

TUTOR PERINI Corp
Form DEF 14A
April 19, 2012

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

Filed by the registrant Filed by a party other than the registrant

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 Rule 14a-12

TUTOR PERINI CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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(1) Amount previously paid:

(2) Form, Schedule, or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Tutor Perini Corporation
15901 Olden Street
Sylmar, California 91342

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON May 31, 2012

TO THE SHAREHOLDERS OF TUTOR PERINI CORPORATION:

NOTICE IS HEREBY GIVEN that the 2012 annual meeting of the shareholders of TUTOR PERINI CORPORATION, a Massachusetts corporation (the “Company”, “Tutor Perini”, “we”, “us” or “our”) will be held at our corporate headquarters, 15901 Olden Street, Sylmar, California, on May 31, 2012 at 10 a.m., local time.

At the meeting, holders of common stock, par value \$1.00 per share, of the Company (the “Common Stock”) will consider and vote on the following matters:

1. Elect three (3) Class I Directors, to hold office for a three-year term, expiring at the Company’s 2015 Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. Consider and ratify the selection of Deloitte & Touche, LLP, independent registered public accountants, as auditors of the Company for the fiscal year ending December 31, 2012;
3. Consider an advisory vote on Tutor Perini’s executive compensation plans and programs;
4. Such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on April 16, 2012 as the record date for the determination of the shareholders entitled to vote at the meeting. Only shareholders of record as of the close of business on the record date will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof.

This year we are taking advantage of a Securities and Exchange Commission rule that permits us to furnish proxy materials to shareholders over the Internet. We have mailed to our shareholders a Notice of Internet Availability of Proxy Materials, which indicates how to access our proxy materials on the Internet. We are constantly focused on improving the ways people connect with information, and believe that providing our proxy materials over the Internet increases the ability of our shareholders to connect with the information they need, while reducing the environmental impact of our annual meeting. If you prefer a paper copy of the proxy materials, you may request one by following the procedures set forth in the Notice of Internet Availability of Proxy Materials.

Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. If you are a shareholder of record, you may vote your shares over the Internet at www.investorvote.com/TPC, telephonically by dialing 1-800-652-VOTE (1-800-652-8683) or if you requested to receive printed proxy materials, via your enclosed proxy card. If the shares you own are held in “street name” by a bank or brokerage firm, your bank or brokerage firm will provide a Notice of Availability of Proxy Materials, or, if requested, a printed set of proxy materials together with a voting instruction form which you may use to direct how your shares will be voted.

By order of the Board of Directors,

William B. Sparks, Secretary

Sylmar, California
April 19, 2012

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Shareholders to be Held on May 31, 2012

The Proxy Statement and 2011 Annual Report are available at
<http://phx.corporate-ir.net/phoenix.zhtml?c=106886&p=proxy>

2012 ANNUAL MEETING OF SHAREHOLDERS
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ANNUAL MEETING OF THE SHAREHOLDERS
OF TUTOR PERINI CORPORATION

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the “Board”) of TUTOR PERINI CORPORATION (the “Company”, “Tutor Perini”, “we”, “us” or “our”), of proxies for use in voting at the 2012 annual meeting of shareholders, to be held at our corporate headquarters, 15901 Olden Street, Sylmar, California, on May 31, 2012, at 10:00 a.m., local time, and any adjournment or postponement thereof (the “Annual Meeting”), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. On or about April 19, 2012 proxy materials for the Annual Meeting, including this proxy statement and the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 were made available over the Internet to shareholders entitled to vote at the Annual Meeting. A Notice of Internet Availability of Proxy Materials, indicating how to access our proxy materials over the Internet, was first sent, or given, to shareholders on or about April 19, 2012. The date of this Proxy Statement is April 19, 2012.

SHAREHOLDERS ENTITLED TO VOTE

The Board has fixed the close of business on April 16, 2012 as the record date for the determination of the shareholders entitled to vote at the Annual Meeting. As of April 16, 2012, the Company had outstanding 47,367,950 shares of common stock. Each share is entitled to one vote.

Only shareholders of record as of the close of business on April 16, 2012 will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof. Notwithstanding the record date specified above, our stock transfer books will not be closed and shares may be transferred subsequent to the record date. However, all votes must be cast in the names of shareholders of record on the record date.

Shareholders wishing to attend the Annual Meeting can access directions on the homepage of our website at <http://www.tutorperini.com>.

PROXIES AND VOTING PROCEDURES

As discussed in the Notice of Internet Availability of Proxy Materials you received in the mail, if you are a shareholder of record, you may vote your shares over the Internet at www.investorvote.com/TPC or telephonically by dialing 1-800-652-VOTE (1-800-652-8683). Proxies submitted via the Internet or by telephone must be received by 2:00 a.m., Pacific Time, on May 31, 2012. If you prefer a paper copy of the proxy materials, you may request one by following the procedures set forth in the Notice of Internet Availability of Proxy Materials, and you may vote your shares by following the instructions on the enclosed proxy card.

If the shares you own are held in “street name” by a bank or brokerage firm, your bank or brokerage firm will provide a Notice of Internet Availability of Proxy Materials, or a printed set of proxy materials together with a voting instruction form which you may use to direct how your shares will be voted.

SHAREHOLDER VOTES REQUIRED

Proposal 1, election of each of the nominees for director, requires the affirmative vote of a plurality of the votes cast at the Annual Meeting. You may vote FOR any or all director nominees and/or WITHHOLD your vote from any or all of the director nominees.

Proposal 2, ratification of the selection of Deloitte & Touche, LLP as the Company’s independent auditors for 2012, requires the affirmative vote of the holders of a majority of the votes cast on the proposal at the Annual Meeting.

Proposal 3 provides for an advisory vote (non-binding) on the Company's executive compensation plans and programs as disclosed in the Compensation Discussion & Analysis. However, the Board and the Compensation

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Committee will consider the affirmative vote of the holders of a majority of the votes cast on the proposal at the Annual Meeting as approval of the compensation paid to the Company's named executive officers.

ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT

As permitted by Securities and Exchange Commission rules, we are making this proxy statement and our annual report available to shareholders electronically via the Internet at <http://phx.corporate-ir.net/phoenix.zhtml?c=106886&p=proxy>. On April 19, 2012, we began mailing to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and how to vote online. If you received that notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained in the notice. We are constantly focused on improving the ways people connect with information, and believe that providing our proxy materials over the Internet increases the ability of our shareholders to connect with the information they need, while reducing the environmental impact of our Annual Meeting.

QUORUM

The presence, in person or by proxy, of outstanding shares of common stock representing a majority of the shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Shares that reflect abstentions or broker non-votes will be counted for purposes of determining whether a quorum is present for the transaction of business at the Annual Meeting.

ABSTENTIONS AND BROKER NON-VOTES

An "abstention" occurs when a shareholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. For purposes of establishing a quorum, abstentions in person and proxies received but marked as abstentions as to any or all matters to be voted on count as present.

Abstentions have no effect on any of the proposals discussed in this proxy statement.

If your shares are held in "street name," your brokerage firm, under certain circumstances, may vote your shares for you if you do not return your proxy. Brokerage firms have authority under the rules of the New York Stock Exchange ("NYSE") to vote customers' unvoted shares on some routine matters. If you do not give a proxy to your brokerage firm to vote your shares, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted. Of the proposals contained herein, only Proposal 2 is considered a routine matter.

Regardless of whether you are a record holder of your shares or hold your shares in "street name," we encourage you to provide voting instructions to your brokerage firm. This ensures your shares will be voted at the meeting according to your instructions.

PROXY SOLICITATION

In addition to solicitation by mail, our directors, officers, and employees may solicit proxies from Tutor Perini shareholders by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. We will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Tutor Perini has retained Georgeson Inc., a proxy solicitation firm, to assist it in the solicitation of proxies for the Annual Meeting. Tutor Perini will pay Georgeson Inc. (“Georgeson”) a fee of \$8,500 for its services. In addition, Tutor Perini may pay Georgeson additional fees depending on the extent of additional services

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requested by Tutor Perini and will reimburse Georgeson for expenses incurred in connection with its engagement by Tutor Perini.

Tutor Perini pays the cost of soliciting proxies.

REVOCATION OF PROXIES

If you execute and return a form of proxy or vote electronically in accordance with the instructions provided in the Notice of Internet Availability of Proxy Materials, your proxy may be revoked at any time before it is voted by written notice to our Secretary, by the subsequent execution and delivery of another proxy, or by voting in person at the Annual Meeting. Please note that if you have instructed your broker to vote your shares, the options for revoking your proxy described above do not apply and instead you must follow the directions provided by your broker to change those instructions.

ADJOURNMENTS AND POSTPONEMENTS

Although it is not currently expected, the Annual Meeting may be adjourned or postponed, including for the purpose of soliciting additional proxies, by action of the presiding officer of the Annual Meeting in accordance with Tutor Perini's bylaws. In addition, the Board may postpone and reschedule the Annual Meeting prior to the meeting in accordance with Tutor Perini's bylaws. Any adjournment may be made without notice, other than by an announcement made at the Annual Meeting of the time, date and place of the adjourned meeting, regardless of whether or not a quorum is present.

Any adjournment or postponement of the Annual Meeting for the purpose of soliciting additional proxies will allow the Tutor Perini shareholders who have already sent their proxies to revoke them any time prior to their use at the Annual Meeting as adjourned or postponed.

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PROPOSAL 1: ELECTION OF DIRECTORS

The Board has nominated three (3) Class I directors to serve until the 2015 annual meeting of shareholders. In accordance with our bylaws, each director nominee will be elected to serve for a three-year term, unless he or she resigns, dies or is removed before his term expires, or until his or her successor has been duly elected and qualified.

