albert E. Smith (Chair)
Kimberly E. Ritrievi
J. Kenneth Thompson
Richard H. Truly

Responsibilities:

overseeing our strategic planning process, and working with management to plan the annual offsite Strategic Planning and Enterprise Risk meeting;

Meetings in Fiscal 2015: 2

Average Attendance in Fiscal 2015:
100%

All members satisfy the independence standards required by Nasdaq.

reviewing and recommending to the Board certain strategic decisions regarding our exit from existing lines of business, entry into new lines of business, acquisitions, joint ventures, investments in or dispositions of businesses, and reviewing and approving our capital allocation strategy;

reviewing, as requested by management, our bid and proposal strategy for high risk contracts;

overseeing our enterprise risk management (ERM) policies and procedures, and working with our Risk Management Officer on ERM reports to the Board; and

reviewing, as determined by management, any changes in technology and regulatory trends to assess the impact of technology and regulatory changes on business strategy and resource allocation.

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EXECUTIVE SESSIONS

Our Board believes it is important to have executive sessions without our CEO being present, which are scheduled after every regular meeting of the Board. Our independent directors have robust and candid discussions at these executive sessions during which they can critically evaluate the performance of our company, CEO and management. Mr. Lewis presided as Presiding Director at each of the six executive sessions of independent directors.

In addition, executive sessions of the Audit Committee are scheduled following each regular meeting of the Audit Committee (one with PwC and one with the head of our Management Audit Department), and an executive session of the Compensation Committee is scheduled following the Compensation Committee meeting each November at which executive compensation determinations are made.

RISK OVERSIGHT

ENTERPRISE RISK MANAGEMENT AND STRATEGIC RISKS

We believe that risk is inherent in the pursuit of long-term growth opportunities. Our management is responsible for day-to-day risk management activities. The Board of Directors, acting directly and through its committees, is responsible for the oversight of our risk management. With this oversight, we have implemented an ERM program with practices and policies designed to help manage the risks to which we are exposed in our business and to align risk-taking appropriately with our efforts to increase stockholder value.

The Strategic Planning and Enterprise Risk Committee is responsible for the oversight of the ERM. Our Corporate Risk Management Officer reports the status of the ERM to this committee on a semi-annual basis. The reports address our risk management effectiveness, those projects that may significantly impact our financial condition, and any new risk issues and mitigation measures that have been implemented.

As part of the overall risk oversight framework, other committees of the Board also oversee certain categories of risk associated with their respective areas of responsibility to better coordinate with management and serve the long-term interests of our stockholders. Our Board receives reports from the committees regarding topics discussed at the committee meetings, which include the areas of risk overseen primarily by the committees.

In addition, the Board participates in regular discussions among the directors and with our senior management with respect to several core subjects in which risk oversight is an inherent element, including strategy, operations, finance, mergers and acquisitions, and legal matters. The Board believes that the leadership structure described above under "Board Leadership Structure" facilitates the Board's oversight of risk management because it allows the Board, with leadership from the Presiding Director and working through its committees, to participate actively in the oversight of management's actions.

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OVERSIGHT OF RISK

Board or Committee

Major Areas of Responsibility

	Annual operating plan;
	Corporate governance;
Board of Directors	Major initiatives; mergers and acquisitions;
	Business development;
	Project execution; and
	Major markets and clients
Audit Committee	Financial metrics and measures;
	Liquidity and cash flow;
	Tax and treasury strategy;
	Fiscal discipline;
	Litigation and claims; and

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Sarbanes-Oxley compliance

Compensation Committee

Management incentives and awards

Nominating and Corporate Governance Committee

Code of Conduct; and

Anti-fraud policies

Business planning and performance;

Risk appetite and tolerance;

Strategic Planning and Enterprise Risk Committee

Bids and proposals;

Capital structure;

Technology risk; and

Corporate ERM

RISKS ASSOCIATED WITH COMPENSATION POLICIES AND PRACTICES

As described in the *Compensation Discussion and Analysis* section of this proxy statement, we maintain best practices in compensation and corporate governance that collectively encourage ongoing risk assessment and mitigation. The Compensation Committee periodically reviews our executive compensation program to ensure that it does not provide incentives that encourage our employees to take excessive risks in managing their respective businesses or functional areas. Our compensation program includes the following safeguards:

the program balances executive retention with rewarding stockholder value creation;

the majority of executive compensation is variable, with a mix that is consistent with market practices and primarily equity-based to promote long-term performance and sustainable growth;

the incentive mix is balanced, with short- and long-term performance metrics that do not overlap, cover different time periods and are balanced among annual financial objectives and long-term economic and stockholder value

creation;

our annual incentive plan (AIP) and long-term incentives (LTIs) appropriately balance profitable growth in the near term with sustainable long-term financial success, use multiple performance metrics, measure performance at multiple levels (corporate, business group and individual), and provide realized compensation based primarily on our performance;

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the Compensation Committee may exercise downward discretion to adjust AIP awards based on individual performance;

AIP awards are not guaranteed, with below threshold performance yielding zero payout, and payments subject to caps;

our performance share unit (PSU) equity awards are performance based, use multiple performance metrics, are subject to maximum payout opportunities to encourage appropriate performance focus and limit potential risk-taking, and cliff vest at the end of three years;

our change of control plans are reasonable and appropriate, with change of control benefits provided on a double-trigger basis and not grossed up for excise taxes; and

our clawback policy and stock ownership guidelines are consistent with market practices.

