

TETRA TECH INC  
Form DEF 14A  
January 14, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant

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 Pursuant to §240.14a-12

**Tetra Tech, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- (5) Total fee paid:
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      - (1) Amount Previously Paid:
      - (2) Form, Schedule or Registration Statement No.:
      - (3) Filing Party:
      - (4) Date Filed:
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January 11, 2013

DEAR TETRA TECH STOCKHOLDERS:

You are cordially invited to attend the Annual Meeting of Stockholders of Tetra Tech, Inc., which will be held at the Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101, on Tuesday, February 26, 2013, at 10:00 a.m. Pacific Time.

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

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

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

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

Dan L. Batrack  
*Chairman and Chief Executive Officer*

Pasadena, California

**YOUR VOTE IS IMPORTANT**

In order to ensure your representation at the annual meeting, you may submit your proxy and voting instructions via the Internet, by telephone or, if you receive a paper proxy card and voting instructions by mail, you may vote your shares by completing, signing and dating the proxy card as promptly as possible and returning it in the enclosed envelope. Please refer to the section entitled "Voting via the Internet, by Telephone or by Mail" on page 3 of the proxy statement for a description of these voting methods. If your shares are held by a bank or brokerage firm (your record holder) and you have not given your record holder instructions to do so, your broker will NOT be able to vote your shares with respect to any matter other than ratification of the appointment of the independent registered public accounting firm. We strongly encourage you to vote.

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**3475 East Foothill Boulevard  
Pasadena, California 91107**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held February 26, 2013**

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The Annual Meeting of Stockholders of Tetra Tech, Inc., a Delaware corporation, will be held on Tuesday, February 26, 2013, at 10:00 a.m. Pacific Time, at the Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101, for the following purposes:

- (1) To elect seven members of our Board of Directors;
- (2) To vote on an advisory resolution to approve our executive compensation;
- (3) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013; and
- (4) To act upon such other matters as may properly come before the annual meeting or any adjournments or postponements thereof.

These items of business are more fully described in the proxy statement. The record date for determining those stockholders who will be entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof is January 3, 2013. A list of stockholders entitled to vote at the annual meeting will be available for inspection at our principal executive offices at the address listed above.

Whether or not you plan to attend the annual meeting, please vote as soon as possible. As an alternative to voting in person at the annual meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing a completed proxy card. For detailed information regarding voting instructions, please refer to the section entitled "Voting via the Internet, by Telephone or by Mail," on page 3 of the proxy statement. You may revoke a previously delivered proxy at any time prior to the annual meeting. If you decide to attend the annual meeting and wish to change your proxy vote, you may do so automatically by voting in person at the annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Janis B. Salin

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*Senior Vice President, General Counsel and Secretary*

Pasadena, California  
January 11, 2013

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**3475 East Foothill Boulevard  
Pasadena, California 91107**

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**PROXY STATEMENT**

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These proxy materials are provided in connection with the solicitation of proxies by our Board of Directors. The proxies are for use at our 2013 Annual Meeting of Stockholders, which we will hold at 10:00 a.m. Pacific Time on Tuesday, February 26, 2013, at the Westin Pasadena, 191 N. Los Robles Avenue, Pasadena, California 91101. The proxies will remain valid for use at any meetings held upon adjournment of that meeting.

The Notice of Annual Meeting, this proxy statement and our Annual Report for the fiscal year ended September 30, 2012, have been made available to all stockholders entitled to notice and to vote at the annual meeting. The Annual Report is not incorporated into this proxy statement and is not considered proxy soliciting material. The Annual Report is posted at the following website addresses: [www.tetratech.com](http://www.tetratech.com) and [www.proxyvote.com](http://www.proxyvote.com).

**PURPOSE OF MEETING**

The annual meeting will be held for the following purposes:

To elect seven members of our Board of Directors (Proposal No. 1);

To vote on an advisory resolution to approve our executive compensation (Proposal No. 2);

To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013 (Proposal No. 3); and

To act upon such other matters as may properly come before the annual meeting or any adjournments or postponements thereof.

**VOTING**

**Voting Rights**

Only stockholders of record of our common stock on January 3, 2013 (the "Record Date") will be entitled to vote at the annual meeting. Stockholders who hold shares in "street name" may vote at the annual meeting only if they hold a valid proxy from their broker. On the Record

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Date, there were 64,384,548 shares of common stock outstanding.

A majority of the outstanding shares of common stock entitled to vote at the annual meeting must be present or represented by proxy at the annual meeting in order to have a quorum. Stockholders of record who are present at the meeting in person or by proxy and who abstain from voting, including brokers holding customers' shares of record who cause abstentions to be recorded at the meeting, will be included in the number of stockholders present at the meeting for purposes of determining whether a quorum is present.



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Each stockholder of record is entitled to one vote at the annual meeting for each share of common stock held by such stockholder on the record date. In the election of directors, each director must be elected by the vote of the holders of a majority of the votes cast for the election of directors. A majority of the votes cast means that the number of votes cast "for" a director must exceed the number of votes cast "against" that director. Stockholders may not cumulate votes in the election of directors. A properly executed proxy marked "withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum. For Proposals 2 and 3, the affirmative vote of the holders of a majority of the shares of common stock present or represented by proxy and entitled to vote on the item will be required for approval. A properly executed proxy marked "abstain" with respect to any matter, as applicable, will not be voted, although it will be counted for purposes of determining whether there is a quorum. Accordingly, an abstention will have the effect of a negative vote.

For shares held in "street name" through a broker or other nominee, the broker or nominee may not be permitted to exercise voting discretion with respect to some of the matters to be acted upon. Thus, if stockholders do not give their broker or nominee specific instructions, their shares may not be voted on those matters and will not be counted in determining the number of shares necessary for approval. Shares represented by such "broker non-votes" will, however, be counted in determining whether there is a quorum.

If the persons present or represented by proxy at the annual meeting constitute the holders of less than a majority of the outstanding shares of common stock as of the Record Date, the annual meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum. The inspector of elections appointed for the annual meeting will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

**Admission to Meeting**

You are entitled to attend the annual meeting if you were a stockholder of record or a beneficial owner of our common stock on the Record Date, or you hold a valid legal proxy for the annual meeting. If you are a stockholder of record, you may be asked to present valid picture identification, such as a driver's license or passport, for admission to the annual meeting.