The following individuals are the nominees for election to the Board:

Name	Age	Director Since
Class I—Nominees for Election		
Robert Band	64	1999
Michael R. Klein	70	1997
Robert L. Miller	71	2004

Messrs. Band, Klein and Miller currently serve as Class I members of the Board. See “Corporate Governance - Nominations for Director” beginning on page 11 for a discussion of the director identification, appointment and nomination process. The Board has affirmatively concluded that Messrs. Klein and Miller qualify as independent directors under the independence standards established by Section 303A of the NYSE corporate governance rules. Mr. Band, who is an executive officer and employee of the Company, does not qualify as an independent director. More detailed information about the Board’s determination of director independence is provided in the section of this proxy statement titled “Board of Directors - Director Independence” on page 8.

The principal occupation and business experience of each director nominee for the last five years is set forth below:

Robert Band has served as a director since May 1999. He has also served as President since May 1999 and as Chief Operating Officer from March 2000 to March 2009. He has served as Chief Executive Officer of the Management Services Group since March 2009 and president of Perini Management Services, Inc. since 1996. He has served in various operating and financial positions with the Company since 1973, including executive vice president and Chief Financial Officer from 1997-1999. He also serves as a director and president of Jewish Family Services of Metrowest, a not-for-profit entity. With nearly 39 years of experience in the Company, Mr. Band provides tremendous insight into the financial and operational aspects of the Company. Additionally, Mr. Band brings international and government expertise to the Board gained through his positions at Perini Management Services, Inc.

Michael R. Klein has served as a director since January 1997 and as Vice Chairman of the Board since September 2000. He is also the designated Lead Director. Mr. Klein, a private investor, serves as Chairman of the Board of Directors of CoStar Group, Inc., a publicly held provider of commercial real estate information; as Chairman and CEO of the Sunlight Foundation, a non-profit organization; and as Chairman of Shakespeare Theatre Company, a non-profit organization. Through 2009 he served as Chairman of the Board of Directors of Le Paradou, LLC, a privately held company, and through 2011 he served as the Lead Director and Chairman of the Governance Committee of SRA International, Inc., a formerly publicly held provider of technology and strategic consulting services and solutions which was sold in June 2011. He is also a director of ASTAR Air Cargo, Inc., a privately held company. From 1974 until his retirement in 2005, Mr. Klein was a partner of the law firm Wilmer Cutler Pickering. Mr. Klein’s 30 plus years as a corporate lawyer, investor and director of multiple corporations, both public and private, qualify and enable him to contribute sound judgment and leadership to the Company in his role as Lead Director.

Robert L. Miller has served as a director since 2004. In 1979, he co-founded West Venture Development Co., a homebuilding and commercial real estate company, and functioned as its president until its sale in 1991. Previously he was a construction manager with Morrison-Knudsen Inc. He was Chairman of the Board of Monroc Corp., a publicly held concrete and aggregate company from 1995-1998. Since 2000, he has been a

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principal in Robert L. Miller & Assoc., Inc., a real estate development firm. Through approximately 40 years of experience as a contractor/developer, Mr. Miller brings to the Board industry specific expertise and insight.

Our Corporate Governance and Nominating Committee has recommended Messrs. Band, Klein and Miller for re-election as Class I Directors. Unless otherwise noted thereon, proxies solicited hereby will be voted for the election of the director nominees to hold office until the 2015 annual meeting of shareholders and until their successors are chosen and qualified. Each nominee has consented to being named in this proxy statement and, if elected, each nominee has consented to serve as a director until his successor is duly elected and qualified. The Board does not contemplate that any nominee will be unable to serve as a director for any reason, but if that should occur prior to the meeting, proxies solicited hereby may be voted either for a substitute nominee designated by the Board or recommended by the Corporate Governance and Nominating Committee, or the Board may determine to leave any such Board seat vacant until a suitable candidate is identified, or to reduce the size of the Board.

THE TUTOR PERINI BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” EACH OF THE BOARD OF DIRECTORS’ NOMINEES FOR ELECTION AS A CLASS I DIRECTOR.

BOARD OF DIRECTORS

The following table shows the names and ages of our current directors and director nominees.

Name	Age	Position	Term of Office
Ronald N. Tutor	71	Chairman of the Board and Chief Executive Officer	2013
Michael R. Klein	70	Vice Chairman of the Board, Lead Director	2012
Marilyn A. Alexander	60	Director	2014
Peter Arkley	57	Director	2014
Robert Band	64	Director, President	2012
Willard W. Brittain, Jr.	64	Director	(a)
Raymond R. Oneglia	64	Director	2014
Robert L. Miller	71	Director	2012
Donald D. Snyder	64	Director	2014
Dickran M. Tevrizian, Jr.	71	Director	2013

(a) As discussed under the “Board Composition” section below, in March 2012, Mr. Brittain notified the Company that, for personal reasons, he will not stand for re-election to the Company’s board and his term will end effective at the 2012 Annual Meeting.

The principal occupation and business experience of each director for the last five years is set forth below. For biographical summaries of the Class I directors, Messrs. Band, Klein and Miller, see Proposal 1 above.

Ronald N. Tutor has served as our Chief Executive Officer since March 2000, as Chairman since July 1999, and as a director since January 1997. Mr. Tutor also served as Chairman, President and Chief Executive Officer of Tutor-Saliba Corporation (“Tutor-Saliba”), a privately held California corporation engaged in the construction industry, until Tutor-Saliba merged with the Company in September 2008. He is a member of the Board of Trustees of the University of Southern California. With over 15 years at the Company and over 49 years in the industry, Mr. Tutor brings to our Board an in-depth knowledge of our Company and the construction industry.

Marilyn A. Alexander has served as director since 2008. She has been an independent consultant since 2003, serving as principal of Alexander & Friedman LLC, a management consulting company since 2006. She previously served as Senior Vice President and Chief Financial Officer of The Disneyland Resort from 2000 to 2003. She is also a member

of the Board of Directors for DCT Industrial Trust Inc., a publicly held real estate company specializing in the ownership, acquisition, leasing, development, redevelopment and management of bulk distribution and light industrial properties, where she serves on the audit and nominating and corporate

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governance committees; a member of the Board of Governors of Chapman University, a not-for-profit organization; a member of the Board of Regents and a member of the finance and marketing and enrollment (chair) committees of Brandman University, a not-for-profit subsidiary of Chapman University; and a member of the Board of Advisors of WalkStyles, Incorporated, a privately held company. She previously served as secretary of the Board of Directors of the Be Aware Foundation, a not-for-profit foundation and on the Board of Directors of Equity Office Properties, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO Commercial Securities Trust, Inc. and PIMCO Strategic Global Government Fund, Inc., as well as New Century Financial Corporation. Ms. Alexander brings to our Board a wide range of management experience and financial expertise.

Peter Arkley has served as a director since May 2000. Since June 2011 he has served as Managing Director of Alliant Insurance Services, an insurance and bonding brokerage firm. He previously served as the Chairman/CEO of AON's United States Construction Services Group, an insurance and bonding brokerage firm, from 1994 to 2008, and in 2008 he served as the Managing Principal/CEO of AON's Global Construction Group until June 2011. He is also a director of the Greater Los Angeles Zoo Association, a non-profit organization. Mr. Arkley has extensive knowledge and expertise in insurance surety and financial service markets. Mr. Arkley provides the Board insight on risk management and financial service matters.

Willard W. Brittain, Jr. became a director in November 2004. He served as Chairman and Chief Executive Officer of Preod Corporation, a private executive search and business advisory firm, from 2003 through December 2011. He previously served as Chief Operating Officer of PricewaterhouseCoopers and PwC Consulting. Mr. Brittain has also served on the Board of Directors of Host Hotels & Resorts where he has been a member of the compensation and audit committees, DaVita Corporation, where he has been a member of the clinical performance, public policy, and nominating & governance committees, and Convergys Corporation, where he has served on the audit committee. All are publicly held companies. Mr. Brittain has also served as the treasurer and member of the Board of Directors of the National Urban League. Mr. Brittain gained critical insights into managing a global business in a complex and dynamic environment while serving as Chief Operating Officer of PricewaterhouseCoopers and PwC Consulting. Mr. Brittain brings to our Board extensive business consulting and financial management expertise.

Raymond R. Oneglia has served as a director since March 2000. Since 1997, he has also served as Vice Chairman of the Board of Directors of O&G Industries, Inc., a Connecticut corporation engaged in the construction industry, and prior to that, served in various operating and administrative capacities since 1970. Mr. Oneglia's 40 years of experience at O&G Industries allows him to contribute an in-depth industry perspective.

Donald D. Snyder has served as a director since 2008. He was a director and the president of Boyd Gaming Corporation from 1997 until his retirement in 2005. He presently serves as a dean of the Harrah College of Hotel Administration at the University of Nevada, Las Vegas; as a director and as a member of the nominating & governance (chair) and compensation committees of NV Energy, a publicly held utility holding company; as a member of the compensation (chair) and the finance & investment committees of Western Alliance Bancorporation, a publicly held commercial bank holding company, as well as serving as non-executive Chairman of the Board of Directors of its lead bank, Bank of Nevada; and as a director and as a member of the compensation and audit committees of Switch Communications Group, LLC, a privately held company. He is presently on the Board of Directors of several not-for-profit entities, including The Smith Center for the Performing Arts (Chairman) and the Nathan Adelson Hospice. Mr. Snyder's role as a public gaming company executive, his experience in commercial banking, and his experience on several public, private and non-profit boards provides the Board comprehensive insight on financial and business matters.

Dickran M. Tevrizian, Jr. has served as a director since September 2011. Prior to his retirement in April, 2007, Mr. Tevrizian was a judge for the United States District Court for the Central District of California since 1986. From 1999 to 2007, Judge Tevrizian also served as an Advisory Director to the University of California, Los Angeles School of

Public Policy. Upon retirement from the federal judiciary, Judge Tevrizian assumed the role of a private mediator/arbitrator with Judicial Arbitration and Mediation Services. Judge Tevrizian also

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serves on the boards of several non-profit hospitals including the Children's Hospital of L.A. and the Glendale Memorial Hospital Foundation, the legal advisory board of Legal Zoom, Inc. and several other privately-held companies and corporations. Judge Tevrizian's past experience as a Judge for the United States District Court provides the Board with insight on risk management and compliance matters.