Based upon its review, the Compensation Committee has concluded that our compensation policies and practices strike an appropriate compensation-risk balance, do not encourage excessive risk-taking and do not as a whole create risks that are reasonably likely to have a material adverse effect on our company.

SUCCESSION PLANNING

Our Board is involved in the identification and cultivation of our future leaders. We maintain an annual performance review process and leadership development program for our key employees. Management develops leadership at lower levels of our organization by identifying core talent, cultivating the skills and capabilities that will allow identified individuals to become our future leaders, assessing their development, and identifying gaps and developmental needs in skills and experience. At its meetings, the Board has the opportunity to meet with leaders of our company, including business group leaders and leaders in finance, law, information technology, risk management and human resources. In addition, Board members have freedom of access to key employees.

The Nominating and Corporate Governance Committee conducts executive succession planning annually, including progress in current job position and career development in terms of strategy, leadership and execution. During this review, the CEO and the independent directors discuss future candidates for senior leadership positions, succession timing for those positions, and development plans for the highest-potential candidates. This process ensures continuity of leadership over the long term, and it forms the basis on which we make ongoing leadership assignments.

BOARD AND COMMITTEE EVALUATIONS

The Nominating and Corporate Governance Committee oversees and conducts an annual evaluation of our Board and Board committees. Many of the improvements in our corporate governance practices and Board processes have resulted from the annual evaluation process. Our Board views the annual evaluation process as an integral part of its commitment to cultivating excellence and best practices in its performance.

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ACTIVE STOCKHOLDER ENGAGEMENT AND COMMUNICATIONS POLICY

GOVERNANCE ENGAGEMENT

We value our stockholders' opinions about our governance policies and practices, and we actively solicit input through our stockholder engagement program. In advance of the 2016 Annual Meeting, we proactively contacted our largest institutional stockholders, representing a majority of our then-outstanding shares, to solicit their views on our corporate governance and executive compensation programs. We welcome feedback on our corporate governance program that this active and ongoing engagement with stockholders provides.

CONTACTING THE BOARD

Stockholders may contact our Board, Chairman, Presiding Director, any Committee or Committee Chair, or any other individual director concerning business-related matters by writing to: Board of Directors (or a particular subgroup or individual director), c/o Corporate Secretary, Tetra Tech, Inc., 3475 E. Foothill Blvd., Pasadena, California 91107.

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ITEM 1 ELECTION OF DIRECTORS

Our Bylaws currently provide for a Board of between five and nine directors, with the exact number fixed from time to time by a resolution of our Board. There are currently nine directors on our Board, all of whom are nominated for election at the Annual Meeting. All directors are being nominated for a one-year term. Each of the nine nominees has consented to being named in this proxy statement and continue serving if elected.

MAJORITY VOTING STANDARD

Our Bylaws provide for the majority voting of directors in uncontested elections like this one. Consequently, in order to be elected, a nominee must receive more votes "for" than "against" and the number of votes "for" must be at least a majority of the required quorum. Should any of the nominees fail to receive the vote required to be elected in accordance with our bylaws, that director must promptly tender his or her resignation to the Board of Directors. In that event, the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will then act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose its decision regarding the tendered resignation and the rationale behind the decision within ninety (90) days from the date of the certification of the election results.

In voting for the election of directors, each share has one vote for each position to be filled and there is no cumulative voting.

RECOMMENDATION OF BOARD OF DIRECTORS

Your Board of Directors recommends that you vote FOR each of the director nominees. The persons named as proxies will vote for the election of each of the nine nominees unless you specify otherwise. If any director nominee were to become unavailable prior to the Annual Meeting, your proxy would be voted for a substitute nominee designated by our Board or we would reduce the size of the Board.

SELECTION OF DIRECTOR NOMINEES

Director nominees are generally recommended by the Nominating and Corporate Governance Committee for nomination by our Board and election by our stockholders. Director nominees may also be recommended by the Nominating and Corporate Governance Committee for appointment to our Board, with election by stockholders to follow at the next Annual Meeting. Our Board believes that the backgrounds and qualifications of our directors, considered as a group, provide a mix of complementary experience, knowledge and abilities that allows our directors to effectively fulfill their oversight responsibilities.