If your shares are registered in the name of a bank or brokerage firm (your record holder), you may be asked to provide proof of beneficial ownership as of the Record Date, such as a brokerage account statement, a copy of the Notice of Internet Availability of Proxy Materials or voting instruction form provided by your bank, broker or other holder of record, or other similar evidence of ownership, as well as picture identification, for admission. If you wish to be able to vote in person at the annual meeting, you must obtain a legal proxy from your brokerage firm, bank or other holder of record and present it to the inspector of elections with your ballot at the annual meeting.

**Recommendations of the Board of Directors**

Our Board of Directors recommends that you vote:

**FOR** each of the nominees of the Board of Directors (Proposal No. 1);

**FOR** the advisory resolution to approve our executive compensation (Proposal No. 2); and

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013 (Proposal No. 3).

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**Voting via the Internet, by Telephone or by Mail**

Holders of shares of our common stock whose shares are registered in their own name with our transfer agent, Computershare Investor Services, are record holders. As an alternative to voting in person at the annual meeting, record holders may vote via the Internet, by telephone or, for those stockholders who receive a paper proxy card in the mail, by mailing a completed proxy card.

For those record holders who receive a paper proxy card, instructions for voting via the Internet, telephone or by mail are set forth on the proxy card. Stockholders who elect to vote by mail should sign and mail the proxy card in the addressed, postage paid envelope that was enclosed with the proxy materials, and your shares will be voted at the annual meeting in the manner you direct. In the event that you return a signed proxy card on which no directions are specified, your shares will be voted **FOR** each of the nominees of the Board of Directors (Proposal No. 1); **FOR** the advisory resolution regarding executive compensation (Proposal No. 2); **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013 (Proposal No. 3); and in the discretion of the proxy holders as to any other matters that may properly come before the annual meeting or any postponement or adjournment of the annual meeting.

Stockholders whose shares are not registered in their own name with Computershare are beneficial holders of shares held in street name. Such shares may be held in an account at a bank or at a brokerage firm (your record holder). As the beneficial holder, you have the right to direct your record holder how to vote your shares, and you will receive instructions from your record holder that must be followed in order for your record holder to vote your shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions via the Internet or by telephone. If Internet or telephone voting is unavailable from your record holder, please complete and return the enclosed voting instruction card in the addressed, postage paid envelope provided. If your shares are held beneficially in street name and you have not given your record holder voting instructions, your record holder will not be able to vote your shares with respect to any matter other than ratification of the appointment of our independent registered public accounting firm. Shares held beneficially in street name may be voted by you in person at the annual meeting only if you obtain from your record holder a legal proxy giving you the right to vote such shares.

For those stockholders who receive a Notice of Internet Availability of Proxy Materials (described under "Internet Availability of Proxy Materials" below), the Notice of Internet Availability of Proxy Materials provides information on how to access your proxy, which contains instructions on how to vote via the Internet or by telephone. If you received a Notice of Internet Availability, you can request a printed copy of your proxy materials by following the instructions contained in the notice.

**Revocation of Proxies**

You may revoke or change a previously delivered proxy at any time before the annual meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to our Secretary at our principal executive offices before the beginning of the annual meeting. You may also revoke your proxy by attending the annual meeting and voting in person, although attendance at the annual meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You also may revoke any prior voting instruction by voting in person at the annual meeting if you obtain a legal proxy as described under "Admission to Meeting" above.

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**INTERNET AVAILABILITY OF PROXY MATERIALS**

In accordance with Securities and Exchange Commission ("SEC") rules, we are using the Internet as our primary means of furnishing proxy materials to stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. This makes the proxy distribution process more efficient and less costly, and helps conserve natural resources. If you previously elected to receive our proxy materials electronically, these materials will continue to be sent via email unless you change your election.

Table of Contents**PROPOSAL NO. 1****ELECTION OF DIRECTORS****General**

The names of persons who are nominees for director and their positions with us are set forth in the table below. The proxy holders intend to vote all proxies received by them for the nominees listed below unless otherwise instructed. The authorized number of directors is presently seven. Each of the current directors has been nominated for election by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee and has decided to stand for re-election.

Proxies may not be voted for more than seven directors, and stockholders may not cumulate votes in the election of directors. In the event any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee who may be designated by the Board of Directors to fill the vacancy, if any. As of the date of this proxy statement, the Board of Directors is not aware that any nominee is unable or will decline to serve as a director. The seven nominees receiving the highest number of affirmative votes of the shares entitled to vote at the meeting will be elected to the Board of Directors to serve until the next annual meeting of stockholders and until their successors have been elected.

No arrangement or understanding exists between any nominee and any other person or persons pursuant to which any nominee was or is to be selected as a director or nominee. The nominees do not have any family relationship among themselves or with any of our executive officers.

The following table presents information concerning the nominees.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Dan L. Batrack	54	Chairman, Chief Executive Officer, President, Director
Hugh M. Grant	76	Director
Patrick C. Haden	59	Director
J. Christopher Lewis	56	Presiding Director
Albert E. Smith	63	Director
J. Kenneth Thompson	61	Director
Richard H. Truly	75	Director

**Vote Required**

Our bylaws provide for a majority voting standard in uncontested elections of directors. As such, in an election where the Board of Directors has determined that the number of nominees for director does not exceed the number of directors to be elected, a nominee for director will be elected to the Board of Directors to serve until the next annual meeting of stockholders, and until his or her successor has been duly elected and qualified, if the number of shares voted for the nominee exceeds the number of shares voted against the nominee and also represents the affirmative vote of a majority of the required quorum. The required quorum for a meeting of our stockholders is a majority of the outstanding shares of common stock. The majority voting standard would not apply, however, if the Board of Directors determines that the number of nominees for director exceeds the number of directors to be elected. In that case, the nominees receiving the highest number of affirmative votes of the shares entitled to vote at the meeting would be elected.