Board Composition

The size of the Board has been set at eleven directors, as determined by the Board. The Board currently consists of ten directors. In accordance with our bylaws and the requirements of the Massachusetts Business Corporations Act, the Board is divided into three classes, with each director serving for a term of three years. As a consequence, the term of only one class of directors expires each year. At each annual meeting of shareholders, the successors to one class of directors then serving are elected to serve from the time of their election and qualification until the third annual meeting following their election or until their successors have been duly elected and qualified, or until their earlier resignation, removal or death.

Under the shareholders agreement which became effective upon the September 2008 merger of the Company with Tutor-Saliba (the "Amended Shareholders Agreement"), Mr. Tutor (as the representative of the former Tutor-Saliba shareholders) has the right to designate up to two nominees for appointment to an eleven-member Board (and thereafter, for nomination for election), subject to certain limitations contained in the Amended Shareholders Agreement. In addition, for so long as Mr. Tutor serves as our chief executive officer, the Amended Shareholders Agreement provides that he will be nominated for election to the Board. See "Amended Shareholders Agreement", page 42.

As discussed above, Judge Tevrizian was appointed to the Board in September 2011. The Corporate Governance and Nominating Committee reviewed his qualifications and recommended his appointment to the Board which was unanimously approved by the full Board. Judge Tevrizian is a Class II director and will serve until the 2013 meeting of shareholders when he will stand for reelection to the Board.

In March 2012, Mr. Brittain notified the Company that, for personal reasons, he will not stand for re-election to the Company's board and his term will end effective at the 2012 Annual Meeting. Mr. Brittain serves as the Chair of the Company's Audit Committee. Mr. Brittain's determination not to stand for re-election is not the result of any disagreement with the Company relating to its operations, policies or practices or with its Board or management. Upon the termination of Mr. Brittain's term at the 2012 Annual Meeting, Mr. Klein will act as the Chair of the Company's Audit Committee.

Additionally in March 2012, at the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors elected Martin Melone as an independent Class II director of the Company with a term expiring at the 2013 annual meeting of shareholders. Mr. Melone's term will begin effective on the date of the Company's 2012 Annual Meeting. The Board has determined that Mr. Melone will serve on the Audit Committee. Mr. Melone was a partner of Ernst & Young, LLP, an accounting firm, from 1975 to 2001. He was also a director of Countrywide Financial Corporation from August 2003 to June 2008, serving at various times on the audit and ethics, finance, corporate governance & nominating, and special oversight committees. He was also a director of Parsons E & C Corporation from March 2003 to November 2004. Mr. Melone served as the chair of the audit and ethics committee of Internet Brands, Inc. until its sale in December 2010. He is currently a member of the board of CanWel Building Materials Group, Ltd. He is a Trustee and Chair of the Audit Committee of the California Science Center Foundation, as well as a director of Public Counsel. Mr. Melone is a member of the Board of Regents of Santa Clara University and the Advisory Board of the Markkula Center for Applied Ethics.

As of the date of this proxy statement, Mr. Tutor has not elected to exercise his right to nominate additional directors for election, although he has not waived the right to do so in the future. Mr. Tutor has advised the Board that should he choose to designate a person for appointment to the Board at a time when the Board already includes eleven members, he would support a temporary expansion of the Board to twelve members to accommodate such additional member. Such expansion would continue until the next meeting of shareholders at which directors are elected, at which time the size of the Board would be reduced back to eleven members

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(as contemplated by the Amended Shareholders Agreement) and the slate of nominees for election adjusted accordingly.

Director Independence

The Board has determined that Ms. Alexander, Mr. Arkley, Mr. Brittain, Mr. Klein, Mr. Miller, Mr. Oneglia, Mr. Snyder, Judge Tevrizian and Mr. Melone are “independent” in accordance with the independence standards established by Section 303A of the NYSE rules. In determining independence pursuant to NYSE standards, each year the Board determines whether directors have a direct or indirect material relationship with Tutor Perini, including its subsidiaries that may interfere with their ability to exercise their independence from Tutor Perini.

In evaluating the independence of each non-employee director, the Board considered several factors. With respect to Mr. Oneglia, the Board considered the relationship between O&G Industries, Inc., of which Mr. Oneglia is Vice Chairman of the Board of Directors and a principal shareholder, and Tutor Perini, including the construction joint ventures between Tutor Perini and O&G Industries. The Board determined that the joint ventures did not impact Mr. Oneglia’s independence from Tutor Perini management because (1) the joint ventures are formed for the limited purposes of performing specific contractual requirements for owners as is commonplace in the construction business, (2) Mr. Oneglia is not personally involved in the management of these joint ventures and (3) Tutor Perini and O&G have an equal vote in the governance of such joint ventures. With respect to Mr. Arkley, the Board considered the relationship between Alliant Insurance Services (“Alliant”) and AON Risk Services (“AON”) during 2011, of which Mr. Arkley is currently Managing Director at Alliant and previously served during 2011 as Chairman/CEO of the United States Construction Services Group of AON, and Tutor Perini, an insurance and bonding client of Alliant and AON. The Board has determined that his independence from Tutor Perini management is not impacted because (1) services provided by Alliant and AON are supplied to Tutor Perini on terms similar to Alliant’s and AON’s other clients and (2) income generated by Alliant and AON for services provided to Tutor Perini are not material to AON’s or Alliant’s U.S. or consolidated operations. Specifically with regard to the income generated by AON and Alliant, the Board also considered the independence testing as defined NYSE Listing Standard 303A.02(b)(v) which states that a director is not independent if the director is a current employee of a company that has made payments to or received payments from Tutor Perini in an amount which, in any of the last three fiscal years exceeds the greater of \$1 million or 2% of such other company’s consolidated gross revenues. For 2011, Tutor Perini paid fees to AON and Alliant which were less than 2% of AON’s and Alliant’s 2011 consolidated gross revenues, respectively. No other independent directors had material relationships with Tutor Perini other than in their capacities as directors.

Messrs. Band and Tutor, who are executive officers and employees of Tutor Perini, do not qualify as independent directors.

Communications with the Board

The Board welcomes the submission of any comments or concerns from shareholders and other interested parties. Any shareholder who wishes to communicate with the Board may submit such communication in writing to Tutor Perini Corporation, 15901 Olden Street, Sylmar, CA 91342 and marked to the attention of the Board or any of its committees or individual directors. All comments or concerns from shareholders and other interested parties will be forwarded to the chair of our Audit Committee.

In order to facilitate communications with the independent directors, we have a secure telephone number (800-489-8689) whereby interested parties can communicate directly and confidentially with the independent directors, the Audit Committee or the Corporate Governance and Nominating Committee.

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CORPORATE GOVERNANCE

Committees and Meetings of the Board of Directors

The Board met six times during 2011. During 2011, each of our directors attended at least 75% of (i) the total number of meetings of the Board and (ii) the total number of meetings held by all committees on which such director served with the exception of Judge Tevrizian whose term began in September 2011. The members of the Board are encouraged to attend our annual shareholders meetings. Eight of the ten current directors attended the 2011 annual shareholders meeting.

Our bylaws authorize the Board to appoint one or more committees, each consisting of one or more directors. The Board currently has three standing committees: an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee.

Board Leadership

Mr. Tutor is the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer positions are separately designated offices of the Company, as defined in the Company's by-laws, however these offices may be held by the same person. The Board most recently evaluated these positions in contemplation of the Company's merger with Tutor-Saliba and determined that Mr. Tutor's continued participation in both positions is important to the continued success of the Company because of (i) his proven track-record in successfully bidding on and profitably managing large construction projects, (ii) his relationships with principals in the surety and bonding industry, which provide enhanced access to bonding and insurance for the Company's construction projects, and (iii) his success in managing large civil and private construction projects on a fixed price basis.

Mr. Klein is an outside director designated to be the Lead Director. Mr. Klein was elected the Lead Director by a majority of the independent directors and was determined by the Board to be independent. As Lead Director, Mr. Klein has the duties and authority outlined on page 10 under "Corporate Governance and Nominating Committee".

Board's Role in Risk Oversight

Periodically, and at least quarterly, the Board meets with management to discuss key risks to our operations and our strategy as well as risk mitigation plans and activities. The Board plays an integral role in providing risk oversight on potential related party transactions and any transactions outside of the normal course of our operations. Our Board administers its risk oversight function as a whole and through its Board committees. For example, the Audit Committee regularly discusses with management our major risk exposures, their potential financial impact on our company and our risk mitigation strategies. In addition, the Audit Committee participates in regular reviews of our process to assess and manage enterprise risk management, including those related to market/environmental, strategic, financial, operational, legal, compliance and reputational risks. In addition, each of the other standing Board committees (the Compensation Committee and the Corporate Governance and Nominating Committee) regularly meet to discuss the short-term and long-term objectives and to provide oversight for risks relating to the applicable committee's areas of responsibility. The Compensation Committee, with management's assistance, reviews the compensation plans and programs throughout the Company to confirm that these plans do not encourage excessive risk-taking that may have a materially adverse effect on the Company.

Audit Committee

The Board has an Audit Committee, which consists of Willard W. Brittain Jr. (Chair), Michael R. Klein, Marilyn A. Alexander, and Raymond R. Oneglia. Each of the members of the Audit Committee is "financially literate", as defined

in the NYSE listing standards and meets the independence requirements for members of an audit committee set forth in the rules of the Securities and Exchange Commission (“SEC”) and the listing standards of the NYSE, as affirmed by the Board. Based upon review of his qualifications, the Board has designated Mr. Brittain as an “audit committee financial expert” as defined by the rules of the SEC.