In considering whether to recommend a candidate as a director nominee, the Nominating and Corporate Governance Committee applies the criteria described in our Governance Policies, including independence, integrity, high personal and professional ethics, sound business judgment, integrity, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Nominating and Corporate Governance Committee takes into account many factors, including a general understanding of business development and strategy, risk management, finance, financial reporting and other disciplines relevant to the success of a publicly-traded company in the then-current business environment; understanding of our business and the issues affecting that

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business; education and professional background; personal accomplishment; and diversity. The Nominating and Corporate Governance Committee does not assign specific weights to the criteria, and no particular criterion is necessarily applicable to all nominees.

In recommending candidates for election to the Board of Directors, the Nominating and Corporate Governance Committee considers nominees recommended by directors, officers and others, using the same criteria to evaluate all candidates. The committee reviews each candidate's qualifications, including whether a candidate possesses any of the specific qualities and skills desirable in certain members of the Board of Directors. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate. Upon selection of a qualified candidate, the Nominating and Corporate Governance Committee recommends the candidate for consideration by the full Board. The committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

STOCKHOLDER SUBMISSION OF DIRECTOR NOMINEES

Stockholders may recommend director candidates by submitting the candidate's name, together with his or her biographical information, professional experience and written consent to nomination, to Nominating and Corporate Governance Committee Chair, c/o Corporate Secretary, Tetra Tech, Inc., 3475 E. Foothill Blvd., Pasadena, CA 91107.

To be considered at the 2017 Annual Meeting, stockholder nominations must comply with the requirements described in the last section of this proxy statement under *Submission of Stockholder Items for 2017 Annual Meeting*. The Nominating and Corporate Governance Committee considers stockholder nominees on the same basis as it considers all other nominees.

DIRECTOR QUALIFICATIONS

The qualifications that are particularly desirable for our directors to possess to provide oversight and stewardship of our company include the following:

Qualification	Description	Value to Our Board and Stockholders
Senior Leadership Experience	Service in a senior executive position	Provides us valuable external perspectives with which to assess our operations, execute our strategies, mitigate related risks, and improve our policies and procedures.
Industry and Technical Expertise	Experience in consulting, engineering, program management and construction management services that focus on water, the environment, infrastructure, resource management and energy.	Allows us to better understand the needs of our clients in developing our business strategies, as well as evaluate acquisition and divestiture opportunities.
Government Expertise	Service in a government position	Provides us experience and insight into working constructively with government agencies and administrators, and addressing significant public policy issues in areas related to our business and operations.

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Qualification	Description	Value to Our Board and Stockholders
Business Development and Mergers and Acquisitions (M&A) Experience	Background in business development and in the analysis of proposed M&A transactions	Provides us insight into developing and implementing strategies for growing our business through combinations with other organizations, including analyses of the "fit" of a proposed acquisition with our company's strategy, the valuation of transaction, and the management plan for integration with existing operations.
Financial Sophistication	Understanding of accounting, auditing, tax, banking, insurance or investments	Helps us oversee our accounting, financial reporting and internal control processes, manage our capital structure, optimize stockholder distributions, and undertake significant transactions.
Board Experience	Prior or concurrent service on other SEC-reporting company boards	Demonstrates understanding of the extensive and complex oversight responsibilities of directors and helps reinforce management accountability for maximizing long-term stockholder value. Also provides insights into a variety of strategic planning, compensation, finance and governance practices.

BOARD REFRESHMENT

Our Governance Policies reflect our belief that directors should not be subject to term limits. While term limits could help bring fresh ideas and viewpoints to the Board, we believe they are outweighed by the disadvantage of causing the loss of a director who over a period of time has developed insight into our strategies, operations and risks, and continues to provide valuable contributions to Board deliberations. We recognize that certain governance stakeholders have suggested that longer-serving directors may have decreased independence and objectivity; therefore, we have adopted the policies shown in the following chart to facilitate refreshment of our Board and ensure that it continues to appropriately challenge our management.

POLICIES SUPPORTING BOARD REFRESHMENT

Policy	Description
Mandatory Resignation	Incumbent directors who are not elected by a majority vote of our stockholders must tender their resignation.
Retirement	The Board has fixed the retirement age for directors at 75 (determined as of the Annual Meeting following the director's birthday). However, Mr. Grant and Admiral Truly have been "grandfathered" because of their special qualifications and experience, and the Board has waived this mandatory retirement requirement solely for them. There are no established term limits on service.
Resignation Tendered Upon Retirement or Change in Principal Employment	Directors who retire or change their principal occupation or business association must offer to tender his/her resignation so that there is an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under the new circumstances.