The majority voting standard will apply to the election taking place at the meeting. Consequently, in order to be elected, a nominee must receive more votes "for" than "against" and the number of votes "for" must be at least a majority of the required quorum.

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**Board Composition, Skills and Experience**

We do not expect or intend that each director will have the same background, skills and experience. Rather, we expect that Board members will have a diverse portfolio of backgrounds, skills and experiences. One goal of this diversity is to assist the Board of Directors as a whole in its oversight and advice concerning our business and operations. Listed below are key skills and experience that we consider important for our directors to have in light of our current business and structure.

*Senior Leadership Experience.* Directors who have served in senior leadership positions are important to us as they bring experience and perspective in analyzing, shaping and overseeing the execution of important operational and policy issues at a senior level.

*Public Company Board Experience.* Directors who have served on other public company boards can offer advice and insights with regard to the dynamics and operation of a board of directors; the relations of a board to the Chief Executive Officer and other management personnel; the importance of particular agenda and oversight matters; and oversight of a changing mix of strategic, operational and compliance-related matters.

*Business Development and Mergers and Acquisitions ("M&A") Experience.* Directors who have a background in business development and in M&A transactions can provide insight into developing and implementing strategies for growing our business through combinations with other organizations. Useful experience in this area includes analysis of the "fit" of a proposed acquisition with a company's strategy, the valuation of transactions and management's plan for integration with existing operations.

*Financial Expertise.* Knowledge of financial markets, financing and funding operations, and accounting and financial reporting processes is important because it assists our directors in understanding, advising and overseeing our capital structure, financing and investing activities, financial reporting, and internal control of such activities.

*Industry and Technical Expertise.* Because we are a provider of consulting, engineering, program management, construction and technical services focusing on water, natural resources, environment, infrastructure and energy, education or experience in these fields is useful in understanding our various services, the potential expansion of those services, and the market segments in which we compete.

*Government Expertise.* Since approximately 37% of our revenue in fiscal 2012 was derived from U.S. federal government clients, directors who have served in government positions can provide experience and insight into working constructively with government agencies and administrators, and addressing significant public policy issues in areas related to our business and operations.

**Business Experience and Qualifications of Nominees**

**Mr. Batrack** joined our predecessor in 1980. He has served as our Chief Executive Officer ("CEO") and a director since November 2005, and was named Chairman in January 2008. He has also served as our President since October 2008. Mr. Batrack has served in numerous capacities over the last 30 years, including project scientist, project manager, operations manager, senior vice president and president of an operating unit. He has managed complex programs for many small and Fortune 500 clients, both in the United States and internationally. Mr. Batrack holds a B.A. degree in Business Administration from the University of Washington.

Mr. Batrack provides to the Board executive leadership and vision, together with an extensive network of client and industry relationships. His thorough knowledge of our business, strategy, people, operations, competition and financial position, as evidenced by our strong growth during his tenure as CEO, provides us with strong leadership focused on long-term performance and stockholder value.



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**Mr. Grant** joined our Board in January 2003. He spent approximately 38 years with Ernst & Young LLP (and its predecessor, Arthur Young & Company) where, among other things, he was Vice-Chairman and Regional Managing Partner of the Western United States, which had 2,000 employees. While at Ernst & Young, Mr. Grant served as the audit partner in charge of several large public companies, including those in the engineering and construction and defense industries. He also served on Ernst & Young's Management Committee for ten years. Mr. Grant retired from Ernst & Young in 1996. From 2000 to 2008, he served as a director of IndyMac Bancorp, Inc., the holding company for IndyMac Bank, and as a director of IndyMac Bank. He also served on IndyMac's audit, management development and compensation, corporate governance and capital committees during his tenure. Mr. Grant also serves as a director and a member of the audit/finance committees of a non-profit entity.

Mr. Grant has an in-depth understanding of the preparation and analysis of financial statements, and is considered an "audit committee financial expert" under SEC rules, based on his lengthy experience as a certified public accountant practicing public accounting. Mr. Grant's extensive accounting and financial knowledge is an invaluable asset to the Board in its oversight of the integrity of our financial statements and the financial reporting process. In addition, he has leadership and management experience, which is complemented by his prior service as a public company outside director.

**Mr. Haden** has been a member of our Board since December 1992. Since August 2010, Mr. Haden has served as the Athletic Director of the University of Southern California. From 1987 to August 2010, he was a general partner of Riordan, Lewis & Haden ("RLH"), a Los Angeles-based private equity firm that invests in high-growth middle market enterprises. During his tenure at RLH, he was a director of several portfolio companies. Since 2009, he has served as a director and a member of the audit committee of Avella Specialty Pharmacy, an RLH portfolio company. In addition, Mr. Haden has served since 2006 as Chairman of the Board, and on several committees, of TCW Strategic Income Fund, Inc., a diversified, closed-end management investment company, and The TCW Funds, a registered investment company. From 2000 to 2008, he served as a director of IndyMac Bancorp, Inc., the holding company for IndyMac Bank, and as a director of IndyMac Bank. He also served on IndyMac's strategic planning, information technology and compensation committees during his tenure. Mr. Haden also serves on the board of the Rose Hills Foundation and the Fletcher Jones Foundation.

Mr. Haden brings to the Board his affiliation with a prestigious university, together with his demonstrated abilities in leadership, management and motivation. Through his prior relationship with RLH, he provides significant experience in finance and investment, and in M&A transactions. Mr. Haden's service as a director of a public company board brings cross-board experience. He is also an attorney.

**Mr. Lewis** has been a member of our Board since February 1988. He currently serves as the Presiding Director of our Board and, as such, chairs the executive sessions of the Board meetings. Mr. Lewis co-founded RLH, and has been its Managing Director since 1982. From 1999 to 2009, he served as a director of SM&A, a provider of management consulting, proposal management and program support services. Mr. Lewis currently serves as a director, and on the audit and compensation committees, of several privately held companies, including The Chartis Group, RGM Group, Secure Mission Solutions and Silverado Senior Living.