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The primary duties and responsibilities of the Audit Committee are to:

1. Oversee the integrity of our internal controls, financial systems and financial statements;
2. Review the quarterly unaudited and annual audited financial statements with management and the independent auditor;
3. Appoint and evaluate the independent auditor and monitor and evaluate the auditor's qualifications and independence;
4. Oversee compliance with legal and regulatory requirements;
5. Meet with the independent auditor in executive session at least annually;
6. Monitor the performance of both our internal and external auditors; and
7. Annually review the Audit Committee's charter and performance.

The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee met eight times in 2011.

Corporate Governance and Nominating Committee

The Board has a Corporate Governance and Nominating Committee, which consists of Michael R. Klein (Chair), Robert L. Miller, Donald D. Snyder, and Dickran M. Tevrizian, Jr (Note: Judge Tevrizian was elected to the Board in September 2011, and the Board determined that he would serve on the Corporate Governance and Nominating Committee in March 2012). Each member of the Corporate Governance and Nominating Committee is an independent director, as defined by the NYSE and as affirmed by the Board. The duties of the Corporate Governance and Nominating Committee include:

1. Identifying individuals qualified to become directors and recommending to the full Board the persons to be nominated for election as directors;
2. Recommending director nominees for each committee of the Board and nominees for Chair of each committee;
3. Evaluating the independence of each director and so advising the Board;
4. Conducting a review and update as necessary of the Corporate Governance Guidelines and the Code of Business Conduct and Ethics;
5. Conducting evaluations of the performance of the Board and each committee, including a self-evaluation; and
6. Nominating a Lead Director whose duties shall include presiding at executive sessions of the non-management directors.

The Corporate Governance and Nominating Committee has the authority to retain consultants or other experts as it considers necessary to assist in the performance of its duties. The Corporate Governance and Nominating Committee met four times in 2011.

The independent directors have designated Michael Klein, chair of the Corporate Governance and Nominating Committee, to act as the “Lead Director.” In his capacity as Lead Director, Mr. Klein has the following duties and authority:

chairing any meeting of the independent members of the Board in executive session;

meeting with any director who is not adequately performing his duties as a member of the Board or any committee;

serving as a liaison between the Chairman of the Board and the independent directors;

working with the Chairman to prepare the agenda for Board meetings and determining the need for special meetings of the Board; and

consulting with the Chairman on matters relating to corporate governance and Board performance.

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Compensation Committee

The Board has a Compensation Committee, which consists of Peter Arkley (Chair), Michael R. Klein and Donald D. Snyder. Each member of the Compensation Committee is an independent director, as defined by the NYSE and as affirmed by the Board.

The principal powers and duties of the Compensation Committee as established by the Board are to:

1. Review and approve the executive compensation programs and policies and to employ outside expert assistance, if required, to analyze our compensation practices to assure that they are consistent with corporate goals and objectives, and competitive with those of comparable firms in the construction industry;
2. Review and approve corporate goals and objectives relevant to the compensation of the Chairman and Chief Executive Officer, to evaluate his performance in light of those goals and objectives, and to determine and recommend to the Board for approval his compensation level based on this evaluation;
3. Make recommendations to the Board with respect to executive officer compensation;
4. Recommend to the Board annual profit and other targets for Tutor Perini for the purpose of determining incentive compensation awards under the provisions of the 2009 General Incentive Compensation Plan and the Amended and Restated (2004) Construction Business Unit Incentive Compensation Plan (the "Incentive Compensation Plans");
5. Administer the Tutor Perini Corporation Long Term Incentive Plan (the "Stock Option Plan") and the Incentive Compensation Plans; such administration includes power to (i) approve participants' participation in the Stock Option Plan, (ii) establish performance goals, (iii) determine if and when any bonuses shall be paid, (iv) pay out any bonuses, in cash or stock or a combination thereof, as the Committee shall determine from year to year, (v) construe and interpret the Incentive Compensation Plans and the Stock Option Plan, and (vi) establish rules and regulations and perform all other acts it believes reasonable and proper; and
6. Review the investment performance of the Perini Corporation Pension Plan and make changes in investment managers and allocations, as the Compensation Committee deems necessary.

The Compensation Committee has the authority to retain special consultants to advise the Committee as it considers necessary. The Compensation Committee met six times in 2011.

Tutor Perini maintains on its website, <http://www.tutorperini.com>, copies of the charters of each of the committees of our Board. We have also developed Corporate Governance Guidelines and a Code of Business Conduct and Ethics to outline our commitment to carefully govern the operation of our business and compliance with applicable laws and regulations, while maintaining the highest ethical standards. The Code applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. Tutor Perini's Corporate Governance Guidelines and Code of Business Conduct and Ethics are available on our website at <http://www.tutorperini.com>. In order to access this portion of our website, click on the "Corporate Governance" tab. Interested parties may obtain printed copies of these documents by writing to the Investor Relations Department of the Company at 15901 Olden Street, Sylmar, CA 91342. Any amendments to, or waivers of, the Code of Business Conduct and Ethics which apply to our directors, Chief Executive Officer, President, Chief Financial Officer or any person performing similar functions will be disclosed on our website promptly following the date of such amendment or waiver.

Nominations for Director

The Board seeks candidates who are independent, possess relevant business, professional or board experience to make a significant contribution to the Board and have sufficient availability to attend to the business of the Company. Annually, the Corporate Governance and Nominating Committee conducts an evaluation of the Board to determine whether it is functioning effectively, and recommends to the full Board the slate of director-nominees to be nominated for election at the next annual meeting of shareholders. Potential candidates

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for the Board may include candidates nominated by shareholders in accordance with our bylaws, those identified by a search firm retained for such purpose, or candidates recommended by other persons, including current directors or executive officers. Pursuant to the Corporate Governance and Nominating Committee charter, the process and criteria for considering the recommendations of shareholders with respect to candidates for election to the Board is the same as those used for candidates recommended by other parties. The minimum qualifications and specific qualities and skills required for directors are set forth in the Corporate Governance Guidelines, a copy of which is maintained on our website at <http://www.tutorperini.com>.

The Corporate Governance and Nominating Committee considers the diversity in skill and experience of each nominee when evaluating candidates individually and when considered with all directors as a group. Periodically, individual interviews are conducted with each member to identify and aggregate depth and breadth of experience in disciplines, industry and organizational level. The Board considers areas identified with less extensive experience as a group when evaluating candidates for nomination to director.

A shareholder who wishes to recommend a director-nominee to the Corporate Governance and Nominating Committee for the 2013 annual meeting of shareholders should submit the recommendation in writing to Tutor Perini Corporation, 15901 Olden Street, Sylmar, California 91342, Attn: Corporate Secretary, so it is received not less than 75 days nor more than 180 days prior to the anniversary date of the 2012 Tutor Perini Annual Meeting. However, if the 2013 annual meeting of shareholders is held more than seven (7) days earlier than the anniversary date of the 2012 annual meeting then notice must be delivered or received no later than 5 p.m. pacific time on (a) the 20th day following the earlier of (i) the day on which such notice of the date of the annual meeting is mailed or (ii) the day on which public disclosure of the date of the annual meeting is made, or (b) if such date of notice or public disclosure occurs more than 75 days prior to the scheduled date of such meeting, then the later of (i) the 20th day following the first to occur of such notice or such public disclosure or (ii) the 75th day prior to such scheduled date of such meeting.

AUDIT COMMITTEE REPORT

Pursuant to rules adopted by the SEC designed to improve disclosures related to the functioning of corporate audit committees and to enhance the reliability and credibility of financial statements of public companies, the Audit Committee of the Board submits the following report.

The primary duties and responsibilities of the Audit Committee (the "Committee"), which met eight times during the past fiscal year, are to oversee:

1. The integrity of Tutor Perini's internal controls, financial systems and financial statements;
2. Compliance by Tutor Perini with legal and regulatory requirements; and
3. The independence and performance of both Tutor Perini's internal and external auditors.

We meet with management periodically to consider the adequacy of Tutor Perini's internal controls, as well as compliance with Sarbanes Oxley Section 404, and the objectivity of Tutor Perini's financial reporting. We discuss these matters with Tutor Perini's independent auditors and with appropriate Company financial personnel and internal auditors.

We meet privately with both the independent auditors and the internal auditors, as required, each of whom has unrestricted access to the Committee.

We also appoint the independent auditors and review periodically their performance and independence from management. As in prior years, the independent auditors are invited to be present at our annual meeting of shareholders.

The directors who currently serve on the Committee meet the “independence” and “experience” requirements of the NYSE, and have been so affirmed by the Board. In connection therewith, the Board has determined that none of us has a relationship with Tutor Perini that may interfere with our independence from Tutor Perini and

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its management. The Board has designated Willard W. Brittain, Jr. as an “audit committee financial expert”, as defined by the rules of the SEC, based on review of his qualifications.

The Board has adopted a written charter setting forth the duties and responsibilities the Committee is to perform, which we review annually and revise as appropriate.

Management has primary responsibility for Tutor Perini’s financial statements and the overall reporting process, including Tutor Perini’s system of internal controls, and compliance with Sarbanes Oxley Section 404.

The independent auditors, in accordance with the standards of the Public Company Accounting Oversight Board, audit the effectiveness of the internal controls over financial reporting as well as annual financial statements prepared by management, express an opinion as to whether those financial statements fairly present the financial position, results of operations and cash flows of Tutor Perini in conformity with accounting principles generally accepted in the United States and discuss with us any issues they believe should be raised with us.

This year, we reviewed Tutor Perini’s audited financial statements and met with both management and Deloitte & Touche, LLP, Tutor Perini’s independent auditors, to discuss those financial statements. Management has represented to us that the financial statements were prepared in accordance with accounting principles generally accepted in the United States.

We reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted accounting standards. In addition, we have received from and discussed with Deloitte & Touche, LLP the written disclosure and the letter required by PCAOB Ethics and Independence Rule 3526, “Communication with Audit Committees Concerning Independence”. These items relate to that firm’s independence from Tutor Perini. We also discussed with Deloitte & Touche, LLP any matters requiring discussion per the standards of the Public Company Accounting Oversight Board, including those required by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended.