As a Managing Director of a private equity firm, and as a director of several companies, Mr. Lewis brings to the Board significant senior leadership, management, operational and financial experience. He has extensive experience in evaluating new business opportunities, which strengthens our ability to select strategic acquisitions. Mr. Lewis also brings experience as a public company outside director.

**Mr. Smith** has been a member of our Board since May 2005. He served as Chairman from March 2006 to January 2008, after having served as Vice Chairman since September 2005. Mr. Smith is a former member of the U.S. Secretary of Defense's Defense Science Board, serving from 2002 to 2005. He was an Executive Vice President of Lockheed Martin and President of its Integrated Systems & Solutions business until 2004. From 1999 to 2003, Mr. Smith was Executive Vice President of Lockheed Martin's Space

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Systems Company. Prior to that, Mr. Smith was President of Government Systems at Harris Corporation. He has also worked for the Central Intelligence Agency, where he received the Intelligence Medal of Merit. Mr. Smith has served as a director of the Curtiss-Wright Corporation, a multinational provider of highly engineered products and services, and as a member of its finance and compensation committees, since 2006. He has served as a director of CDI Corporation, a professional services company, and as a member of its finance and compensation committees, since 2008. Mr. Smith also served on the Board of Trustees of Aerospace Corporation from 2005 to 2007.

Mr. Smith has over 20 years of executive, management and operational experience, including his leadership roles with us and at Lockheed Martin Corporation. He brings broad knowledge of the federal defense industry, specifically in the areas of aerospace, systems and processes, and the engineering services business. Mr. Smith has an engineering degree, which gives him a technical understanding of our business. In addition, he has experience as a director of other public companies, which positions him to provide his insights into a variety of corporate governance practices and other board functions.

**Mr. Thompson** joined our Board in April 2007. Since 2000, he has been the President and Chief Executive Officer of Pacific Star Energy, LLC, a private energy investment firm. Mr. Thompson, through Pacific Start Energy, is a co-owner of the Alaska Venture Capital Group LLC, a private oil and gas exploration firm. From 1998 to 2000, he was the Executive Vice President for ARCO's Asia-Pacific Region. In this role, Mr. Thompson led ARCO's Asia-Pacific operating companies. In previous positions, Mr. Thompson was head of ARCO's oil and gas research and technology center and was responsible for global technology strategy and energy technology transfer to more than 20 countries. Mr. Thompson served in various technical and management roles at ARCO from 1974 to 2000. Mr. Thompson has served since 1999 as a director of Alaska Air Group, Inc., a holding company for Alaska Airlines and Horizon Air Industries, and is a member of its compensation (chair) and safety committees. He has served as a director of Coeur d'Alene Mines Corporation since 2002, and is a member of its governance/nominating, audit and safety/environmental committees. Mr. Thompson has served since August 2011 as a director of Pioneer Natural Resources, a large independent oil and gas exploration and production company, and is a member of its governance/nominating and compensation committees. He also serves on the board of Provision Ministry Group, a non-profit organization.

Through Mr. Thompson's various executive positions, including the role of CEO, he brings to the Board leadership, risk management, operations, strategic planning, engineering, environmental, safety and regulatory experience. He also brings expertise in mining, our fastest growing commercial sector, and in oil and gas, in which we are expanding our environmental and process engineering practices. Mr. Thompson also has experience as a director of other public companies, which enables him to provide insights into a variety of strategic planning, compensation, finance and governance practices.

**Admiral Truly** joined our Board in April 2003. He is the former Executive Vice President of Midwest Research Institute ("MRI"). Prior to joining MRI in 1997, Admiral Truly was Vice President of the Georgia Institute of Technology, and Director of the Georgia Tech Research Institute, from 1992 to 1997. From 1989 to 1992, he served as the eighth Administrator of the National Aeronautics and Space Administration ("NASA") under President George H.W. Bush, and prior to that, he had a distinguished career in the U.S. Navy and NASA, retiring from the Navy as Vice Admiral. Admiral Truly was an astronaut with NASA and piloted the *Columbia*, commanded the *Challenger*, and in 1986 led the investigation of the *Challenger* accident. Admiral Truly was awarded the Presidential Citizens Medal, has served on the Defense Policy Board and Army Science Board, and is a member of the National Academy of Engineering. From 2005 to 2010, he served as a director of Xcel Energy, Inc., an electric power and natural gas utility. Admiral Truly also served on Xcel's finance, governance, compensation and nominating, and nuclear environmental and safety committees during his tenure. He has served as a director of Edenspace Systems Corp., Inc., a private company, since 2005, and as a director of Suntricity Corporation, a private company, since 2011. Admiral Truly also serves on the boards, and on various committees, of Regis University, the Colorado School of Mines and the Astronaut Memorial Foundation.



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As a retired Vice Admiral of the U.S. Navy, Admiral Truly brings to the Board extensive knowledge of the federal government, particularly the U.S. Department of Defense. The agencies of the Department of Defense are, collectively, our largest client. As the former Administrator of NASA, one of our clients, he brings a broad understanding of NASA's structure, goals and procedures. Admiral Truly also possesses an extensive background in the engineering services business, and his engineering degree gives him a technical understanding of our business. Admiral Truly also has experience serving as a public company outside director.

**Chairman Emeritus**

Dr. Li-San Hwang has served as our Chairman Emeritus since March 2006. As Chairman Emeritus, Dr. Hwang is invited to attend Board and Board committee meetings, but he does not have voting rights. Chairman Emeritus is an unpaid position; however, we reimburse Dr. Hwang for his attendance-related expenses.

Dr. Hwang joined our predecessor in 1967 and led our acquisition of the Water Management Group of Tetra Tech, Inc., a subsidiary of Honeywell Inc., in March 1988. He served as our Chief Executive Officer from our formation until November 2005. Dr. Hwang has served as an advisor to numerous government and professional society committees and has published extensively in the field of hydrodynamics. He is a graduate of the National Taiwan University, Michigan State University and the California Institute of Technology, holding B.S., M.S. and Ph.D. degrees, respectively, in Civil Engineering, specializing in water resources.

**Independent Directors**

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

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

The subjective test under NASDAQ criteria for director independence requires that each independent director not have a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The subjective evaluation of director independence by the Board of Directors was made in the context of the objective standards referenced above. In making its independence determinations, the Board of Directors considers the transactions and other relationships between us and each director and his or her family members and affiliated entities. The Board of Directors determined that there were no transactions or other relationships that exceeded NASDAQ objective standards and none would otherwise interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

**Corporate Governance**

We are committed to excellence in corporate governance and maintain clear policies and practices that promote good corporate governance. Many of these policies and practices are designed to ensure

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compliance with the listing requirements of NASDAQ and applicable corporate governance requirements, including the following:

the Board has adopted clear corporate governance policies;

a majority of our Board members are independent of us and our management;

the independent members of our Board meet regularly in executive session without the presence of management;

all members of the Board committees are independent;

the charters of our Board committees clearly establish their respective roles and responsibilities;

we have a clear Code of Business Conduct that applies to our directors, officers and employees;

we have a hotline available to all employees for the anonymous submission of employee complaints, and all complaints relating to accounting, internal controls or auditing matters go directly to the Chairman of our Audit Committee;

our Finance Code of Professional Conduct is a code of ethics that applies to our principal executive officer and all members of our finance department, including our principal financial officer and principal accounting officer;

our internal audit control function maintains critical oversight over the key areas of our business and financial processes and controls, and reports directly to our Audit Committee; and

we have stock ownership guidelines for our non-employee directors and executive officers.

Key information regarding our corporate governance initiatives can be found on our website, [www.tetratech.com](http://www.tetratech.com), including our Corporate Governance Principles, Code of Business Conduct, Finance Code of Professional Conduct, and the charter for each committee of the Board of Directors. The corporate governance page can be found by clicking on "Corporate Governance" in the Investor Relations section of our website.

### **Board Leadership Structure**

Our Board of Directors believes strongly in the value of an independent board of directors. Currently, all directors other than Mr. Batrack are independent. We have established a Presiding Director role with broad authority and responsibility, as described further below. The independent members of the Board also meet regularly without management, which meetings are chaired by the Presiding Director. Mr. Lewis currently serves as the Presiding Director, and Mr. Batrack currently serves as our Chairman and CEO.

The Board believes that it should maintain flexibility to select our Chairman and board leadership structure from time to time. Our policies do not preclude the CEO from also serving as Chairman of the Board. Combining the Chairman and CEO roles fosters clear accountability, effective decision-making and alignment on corporate strategy. In light of Mr. Batrack's knowledge of our company and its industry, and his experience successfully navigating us through both strong and challenging periods, his ability to speak as Chairman and CEO provides us with strong unified leadership.

The Board believes the role of Chairman and CEO, together with the role of the Presiding Director, provides an appropriate balance in our leadership. The role given to the Presiding Director helps ensure a strong, independent and active Board.



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The Presiding Director is elected by and from the independent directors. The Presiding Director has the following roles and responsibilities:

scheduling meetings of the independent directors;

chairing the separate meetings of the independent directors;

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

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

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

being available, as appropriate, for communication with stockholders; and

overseeing, with the Chairman of the Nominating and Corporate Governance Committee, the annual self-evaluation of the Board of Directors.

### **The Role of the Board of Directors in Risk Oversight and Management Continuity**

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

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

As part of the overall risk oversight framework, other committees of the Board also oversee certain categories of risk associated with their respective areas of responsibility. For example, the Audit Committee oversees matters related to accounting and financial reporting, financial metrics and measures, liquidity and cash flow, tax and treasury, litigation and claims, and compliance with the Sarbanes-Oxley Act of 2002. The Compensation Committee oversees compensation-related risk management, as discussed further under "Compensation Committee" and in the "Compensation Governance" portion of the "Compensation Discussion and Analysis." The Nominating and Corporate Governance Committee is responsible for our Code of Business Conduct and anti-fraud measures.

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

A key responsibility of the Board and our CEO is ensuring that an effective process is in place to provide continuity of leadership over the long term at all levels in the company. Each year, succession planning reviews are held at each business group level, culminating in a full review of senior leadership



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talent by the independent directors. During this review, the CEO and the independent directors discuss future candidates for senior leadership positions, succession timing for those positions, and development plans for the highest-potential candidates. This process ensures continuity of leadership over the long term, and it forms the basis on which we make ongoing leadership assignments.

**Board Meetings and Committees**

During fiscal 2012, our Board of Directors held six meetings. During this period, all of the incumbent directors attended or participated in more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all committees of the Board on which each such director served, during the period for which each such director served. Our directors are strongly encouraged to attend the annual meeting of stockholders, and all of our directors attended last year's annual meeting.

We have four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Strategic Planning Committee. Each of these committees has a written charter approved by the Board of Directors. A copy of each charter can be found by clicking on "Corporate Governance," then "Board Committees" in the Investor Relations section of our website at [www.tetratech.com](http://www.tetratech.com). The members of the committees, as of the date of this proxy statement, are identified in the following table.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Strategic Planning Committee
Hugh M. Grant	Chairman	X	X	
Patrick C. Haden		X	Chairman	
J. Christopher Lewis	X	X	X	
Albert E. Smith				Chairman
J. Kenneth Thompson	X	Chairman	X	X
Richard H. Truly		X	X	X

*Audit Committee*

The Audit Committee is responsible for reviewing the financial information that will be provided to stockholders and others; reviewing the system of internal controls that management has established; appointing, retaining and overseeing the performance of our independent registered public accounting firm; overseeing our accounting and financial reporting processes and the audits of our financial statements; and pre-approving audit and permissible non-audit services provided by the independent registered public accounting firm. This committee held five meetings during fiscal 2012. Our Board has determined that Mr. Grant is an "audit committee financial expert" as defined in Item 407(d) of Regulation S-K. Each member of this committee is an independent director and meets each of the other requirements for audit committee members under applicable NASDAQ listing standards.

*Compensation Committee*

The Compensation Committee's basic responsibility is to review the performance and development of our management in achieving corporate goals and objectives and to assure that our senior executives are compensated effectively in a manner consistent with our strategy, competitive practice, sound corporate governance principles and stockholder interests. Toward that end, this committee oversees, reviews and administers our compensation and equity plans.