We have considered and determined that the provision of the non-audit services included in “Fees Paid to Audit Firm” on page 47 is compatible with maintaining Deloitte & Touche, LLP’s independence.

Based on these reviews and discussions, we recommended to the Board that Tutor Perini’s audited financial statements be included in the Tutor Perini Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

AUDIT COMMITTEE
Willard W. Brittain Jr., Chair
Marilyn A. Alexander
Michael R. Klein
Raymond R. Oneglia

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and approved the Compensation Discussion and Analysis (CD&A) contained in this proxy statement. The Compensation Committee has recommended to the Board, and the Board has approved, that the CD&A be included in the 2012 proxy statement for filing with the SEC.

COMPENSATION COMMITTEE

Peter Arkley, Chair

Michael R. Klein

Donald D. Snyder

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COMPENSATION DISCUSSION AND ANALYSIS

2011 Business Highlights

2011 was both a challenging and rewarding year for the Company. During 2011 we completed our acquisition strategy, accomplishing our goal to be more diversified in construction end markets and to have an expanded geographic reach with enhanced capabilities to self-perform more work for our customers. We believe the combined Company is very well positioned to capitalize on opportunities with the expectation that the U.S. economy, and the associated impact on our industry, will improve in 2012. The following discussion serves to highlight several of the key developments that impacted our 2011 operating results and our executives' contributions to these developments.

Completion of acquisition strategy

During 2011, we completed the acquisition strategy that we embarked upon in late 2010 as we saw opportunities to continue to build our Company vertically and geographically through acquisitions of companies which have demonstrated success in their respective markets. To fund this strategy and realize the opportunities and synergies that the strategic acquisitions offered, we issued \$300 million of senior unsecured notes in October 2010 and put in place a \$200 million five-year term loan in August 2011. These funds were fully utilized by the third quarter 2011 to finance the acquisitions of seven companies with combined prior year annual revenues of \$1.7 billion and a combined backlog at the respective acquisition dates of \$2.6 billion. These acquisitions strengthened our geographic presence in our Building and Civil segments and also significantly increased our specialty contracting capabilities. We believe that the successful completion of our acquisition strategy enables us to realize cross selling opportunities across an expanded geographic footprint, while continuing to focus on vertical integration through increased self-performed work capabilities, thus further improving profitability, and providing greater stability during economic cycles.

Formation of Specialty Contractors segment and executive appointments

In the third quarter of 2011 we completed an internal reorganization of our reporting segments with the creation of the Specialty Contractors segment. The Specialty Contractors segment consists of the following subsidiary companies: Five Star Electric Corporation, WDF, Inc., Nagelbush Mechanical, Inc., Fisk Electric Company, Desert Mechanical, Inc., (all previously included in the Building reporting segment), and Superior Gunitite (previously included in the Civil reporting segment). The reorganization enables the Company to focus on vertical integration through increased self-performed work capabilities while maintaining the specialty contractors' business with third parties, and it strengthens the Company's position as a full-service contractor enabling greater control over scheduled delivery and risk management.

In conjunction with the reorganization of our reporting segments, in September 2011, we appointed Kenneth R. Burk, our former Chief Financial Officer, as Executive Vice President and Chief Executive Officer of the Company's Specialty Contractors Group, and the executive leadership of each of the subsidiaries discussed above will report to Mr. Burk in his new role. In his former role as the Company's Chief Financial Officer, Mr. Burk was closely involved in the completion of the 2011 acquisition strategy, including the selection of the target companies, the negotiations and due diligence processes. We believe that under Mr. Burk's management in his new role, the Specialty Contractors segment will afford the Company the opportunity for significant margin enhancement and increased schedule control. In September 2011, we also appointed Michael J. Kershaw to replace Mr. Burk as Executive Vice President and Chief Financial Officer. Prior to his hiring, Mr. Kershaw has served in several executive and managerial positions with several of our peers in the construction industry. Mr. Kershaw has served and will continue to serve a critical role in the ongoing integration of our acquisitions.

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Continued Strengthening of our Civil Business

In 2008 we embarked upon a strategy to better align our business to pursue markets with higher profitability margins and with the best long-term growth potential, while maintaining our presence as a leading contractor in the general building market. In September 2008 we completed a merger with Tutor-Saliba Corporation (“Tutor-Saliba”) to provide us with enhanced opportunities for growth not available to us on a stand-alone basis through increased size, scale and management capabilities, complementary assets and expertise, particularly Tutor-Saliba’s expertise in civil projects, immediate access to multiple geographic regions, and increased ability to compete for a large number of projects, particularly in the Civil Group due to an increased bonding capacity. The success of the Tutor-Saliba merger and the execution of the Company’s strategy to focus on acquiring higher margin building and civil public work are best illustrated by the dramatic growth we have experienced in our Civil segment. Despite the economic challenges associated with state and local funding over the past three years, under the leadership of James A. Frost as Executive Vice President and Chief Executive Officer of the Company’s Civil Group, we have experienced an over 300% increase in our Civil segment backlog and an over 170% increase in our Civil Group’s contribution to our operating income.

Quality Pipeline of Prospective Work for Building Business

Despite recent economic challenges in the non-residential building market, our Building Group, under the leadership of Mark Caspers as Executive Vice President and Chief Executive Officer, has developed a quality mix of pending awards and prospective work opportunities on large, complex projects that we believe will have a significant impact on our near term operating results. For example, on January 23, 2012, we announced that we have been retained by Related Companies and Oxford Properties Group as contractor for the Hudson Yards development in Midtown Manhattan (“Hudson Yards Development”). We have also been retained for the construction of a residential tower being developed just south of the Hudson Yards on 30th Street and 10th Avenue in New York City. The Hudson Yards Development is a 26-acre mixed-use development accommodating over 13 million square feet of commercial and residential space. The master plan comprises approximately 5,000 residences, 6 million square feet of state-of-the-art commercial office space, a 1 million square foot destination retail center with an over 130,000 square foot two-level space of specialty destination restaurants, cafes, markets and bars, a five star hotel, a unique cultural space, and a new 750-seat school, all carefully planned around 14 acres of public open space. The Hudson Yards Development will be a prime opportunity for the Company to showcase our proven ability to manage and perform large, complex work on schedule and within budget while maintaining strict quality control.

An additional illustration of the successful execution of our Building Group’s operational expertise is the Resorts World New York Casino at Aqueduct Racetrack in Jamaica, New York. During 2011 we delivered this project, which approximated \$550 million in contract value, in under one year. This accelerated pace of execution is extraordinary for projects performed in the greater New York area, and is indicative of the on-time delivery that we pride ourselves in achieving for our customers. We believe that these types of operating successes will continue to strengthen our Building Group’s reputation, long-standing customer relationships, and ultimately the quality and volume of our prospective work opportunities.

2011 Advisory Vote on Executive Compensation

At our 2011 Annual Meeting, we held our first shareholder advisory vote on executive compensation. We received 49% shareholder approval of our executive compensation plans and programs. Based on these results, we are commencing an investor outreach initiative to gather feedback and are working with our independent compensation consultant, Meridian Compensation Partners, LLC (“Meridian”), to modify our plans and programs. In 2010 the Compensation Committee retained Meridian as its executive compensation consultant and in 2011, Meridian has further examined and recommended modifications to our existing compensation policies and philosophy in light of the

results of the 2011 advisory vote on executive compensation.

Historically, our core compensation philosophy has been to provide incentive compensation to our executive officers based on the performance of financial goals that the Compensation Committee and our Board believe

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are critical to enhancing shareholder value. As discussed in more detail below under “Summary of Changes to Executive Compensation” below, the Compensation Committee is in the process of reviewing our compensation programs and, as part of that process, our core compensation philosophy and peer group used for benchmarking purposes.

It is important to note that the compensation arrangements for our Chief Executive Officer, Mr. Tutor, were negotiated in conjunction with the merger agreement and were necessary to induce Mr. Tutor to continue his leadership role in the Company. In merging with Tutor-Saliba in September 2008, we acquired enhanced opportunities for growth not available to the Company on a stand-alone basis through increased size, scale and management capabilities, complementary assets and expertise, immediate access to multiple geographic regions, and increased ability to compete for a large number of projects, particularly in the civil construction segment due to an increased bonding capacity. The Compensation Committee is currently in the process of renegotiating Mr. Tutor’s employment agreement; however, his significant value to the company, both past and present, is a critical factor in the Compensation Committee’s decision-making process.

The principal changes to our executive compensation programs that are being considered by the Compensation Committee since our 2011 Annual Meeting are summarized below. The Board and the Compensation Committee will continue to explore ways in which Tutor Perini’s executive compensation programs can be improved.

Outreach Program to Investment Firms and Institutional Voters

In order to understand the rationale behind the lack of support for our 2010 executive compensation programs, we are commencing an investor outreach program to initiate discussions with investors. These discussions, which will include meetings between our senior management and many of our largest investment firms and institutional shareholders, will include topics such as CEO compensation, compensation disclosure, equity award vesting periods and performance-based vesting criteria, board composition, talent management and succession planning, among others. The participants of Tutor Perini’s shareholder outreach team will vary, but generally, the team consists of our Chief Executive Officer, our Chief Financial Officer, our Compensation Committee members including our Lead Director and our Compensation Committee Chair, and other senior leaders. The Compensation Committee intends to continue this outreach program going forward to facilitate continued shareholder input into the Company’s compensation philosophy.

Summary of Changes to Executive Compensation

Compensation decisions for 2011 were made in March 2011, prior to our annual meeting which was held in June 2011. The Compensation Committee felt that additional discussion was needed before finalizing changes as a result of our 2011 advisory vote on executive compensation; therefore the Compensation Committee postponed implementation of any compensation changes until 2012. Based on the information gathered from shareholders, executive officers, and Meridian, the Compensation Committee intends to approve the following changes for the 2012 compensation program.