The Compensation Committee's responsibilities and duties include an annual review and approval of our compensation strategy to ensure that it promotes stockholder interests and supports our strategic and

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tactical objectives, and that it provides appropriate rewards and incentives for management and employees, including a review of compensation-related risk management. During fiscal 2012, the Compensation Committee performed these oversight responsibilities and duties by, among other things, reviewing our compensation practices and policies generally, including an evaluation of the design of our executive compensation program, in light of our risk management policies and programs. Additional information regarding the Compensation Committee's risk management review appears in the "Compensation Governance" portion of the "Compensation Discussion and Analysis" section of this proxy statement.

This committee held five meetings during fiscal 2012. Each member is an independent director under the applicable NASDAQ listing standards, an "outside director" as defined in Section 162(m) of the Internal Revenue Code (the "Code"), and a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act").

The Compensation Committee has the exclusive authority and responsibility to determine all aspects of executive compensation packages for executive officers, other than input from the Audit Committee concerning the Chief Financial Officer's compensation. The Compensation Committee retains and does not delegate any of its exclusive power to determine all matters of executive compensation and benefits, although the CEO, together with the Human Resources staff, present compensation and benefit proposals to the Compensation Committee. For additional information concerning the Compensation Committee's processes and procedures for consideration and determination of executive officer compensation, see the "Compensation Discussion and Analysis" section of this proxy statement.

*Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee is responsible for overseeing, reviewing and making periodic recommendations concerning our corporate governance policies, and for recommending to the full Board candidates for election to the Board of Directors. This committee is also responsible for making recommendations to the full Board regarding the compensation of non-employee directors by means of an annual review of the market practices for non-employee directors for companies in our peer group. The Nominating and Corporate Governance Committee held four meetings during fiscal 2012. Each member is an independent director under applicable NASDAQ listing standards.

Nominees for the Board of Directors should be committed to enhancing long-term stockholder value and must possess a high level of personal and professional ethics, sound business judgment and integrity. The Board of Directors has codified the standards for directors in our Corporate Governance Principles. These Principles provide that the Nominating and Corporate Governance Committee will work with the Board to determine the appropriate characteristics, skills and experiences for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Nominating and Corporate Governance Committee takes into account many factors, including general understanding of business development and strategy, risk management, finance, financial reporting and other disciplines relevant to the success of a publicly traded company in today's business environment; understanding of our business and the issues affecting that business; education and professional background; personal accomplishment; and diversity. With regard to diversity, we are committed to considering candidates for the Board regardless of gender, ethnicity and national origin. Final approval of a candidate will be determined by the full Board. The Board will evaluate each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent stockholder interests through the exercise of sound judgment using its diversity of experience. The Committee evaluates each incumbent director to determine whether he or she should be nominated to stand for re-election, based on the types of criteria outlined above as well as the director's contributions to the Board during that director's current term.

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The brief biographical description of each nominee set forth in the "Business Experience and Qualifications of Nominees" section above includes the primary individual experience, qualifications, attributes and skills of each of our directors that led to the conclusion that each director should serve as a member of the Board of Directors at this time.

In recommending candidates for election to the Board of Directors, our Nominating and Corporate Governance Committee considers nominees recommended by directors, officers and others, using the same criteria to evaluate all candidates. The committee reviews each candidate's qualifications, including whether a candidate possesses any of the specific qualities and skills desirable in certain members of the Board of Directors. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate. Upon selection of a qualified candidate, the Nominating and Corporate Governance Committee recommends the candidate for consideration by the full Board of Directors. The committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees. To recommend a prospective nominee for the Nominating and Corporate Governance Committee's consideration, stockholders should submit the candidate's name and qualifications to our Secretary in writing at the following address: Tetra Tech, Inc., Attn: Secretary, 3475 E. Foothill Boulevard, Pasadena, California 91107.

When submitting candidates for nomination to be elected at our annual meeting of stockholders, stockholders must also follow the notice procedures and provide the information required by our bylaws. In particular, for the Nominating and Corporate Governance Committee to consider a candidate recommended by a stockholder for nomination at the 2014 annual meeting, the recommendation must be delivered or mailed to and received by the Secretary at our principal executive offices on or between October 13, 2013 and November 12, 2013 (or, if the 2014 annual meeting is not held within 30 days of the anniversary of the date of the 2013 annual meeting, no later than the tenth day following the date of our public announcement of the date of the 2014 annual meeting). The recommendation must include the same information as is specified in our bylaws for stockholder nominees to be considered at an annual meeting, including the following:

the name and address of the stockholder who intends to make the nomination and of the person to be nominated;

a representation that the stockholder is a record holder of our common stock on the date of such notice and intends to appear in person or by proxy at the meeting to nominate the person specified in the notice;

a description of all arrangements or understandings between the stockholder and the nominee or any other person (naming such person) pursuant to which the nomination is to be made by the stockholder;

information regarding the nominee that would be required to be included in our proxy statement by the rules of the SEC, including the nominee's age, business experience for the past five years and any other directorships held by the nominee, including directorships held during the past five years; and

the consent of the nominee to serve as a director if so elected.

### *Strategic Planning Committee*

The Strategic Planning Committee is responsible for reviewing management's long-term strategy and making a recommendation to the Board regarding that strategy; reviewing and recommending to the Board certain strategic decisions regarding our exit from existing lines of business and entry into new lines of business; reviewing acquisitions, joint ventures, investments or dispositions of businesses and assets, and the financing of these transactions; reviewing the allocation of corporate resources recommended by management, including their relationship with our long-term business objectives and strategic plans; and



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assessing how technology influences our business strategy and resource allocation. As previously noted, the Strategic Planning Committee is also responsible for the oversight of the ERM. This committee held two meetings during fiscal 2012. Each member of this committee is an independent director under applicable NASDAQ listing standards.

**Director Compensation**

This section provides information regarding the compensation policies for non-employee directors and amounts paid and securities awarded to these directors in fiscal 2012. Non-employee directors typically do not receive forms of remuneration, perquisites or benefits other than those described below, but are reimbursed for their expenses in attending meetings.

*Fiscal 2012 Cash Compensation*

During fiscal 2012, cash fees earned by non-employee directors were as follows:

annual retainer of \$50,000 for serving on the Board of Directors for the year of Board service beginning upon election at the 2012 Annual Meeting of Stockholders;

additional annual retainer fee of \$15,000 for the Presiding Director and the Chairman of the Audit Committee;

additional annual retainer fee of \$5,000 for the Chairmen of the Compensation Committee, the Nominating and Corporate Governance Committee and the Strategic Planning Committee;

additional fee of \$2,000 per in-person or telephonic Board meeting attended;

additional fee of \$2,000 per in-person or telephonic Audit Committee meeting attended; and

additional fee of \$1,500 per in-person or telephonic Compensation Committee, Nominating and Corporate Governance Committee or Strategic Planning Committee meeting attended.

*Fiscal 2012 Equity Compensation*

Our 2005 Equity Incentive Plan (the "EIP") does not provide for automatic equity grants to non-employee directors, but instead provides for discretionary awards. On February 28, 2012, Messrs. Grant, Haden, Lewis, Smith, Thompson and Truly each received a non-qualified stock option to purchase 8,000 shares of common stock at an exercise price of \$25.27 per share, the fair market value (closing price) of a share of our common stock on the date of grant. Each option vests and becomes exercisable in full on the first anniversary of the grant date if the director has not ceased to be a director prior to such date. The options have a term of eight years measured from the grant date, and vest immediately in full upon certain changes in our control or ownership, or upon the optionee's death, disability or retirement while a member of the Board.

Each of our non-employee directors also received an award of 1,500 performance shares under the EIP. These shares were awarded concurrently with the annual grants of performance shares to our executive officers as described in the "Compensation Discussion and Analysis" section of this proxy statement. On November 11, 2011, Messrs. Grant, Haden, Lewis, Smith, Thompson and Truly each received such an award. The performance shares vest in equal installments over three years beginning as of the award date. The number of vested shares in each installment (from 0% to 140%) is based on the average annual percentage growth in our earnings per share from the base year, using the same calculation that is used to determine the vesting of performance share awards to executive officers under the Policy. Accordingly, based on this growth formula, on November 16, 2012, (i) 100% of the third installment of the fiscal 2010 award vested; (ii) 120% of the second installment of the fiscal 2011 award vested; and (iii) 100% of the first installment of the fiscal 2012 award vested. All unvested shares will be forfeited upon a

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director's departure from the Board. For additional information concerning the vesting of performance shares, please refer to the "Compensation Discussion and Analysis" section of this proxy statement.

*Fiscal 2012 Total Director Compensation*

The following table provides information as to compensation for services of our non-employee directors during fiscal 2012:

**Director Compensation**

<b>Non-Employee Director</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)<sup>(1)</sup></b>	<b>Performance Share Awards (\$)<sup>(2)</sup></b>	<b>Total (\$)</b>
Hugh M. Grant	100,500	74,320	33,795	208,615
Patrick C. Haden	80,500	74,320	33,795	188,615
J. Christopher Lewis	100,500	74,320	33,795	208,615
Albert E. Smith	74,500	74,320	33,795	182,615
J. Kenneth Thompson	93,500	74,320	33,795	201,615
Richard H. Truly	77,000	74,320	33,795	185,115

(1) The amounts in the Option Awards column represent the aggregate grant date fair values, computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, of stock option awards issued pursuant to the EIP. The grant date fair value of the stock option awards granted on February 28, 2012 to each non-employee director was \$9.29 per share. There can be no assurance that these grant date fair values will ever be realized by the non-employee directors. For information regarding the number of stock options held by each non-employee director as of September 30, 2012, see the column "Stock Options Outstanding" in the table below.

(2) The amounts in the Performance Share Awards column represent the aggregate grant date fair values, computed in accordance with FASB ASC Topic 718, of performance share awards under the EIP. The grant date fair value of these awards is calculated using the closing price of our common stock on the grant date as if these awards were vested and issued on the grant date. The grant date fair value of the performance share awards granted on November 11, 2011 to each non-employee director was \$22.53 per share. There can be no assurance that these grant date fair values will ever be realized by the non-employee directors. For information regarding the number of unvested performance shares held by each non-employee director as of September 30, 2012, see the column "Unvested Performance Shares Outstanding" in the table below.

Each of the non-employee directors owned the following number of stock options and unvested performance shares as of September 30, 2012:

<b>Non-Employee Director</b>	<b>Unvested</b>	
	<b>Stock Options Outstanding (#)</b>	<b>Performance Shares Outstanding (#)</b>
Hugh M. Grant	72,000	3,000
Patrick C. Haden	48,000	3,000
J. Christopher Lewis	80,000	3,000
Albert E. Smith	56,750	3,000
J. Kenneth Thompson	42,500	3,000
Richard H. Truly	56,000	3,000

**Non-Employee Director Stock Ownership**

In November 2010, our Board adopted stock ownership guidelines for non-employee directors. These guidelines call for each non-employee director to own shares of our common stock having a value equal to the lesser of three times the non-employee director's regular annual cash retainer or 7,000 shares, with a five-year period to attain that ownership level. Until a director's stock ownership requirement is met, the director must retain at least 75% of "gain shares" resulting from the exercise of a stock option. "Gain

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shares" means the total number of shares of our common stock that are being exercised, excluding shares that would have been used to satisfy minimum tax withholding obligations had the director been employed by us as a common law employee. In addition to shares of common stock, vested but unexercised stock options and vested performance shares count in determining stock ownership for purposes of the guidelines. The failure to comply with the stock ownership guidelines will result in the director being required to use one-third of any net annual retainer to purchase shares of our stock. As of September 30, 2012, all of our non-employee directors met the stock ownership guidelines.