Proposed Modifications of Employment Agreement for Chief Executive Officer

Meridian has conducted a comprehensive review of Mr. Tutor’s employment agreement and based on this review and discussions with Mr. Tutor, the Compensation Committee is in the process of restructuring Mr. Tutor’s employment agreement. The restructuring should result in the following key changes that the Compensation Committee believes better aligns his compensation structure with the compensation philosophy that the Company has reviewed in light of the results of the 2011 advisory vote on executive compensation and to extend his term to 2016:

- Perquisites: The new agreement would significantly reduce the perquisites provided to Mr. Tutor by eliminating the use of an apartment in Las Vegas, removing the formal allowance for personal financial services and life insurance policies, and limiting the automobile allowance to certain

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expenses and a driver. Mr. Tutor proposes to waive his entitlement to a Company-provided vehicle, and his eligibility for a Company-provided vehicle would be removed from his employment agreement. Mr. Tutor would be able to receive limited personal financial services assistance to the extent that he uses Company resources for this assistance with no outside expenses incurred. Additional consideration was given to limiting the use of a driver or limiting personal use of the aircraft, but after significant discussion, the Compensation Committee determined that these perquisites were important to continue, primarily for efficiency and safety reasons. Further discussion is included in the Perquisites section on page 25.

- **Excise Tax Gross-Up:** The new agreement would eliminate the Company-paid excise tax gross up, effective as of the end of the term of Mr. Tutor's original 2008 employment agreement, that would have been provided in the event of a termination following a change-in-control. The employment agreement provides that the severance benefits would be reduced to an amount that would not trigger an excise tax, unless the net benefit to Mr. Tutor (after the excise tax is paid) would be higher. Mr. Tutor would be responsible for paying any excise taxes due.
- **Base Salary:** Mr. Tutor has not had an increase in base pay since the merger between Tutor-Saliba and Perini Corporation in 2008 and the proposed agreement would not provide for any base pay increases in 2012.
- **Annual Bonus Incentive Award:** The new agreement would reduce Mr. Tutor's annual incentive opportunity to 150% for the 2012 plan year. Furthermore, the award would be modified so that his actual bonus payout would be based on performance at threshold, target, and maximum levels. The payouts would be below or above target based on the achievement of the financial goals.
- **Long-Term Incentive Award:** In 2008, Mr. Tutor was awarded 750,000 stock options and 750,000 restricted stock units in connection with the merger, of which 300,000 stock options and 300,000 restricted stock units remain to be granted. At the time, the Compensation Committee determined that this award was appropriate to retain Mr. Tutor as the Chief Executive Officer of the new entity and to guide the Company through the transition. The award was tied to specific annual financial goals which are determined by the Compensation Committee at the beginning of each year. Based on the design of the award, 150,000 shares of the award are "granted" each year when the Compensation Committee sets the annual financial goal, even though the Company agreed to provide this award at the time of the transaction in 2008. This award was contractually entered into by the Company and Mr. Tutor at the time of the merger with Tutor-Saliba. The final two tranches will be eligible for vesting in 2013 and 2014 subject to the achievement of specific pre-tax income goals for fiscal years 2012 and 2013 respectively. The Compensation Committee is working with Meridian to design a new long-term incentive plan that will provide annual grants of long-term incentive awards to Mr. Tutor that are commensurate with Mr. Tutor's experience and value to the Company. The proposed new award would be implemented in 2014 and would continue to be based on achievement of pre-established financial goals to ensure they will be deemed to be performance-based.
- **Stock Ownership Requirement:** The Compensation Committee intends to implement a new Stock Ownership Policy requiring Mr. Tutor to own a minimum amount of the Company's stock equivalent to a value that is 6 times his annual base salary.
- **Stock Holding Requirement:** The Compensation Committee also intends to implement a stock holding requirement which will require, Mr. Tutor to hold 75% of the net shares earned from any future equity grants until retirement.

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Other Executive Compensation Changes for 2012

In addition to the proposed changes to Mr. Tutor's contract, the Compensation Committee also intends to review existing Company policies and adopt revised policies including the following:

- **Excise Tax Gross-Up:** Excluding Mr. Tutor's 2008 employment agreement, the Company has not and will not provide excise tax gross-up payments going forward.
- **Stock Ownership Policy:** The Company intends to implement a stock ownership policy where the Chief Executive Officer and the Chief Executive Officer's direct reports would be expected to maintain stock ownership levels, depending on their role. The Chief Executive Officer would be subject to a guideline of 6 times base salary and executive officers that report directly to the Chief Executive Officer would be subject to a guideline of 3 times base salary.
- **Stock Retention Policy:** The Company intends to implement a policy requiring the Chief Executive Officer, the Chief Executive Officer's direct reports and outside directors to maintain ownership of at least 75% of net shares earned via future equity grants until retirement.
- **Clawback Provision:** The Company intends to adopt a new clawback policy where any future short- and long-term incentive awards would be subject to a clawback provision allowing the Company to recoup any incentives earned based on financial information that is later restated, in specific circumstances.
- **Anti-Hedging Provision:** The Company maintains an anti-hedging policy that prohibits executive officers from hedging their position relative to Company stock they own.
- **Double-Trigger Equity Awards:** Going forward, the Compensation Committee intends to revise award agreements to eliminate the single-trigger activation for future long-term incentive grants following a change in control. Any new equity grants would have a "double-trigger," effectively requiring a qualifying termination within 24 months following a change in control for any vesting/payout to be accelerated.
- **Peer Group Review:** The Compensation Committee has committed to an extensive review of the Company's peer group benchmarking practices to include analysis of the composition of the compensation benchmarking peer group, taking into consideration the relevant revenue size and market capitalization, industry and competition for executive talent; and the targeted pay percentile goals relative to base salary, target annual bonus and long-term incentives.

In addition to the expected changes to the executive compensation plans and programs discussed above, the Compensation Committee still maintains and demonstrates a commitment to a pay for performance philosophy. All annual bonuses and equity awards are generally performance-based with the exception of sign-on and promotional awards used to recruit and retain top talent.

Compensation Philosophy

As discussed above, the Compensation Committee intends to make significant changes to our Chief Executive Officer's employment agreement as well as several of our other compensation policies to better align our compensation structure with the compensation philosophy that the Company has reviewed in light of the results of the 2011 advisory vote on executive compensation. The following discussion serves to discuss the compensation philosophy in place during 2011.

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Our executive compensation program is intended to attract and retain talented executive officers and key employees who will continue to contribute to Tutor Perini's long-term success. We believe that it is important to tie compensation to our operating and financial goals, thereby aligning more closely the interest of management with that of our shareholders. We are mindful of the limited pool of available talent and consider competitive conditions when determining compensation. Based on this foundation, our executive compensation plans and programs are intended to:

- Centralize and integrate people, plans, and programs.
- Provide a competitive pay opportunity to attract and retain the most qualified key management employees who have the ability to secure and complete the most profitable projects.
- As each of our executives continues to demonstrate a track record of successful performance, our compensation philosophy has been to provide total compensation in the upper quartile of market pay. Our total compensation has a strong focus on annual cash incentives to align with the Company's project business cycle and strategic objectives. Note, in situations involving extraordinary performance and value to the Company, compensation may reach the upper end of the quartile at the Compensation Committee's discretion. In 2011, the Compensation Committee continued to utilize the 2010 Peer Group as a benchmark for its 2011 compensation analysis. This analysis was based primarily on 2009 compensation information for the peer group, and there was no growth factor applied in analyzing 2011 compensation. The Compensation Committee felt that holding a consistent metric with no growth factor would establish the most appropriate benchmark for 2011 compensation.
- Based on Messrs. Tutor's and Frost's extraordinary performance and significant value to the Company, particularly their proven success in managing large, complex fixed-price civil projects, the Compensation Committee awarded these executives with one-time performance-based equity grants in conjunction with the merger, bringing their total compensation above the 90th percentile compared to the custom peer group. As discussed under the "Incentive Compensation Plan – Annual Awards" and "Long-Term Incentives" headers below, while Mr. Frost's target total compensation exceeded the 90th percentile, he did not receive a cash bonus and his 2011 equity award was not earned based on the applicable performance targets for those awards not being achieved. Additionally, given that Mr. Kershaw was recently hired in September 2011 to his role of Executive Vice President and Chief Financial Officer, the Compensation Committee has initially targeted his cash compensation to be between the 50th and 75th percentiles of market pay and will continue to analyze his total compensation package, including the opportunity for additional long-term incentive grants to further align his performance with shareholder value, as his tenure with the Company progresses. The other named executive officers' compensation, in the aggregate, fell within the 75th to 90th percentiles.
- Motivate and retain the critical management skills of our Chief Executive Officer, Mr. Tutor. In merging with Tutor-Saliba in September 2008, the Company not only secured enhanced opportunities to acquire a higher volume of quality Civil Group business based on Tutor-Saliba's resume, but we also more closely aligned Mr. Tutor's compensation with growth in shareholder value. With regard to Mr. Tutor's compensation and in entering into the employment agreement with Mr. Tutor in 2008 (see Employment Agreements on page 35), the Compensation Committee considered a number of factors in developing a range of reasonable total target compensation including (1) the level of compensation Mr. Tutor had in place in his role as the President and Chief Executive Officer of Tutor-Saliba, prior to merging with the Company, (2) the compensation philosophies of privately held peer companies which are geared toward earnings, (3) compensation data from our publicly held peers, and (4)

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alignment of Mr. Tutor's compensation with growth in shareholder value through long-term equity awards.

- Provide an appropriate mix of performance based compensation to align our executive officers' interests with the achievement of the Company's operating and financial goals. Historically our target incentive cash bonus compensation for our executive officers, excluding Mr. Tutor who's target incentive cash bonus compensation has been set at 64% of total target cash compensation in accordance with his employment agreement, has been set at 40-50% of total target cash compensation (depending upon the position). Additionally, with the exceptions of a stock option award granted to Mr. Burk this year for his promotion into the role of Executive Vice President and Chief Executive Officer of our Specialty Contractors Group that vested at the grant date, and a restricted stock unit award granted to Mr. Kershaw upon his hiring that will vest in three years, all of our periodic equity grants to our executive officers during the past three years have been performance based. We believe that this level of performance based compensation is critical in aligning our executive officers' interests with those of our shareholders.

In recognition of the variability of the construction industry, we believe that compensation focusing on both variable short-term and long-term corporate goals is appropriate for Tutor Perini and our shareholders. This incentive approach also provides greater rewards for higher performance and has been effective in retaining and motivating our highest performing key executive talent. As a result, our compensation practices for our named executive officers have a significant focus on annual "variable pay" incentive awards. Long-term incentive awards have periodically been granted to select executives when the Compensation Committee has determined an award to be appropriate based upon Company strategic goals, superior performance, and upon the value of the executive to the Company.

The Compensation Committee is guided by the above philosophy when making compensation decisions. The Compensation Committee reviews market data and evaluates the executive's performance and value to Tutor Perini, balanced with providing a competitive pay package to encourage attraction and retention. Lastly, the Compensation Committee considers how to appropriately focus the efforts of its executives on achieving Tutor Perini's overall corporate goals and business strategies.

Decision Making Process

To execute the executive compensation strategy, the Compensation Committee works with management to determine compensation for the named executive officers. The Compensation Committee believes that the CEO is best positioned to evaluate the performance of our other named executive officers. Accordingly, the Compensation Committee works closely with Mr. Tutor in establishing the compensation of our named executive officers, excluding himself. The CEO reviews performance of the executive officers and based on his assessment makes recommendations to the Compensation Committee for approval. The Compensation Committee also reviews the CEO's performance and based on his performance the Compensation Committee makes pay recommendations to the Board for approval.

Additionally, the Compensation Committee reviews competitive external market data. In early 2010, Meridian presented a comprehensive review of executive compensation at a select group of peer companies. The review provided competitive compensation information based on the 2010 Peer Group (as described below). The review also provided compensation data for a group of General Industry companies as a second reference for the Compensation Committee to review. The Compensation Committee used this benchmarked data, the individual performance assessments, the executive's tenure and the executive's specific responsibilities to determine 2011 compensation for our named executive officers.

2010 Peer Group

Prior to commencing the study, the Compensation Committee reviewed and approved the following 22-company peer group. The peer companies were selected based on various criteria considered by the Compensation Committee

including industry, size, and location relevance. Currently, Tutor Perini's revenues

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are at the 41st percentile compared to the peer group. The following companies were included in the 2010 Peer Group:

AECOM Technology Corporation
Arcadis NV
Chicago Bridge & Iron Company
CH2M Hill Companies, Ltd.
Dover Corporation
Emcor Group, Inc.
Fluor Corp.
Foster Wheeler AG
Granite Construction, Inc.
ITT Corporation
Jacobs Engineering Group, Inc.
KBR, Inc.
Peter Kiewit Sons', Inc
McDermott International
Michael Baker Corporation
Raytheon Company
Shaw Group
Sterling Construction Company
TetraTech, Inc.
URS Corporation
Valmont Industries, Inc.
Vulcan Materials Company

Elements of Compensation

As noted above, our executive compensation program relies on annual cash and stock based compensation to retain and motivate our named executive officers. In addition, the Compensation Committee has granted stock based long-term incentive awards when deemed appropriate by the Compensation Committee based on strategic goals, superior performance, and value of the executive to the Company.

Base Salary

We provide market competitive base salaries to fairly compensate our named executive officers for the services that they provide during the year and to assist in retaining our named executive officers. In 2011, the Compensation Committee approved a \$125,000 increase in Mr. Burk's base salary reflecting his appointment into the role of the Executive Vice President and Chief Executive Officer of the Company's Specialty Contractor Group, formed in 2011, to align his base salary in that role with his peers at the Company. The Compensation Committee also approved a \$50,000 increase in Mr. Frost's base salary for recognition of the outstanding performance and growth of the Company's Civil Group experienced in 2010, for which Mr. Frost is the Chief Executive Officer. Mr. Kershaw's base salary was established when he was hired in 2011. In establishing Mr. Kershaw's annual base salary at \$500,000, the Chief Executive Officer and the Compensation Committee considered Mr. Kershaw's compensation packages prior to serving Tutor Perini, as well as the range of 50th – 75th percentiles for base salaries and cash incentives of comparable officers included in the most recent compensation study prepared by Meridian. Mr. Tutor's base salary has not been increased since he entered into his employment agreement in 2008 and Mr. Band's and Mr. Caspers' base salaries have not been increased since 2008.

Incentive Compensation Plan—Annual Awards

As described above, our historic executive compensation program has emphasized the importance of annual cash incentive opportunities in motivating and retaining our named executive officers. The Compensation Committee believes that providing meaningful cash-based incentives provides executives with focus to achieve

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the Company's strategic goals. To provide appropriate incentives to our named executive officers, between 40% and 50% (depending upon the position) of their target annual cash compensation is comprised of an annual incentive bonus opportunity that is paid only if Tutor Perini achieves pre-established performance goals set by the Compensation Committee.

For the CEO, according to the terms of his employment agreement, Mr. Tutor's target annual bonus opportunity represented approximately 64% of his total target annual cash compensation.

For 2011, the Compensation Committee established a target annual bonus opportunity for each named executive officer, stated as a percentage of each executive's base salary. The annual bonus was only payable if Tutor Perini achieved financial performance goals established at the beginning of the performance period by the Compensation Committee. For 2011, if Tutor Perini achieved 80% of the targeted goal, each named executive officer would receive 80% of his target annual bonus amount. If Tutor Perini achieved between 80% and 100% of this goal, each named executive officer would receive between 80% and 100% of his target annual bonus amount. Each named executive officer's annual bonus was capped at 100% of his applicable target bonus.

The table below shows the threshold, target and maximum bonus opportunities as a percentage of the executive's base salary:

	Threshold		Target		Maximum	
R. Tutor	140	%	175	%	175	%
M. Kershaw	56	%	70	%	70	%
K. Burk	60	%	75	%	75	%
R. Band	80	%	100	%	100	%
M. Caspers	80	%	100	%	100	%
J. Frost	80	%	100	%	100	%

The dollar amounts corresponding to these percentages are included in the table captioned "Grants of Plan-Based Awards Table" on page 32.

Beginning in 2012, it is anticipated that Mr. Tutor's annual bonus target will be reduced to 150% with a threshold of 120% and a maximum of 215%.

For 2011, the Compensation Committee selected pre-tax income as the applicable performance metric for the annual bonus plan. The Compensation Committee chose this goal because it encourages executives to both obtain new projects for Tutor Perini and to complete Tutor Perini's projects on a cost efficient basis. The applicable targets set by the Compensation Committee and the actual performance as calculated based on the plan formula for 2011 were as follows (amounts are listed in thousands):

Target	Target Amount	2011 Results
Consolidated – includes acquisitions	150,000	149,286
Civil Group – excludes acquisitions	84,000	51,990
Building Group – excludes acquisitions	51,000	41,103
Management Services Group	18,000	23,270

Based on the plan formula, each of our named executive officers' bonuses is initially limited by the percentage of achievement of the consolidated Company. Mr. Tutor's, Mr. Kershaw's and Mr. Burk's 2011 annual bonuses were based solely on the achievement of the consolidated pre-tax income target, which was achieved at 99.5%, and their bonuses were paid out at that percentage of their applicable target bonus. Mr. Frost's annual bonus was based on the

achievement of the Civil Group target, excluding pre-tax income associated with our acquisitions in 2011. Based on the 62% achievement of this target, Mr. Frost did not achieve an annual bonus in 2011. Mr. Caspers' annual bonus was based on the achievement of the Building Group target,

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excluding pre-tax income associated with our acquisitions in 2011. The Building Group achieved 81% of the target amount, and accordingly Mr. Caspers was paid a bonus of 81% of his target. Finally, Mr. Band's annual bonus was based on the achievement of the Management Services Group target. The Management Services Group's 2011 results exceeded the target amount, however, Mr. Band was also paid 99.5% of his applicable target bonus as the plan formula dictates that each executive's annual bonus is also limited to the percentage of achievement of the consolidated Company target.

In addition to the performance based awards discussed above, the Compensation Committee approved discretionary cash bonuses related to 2011 events as follows:

- In September 2011 Mr. Kershaw received a \$250,000 discretionary signing bonus approved by the Compensation Committee for his appointment to the role of Executive Vice President and Chief Financial Officer and to compensate him for incentives foregone from his previous employment by assuming this role for the Company.
- In September 2011 Mr. Burk received a \$250,000 discretionary bonus approved by the Compensation Committee for his appointment to the role of the Executive Vice President and Chief Executive Officer of our Specialty Contractors Group as well as his contribution to the completion of our major acquisition strategy in 2011. With the extraordinary contributions of Mr. Burk to the completion of our acquisition strategy in 2011 which led to the Company's strengthened specialty contracting capabilities as discussed above, the Compensation Committee felt the discretionary bonus was an appropriate award for superior performance.

Long-Term Incentives

Periodic, non-annual grants of long-term incentives have played a significant role in our executive compensation program because of our long held belief that due to the cyclical nature of our business, year-to-year annual incentives better focus our executives on achieving Tutor Perini's quickly moving performance objectives. Historically, the Compensation Committee has made periodic equity grants to select key executives based upon Company strategic goals, executive performance, and upon the value of the executive to the Company. Not all executives receive equity grants. The Compensation Committee has historically used pre-tax income as the annual performance goal for performance-based equity awards, and the rationale for using pre-tax income centers upon the fact that operating results in the construction industry are project-driven. This can cause fluctuations in earnings depending upon the cycle and mix of projects; however, the common goal in managing the Company's operations is the maximization of pre-tax income which best aligns with the goal of shareholder value creation.

In 2009, the Compensation Committee approved equity awards to Mr. Tutor and Mr. Frost, following the merger of the Company and Tutor-Saliba to provide additional incentive to focus on specific goals of the newly merged company. Mr. Tutor's award of 750,000 stock options and 750,000 restricted stock units vest over five years, subject to the achievement of annual performance goals set by the Compensation Committee each year. Mr. Frost's award of 150,000 restricted stock units were scheduled to vest over three years subject to annual performance goals set by the Compensation Committee each year. The Compensation Committee considered these awards to be an important step to assure that these key executives remain committed to serving the Company through the period of transition and the continued execution our of strategic goals including the vertical integration of our recent acquisitions and our focus on acquiring higher margin, large complex public work projects.

Mr. Tutor's and Mr. Frost's awards were structured to vest in equal annual tranches over the 5 year and 3 year performance periods, respectively, based on the achievement of an annual performance goal as established by the Compensation Committee at the beginning of each year. In Mr. Tutor's case, the awards vest in 150,000 share tranches (20% per year), and 2 tranches of awards have already vested. The performance goal for the third tranche has been achieved and the shares will vest in May 2012, and 2 tranches remain to vest based on

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the achievement of the 2012 and 2013 annual performance goals. In Mr. Frost's case, the awards vest in 50,000 share tranches (33% per year), and there are no additional tranches remaining to vest.

The goals associated with Mr. Tutor and Mr. Frost's 2011 tranches of awards are identical to the targets discussed above under the "Incentive Compensation Plan—Annual Awards" header with the exception that the achievement of these goals had to be at least 70% of the target amount in order for the 2011 tranche of these awards to vest. Based on the results detailed above, the Compensation Committee deemed the performance criteria for the third tranche of shares awarded to Mr. Tutor to be satisfied, however the performance criteria for the third tranche of shares awarded to Mr. Frost was not satisfied, and as such, his award was not earned.

In 2010, the Compensation Committee approved awards of 100,000 and 50,000 restricted stock units to Mr. Caspers and Mr. Burk, respectively. These awards were strategically made to align these key executives with shareholders and to provide additional incentive to meet corporate objectives. Additionally, the awards were intended to encourage retention of these executives. These awards will vest in equal annual installments during 2012-2014, subject to the achievement of pre-tax income performance targets established by the Compensation Committee (with Mr. Caspers' referenced to pre-tax income for the Building Group and Mr. Burk's referenced to pre-tax income for the consolidated Company) as of the beginning of each fiscal year. The goals associated with Mr. Caspers' and Mr. Burk's 2011 tranches of awards are identical to the targets discussed above under the "Incentive Compensation Plan—Annual Awards" header with the exception that the achievement of these goals had to be at least 70% of the target amount in order for the 2011 tranche of these awards to vest. Based on the results detailed above, the Compensation Committee deemed the performance criteria for the 2011 tranche of shares awarded to Mr. Caspers and Mr. Burk to be satisfied. The actual grant dates for the remaining two tranches will be established on an annual basis when the Compensation Committee establishes the respective pre-tax performance targets for each tranche.

During 2011, the Compensation Committee approved awards of 40,465 stock options and 30,000 restricted stock units to Mr. Burk and Mr. Kershaw, respectively. The award to Mr. Burk was made in recognition of his appointment to the role of the Chief Executive Officer of the Company's Specialty Contractors Group, formed in 2011. The award to Mr. Kershaw was strategically made to align him with shareholders, encourage his retention, and to provide additional incentive for the achievement of strategic Company goals in his role as the Chief Financial Officer, including the successful integration of our acquisitions. The award to Mr. Burk vested immediately at the grant date, and the award to Mr. Kershaw is a service-based award that will vest subject to his continued employment in three years.

It should also be noted that the Company has an anti-hedging policy in place that prohibits executive officers from hedging their position relative to Company stock they own.

Retirement Benefits

Tutor Perini does not provide additional retirement benefits to executive officers, beyond what is offered to all employees.

Perquisites

We provide certain perquisites to our executives because of the demand in time and travel required in their leadership across multiple businesses in multiple geographical locations. We only provide these perquisites where we feel there is a business need. Examples of the perquisites afforded to each of our named executive officers include vehicle usage and allowances, insurance policy coverage, relocation expense reimbursement, and housing allowance during a period of relocation.

As previously mentioned, the Compensation Committee is taking steps to significantly reduce the perquisites provided to Mr. Tutor. Mr. Tutor proposes to waive his entitlement and eliminate from his restructured employment agreement the use of the following personal benefits:

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- The use of an apartment in Las Vegas;
- Company-provided vehicle; and
- Formal allowance for personal financial services and life insurance premiums.

Mr. Tutor will continue to be entitled to 150 hours of flying time per calendar year of personal use of Tutor Perini's business jet. This benefit was negotiated during the merger with Tutor-Saliba which resulted in the Company purchasing its business jet at an approximate \$30 million discount from its appraised value. For safety concerns, productivity maximization, and cost control, the Company will continue to provide Mr. Tutor with a driver and will reimburse Mr. Tutor for certain operational costs. Mr. Tutor has not previously used and would no longer be eligible for a Company-provided vehicle. Generally, the driver is responsible for driving Mr. Tutor to various business meetings. The driver will also provide Mr. Tutor with driving services for personal use.

Additionally, the Compensation Committee intends to continue to provide Mr. Tutor with limited personal financial services provided that he uses Company resources and no outside expenses are incurred. He will also continue to participate in the broad-based life insurance plan that is available to all employees, but he would no longer have an allowance available to purchase life insurance policies.

We have provided these perquisites primarily to keep Mr. Tutor accessible and secure across our geographical locations and as a measure of consistency with his compensation structure prior to assuming his current role with the Company.

Severance Benefits

As of December 31, 2011, Mr. Tutor and Mr. Frost are eligible for severance benefits beyond what is afforded to all employees. The Compensation Committee determined their benefits in accordance with their respective employment agreements (see "Employment Agreements", page 35). Each receives certain compensation in the event of termination by the Company without cause or termination by the executive for good reason. We have provided these severance benefits to be consistent with market trends.

Employment Agreements

In September 2008 upon closing of the merger transaction with Tutor-Saliba, the Company entered into an employment agreement with Ronald N. Tutor to have him serve as the Chairman and Chief Executive Officer of the Company. Through this agreement, the Company has retained Mr. Tutor's extraordinary leadership and management capabilities that are critical to the growth of the Company going forward. For a description of material terms of Mr. Tutor's employment agreement, see "Employment Agreements" on page 35.

A new agreement is currently being negotiated and several important aspects of the new agreement have been explained in previous sections. These proposed changes include:

- Removal of certain perquisites including the use of an apartment in Las Vegas, a Company-provided vehicle, and a formal allowance for personal financial services and life insurance premiums
- Removal of the excise tax gross up effective as of the end of the term of Mr. Tutor's original 2008 employment agreement
 - Decrease in target annual bonus opportunity to 150% with a threshold of 120% and a maximum of 215%

A full description of Mr. Tutor's renegotiated employment agreement will be provided in our 2012 Compensation Discussion and Analysis.

In March 2011, the Company entered into an employment agreement with Mr. Frost to have him serve as Executive Vice President and Chief Executive Officer of the Civil Group of the Company. Mr. Frost has

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served in this role without an employment agreement since March 2009. As part of the negotiations with Mr. Frost concerning his employment agreement, the Company and he agreed to make the terms of the employment agreement retroactive to June 2009 in recognition of his contributions to the Company prior to his entering into the employment agreement. The Company considers Mr. Frost's contribution to be critical to the future growth of the Company, particularly as illustrated by the significant growth in the Company's Civil Group under his leadership. For a description of material terms of Mr. Frost's employment agreement, see "Employment Agreements" on page 35.

Impact of Accounting and Tax Treatment

We believe that the primary goals of our executive compensation program are to attract and retain valued and important named executive officers, to clearly identify for our named executive officers the corporate goals and objectives important to Tutor Perini, to motivate our named executive officers to achieve these goals and to fairly reward our named executive officers for achieving these goals. Accordingly, the accounting and tax treatment of our executive compensation program, while important, is not a determining factor in structuring our program. We appropriately account for our executive compensation and, to the extent consonant with the goals of our executive compensation program, we attempt to structure our executive compensation program to preserve the deductibility of amounts paid to our named executive officers. In certain instances, however, we believe that it is our best interest, and that of our shareholders, to have the flexibility to pay compensation to our named executive officers that is not tax deductible in order to provide a compensation package consistent with our objectives.

Compensation Program Risk Assessment

Management and the Compensation Committee reviewed the Company's incentive compensation plans and programs and concluded that the plans and programs do not create risks that are reasonably likely to have a materially adverse effect on the Company. The review identified several risk mitigating factors, such as capped incentive payouts and independent Committee oversight of plans and programs. Additionally, the review identified a clearly articulated philosophy and peer group, use of competitive market data, and an effective use of cash and strategic equity grants which all contribute to a balanced pay program.

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Summary Compensation Table

The table below summarizes the total compensation paid to or earned by each of our named executive officers for the fiscal years ended December 31, 2011, December 31, 2010 and December 31, 2009.

Name and Principal Position	Year	Salary (\$ (1))	Bonus (\$ (2))	Stock Awards (\$ (3))	Option Awards (\$ (4))	Non-Equity Incentive Plan Compensation (\$ (5))	Change in Pension Value and Non-Deferred Compensation	All Other Compensation (\$ (7))	Total (\$)
							Nonqualified Earnings (\$ (6))		
Ronald N. Tutor Chairman and Chief Executive Officer	2011	1,500,000	—	3,654,000	2,002,500	2,612,600	—	702,800	10,471,900
	2010	1,500,000	—	3,066,000	1,468,500	2,625,000	—	725,000	9,384,500
	2009	1,500,000	—	3,049,500	1,497,000	2,544,870	—	3,638,500	12,229,870
Michael J. Kershaw Executive Vice	2011	140,200	250,000	372,600	—	97,600	—	25,600	886,000
	2010	—	—	—	—	—	—	—	—