**Fiscal 2013 Director Compensation**

In accordance with its Charter, the Nominating and Corporate Governance Committee conducted its annual review of non-employee director compensation based upon an analysis of such compensation at peer companies. The Committee then recommended, and the Board approved, the following changes on April 27, 2012: (1) an increase in the cash retainer from \$50,000 to \$65,000, effective at the 2013 Annual Meeting of Stockholders; and (2) a revision of the mix of equity awards to be similar to that of executive management. As such, the equity awards will consist of 40% stock options, 40% performance-based restricted stock, and 20% time-vested restricted stock units ("RSUs"). These equity awards will be made each November, concurrently with the executive management equity awards. On November 16, 2012, each non-employee director was awarded 4,200 stock options, 1,800 shares of performance-based restricted stock, vesting over three years as described above, and 900 time-vested RSUs, vesting in four equal annual installments.

**Stockholder Communications with the Board of Directors**

Stockholders may communicate with our Board of Directors through our Secretary by sending an email to [bod@tetratech.com](mailto:bod@tetratech.com) or by writing to the following address: Board of Directors, c/o Secretary, Tetra Tech, Inc., 3475 E. Foothill Boulevard, Pasadena, California 91107. Stockholders also may communicate with our Compensation Committee through our Secretary by sending an email to [compensationcommittee@tetratech.com](mailto:compensationcommittee@tetratech.com), or by writing to the following address: Compensation Committee, c/o Secretary, Tetra Tech, Inc., 3475 E. Foothill Boulevard, Pasadena, California 91107. Our Secretary will forward all correspondence to the Board of Directors or the Compensation Committee, except for spam, junk mail, mass mailings, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate material.

**Recommendation of the Board of Directors**

Our Board of Directors recommends that the stockholders vote **FOR** the election of each of the nominees listed in this proxy statement.

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**PROPOSAL NO. 2**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Under Section 14A of the Exchange Act, our stockholders are entitled to cast an advisory vote to approve the compensation of our named executive officers. Pursuant to the vote of our stockholders at the 2011 annual meeting, this opportunity will be given to our stockholders annually. The stockholder vote is an advisory vote only and is not binding on us or our Board of Directors. Although the vote is non-binding, our Board of Directors and the Compensation Committee value the opinion of our stockholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

Executive compensation is an important matter for our stockholders. The core of our executive compensation philosophy and practice continues to be to pay for performance. Our executive officers are compensated in a manner consistent with our strategy, competitive practice, sound corporate governance principles, and stockholder interests and concerns. We believe our compensation program is strongly aligned with the long-term interests of our stockholders. Compensation of our executive officers is designed to enable us to attract and retain talented and experienced senior executives to lead us successfully in a competitive environment. We urge you to read the "Compensation Discussion and Analysis," the compensation tables and the narrative discussion in this proxy statement for additional details on our executive compensation program.

The compensation of our named executive officers ("NEOs") is consistent with our pay for performance philosophy as follows:

the weighting among the three major components of executive officer compensation is structured toward variable cash incentive awards and long-term equity-based incentives. In fiscal 2012, 80% of our CEO's total direct compensation was variable, and 64% to 69% of the total direct compensation of our other NEOs was variable.

each NEO's variable cash incentive award is based on the achievement of financial performance goals over a one-year period in the categories of gross revenue, operating income, cash flow and backlog. We reported record results in fiscal 2012 with increases in revenue, operating income, cash flow from operating activities and backlog of 5%, 14%, 20%, and 10%, respectively, over fiscal 2011.

a significant portion of each NEO's long-term equity incentive award consists of performance shares that vest over a three-year performance period, with vesting each year based on the growth in our fully diluted earnings per share. Accordingly, the amount ultimately earned will not be known until the end of the three-year performance period. In fiscal 2012, our earnings per share increased 14% over fiscal 2011.

for fiscal 2012, compared to our peer group for which comparable data was available, our corporate performance was the best among our peers; however, our Chief Executive Officer's realizable total direct compensation was near the 20<sup>th</sup> percentile and the other NEOs' realizable total direct compensation, in the aggregate, was near the 25<sup>th</sup> percentile.

We are asking stockholders to vote on the following resolution:

**RESOLVED**, that the stockholders approve the compensation of Tetra Tech's named executive officers as disclosed pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion and Analysis, the compensation tables and the narrative discussion.

**Vote Required**

The affirmative vote of a majority of the shares of our common stock present or represented by proxy and voting at the annual meeting is required for approval of this proposal. If you own shares through a

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bank, broker or other holder of record, you must instruct your bank, broker or other holder of record how to vote in order for them to vote your shares so that your vote can be counted on this proposal.

**Recommendation of the Board of Directors**

The Board of Directors recommends that the stockholders vote **FOR** approval of the advisory resolution regarding executive compensation.

Table of Contents**PROPOSAL NO. 3****RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****General**

We are asking our stockholders to ratify the Audit Committee's appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013. In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider this appointment. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in our and our stockholders' best interests.

PricewaterhouseCoopers LLP has audited our consolidated financial statements annually since fiscal year 2004. Representatives of PricewaterhouseCoopers LLP are expected to be present at the annual meeting, and they will have an opportunity to make a statement if they desire to do so. It is also expected that those representatives will be available to respond to appropriate questions.

**Principal Accountant Fees and Services**

The following is a summary of the fees billed or expected to be billed to us by PricewaterhouseCoopers LLP for professional services rendered for the fiscal years ended September 30, 2012 and October 2, 2011:

<b>Fee Category</b>	<b>Fiscal 2012 Fees</b>	<b>Fiscal 2011 Fees</b>
Audit Fees	\$ 2,791,265	\$ 2,528,000
Audit-Related Fees		
Tax Fees	1,191,415	833,483
All Other Fees	3,600	3,600
<b>Total Fees</b>	<b>\$ 3,986,280</b>	<b>\$ 3,365,083</b>

*Audit Fees.* Consists of fees billed for professional services rendered for the integrated audit of our consolidated financial statements and our internal control over financial reporting, for review of the interim consolidated financial statements included in quarterly reports, and for services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or other engagements.

*Audit-Related Fees.* In fiscal 2012 and 2011, there were no audit-related fees.

*Tax Fees.* Consists of fees billed for professional services for tax compliance, tax advice, tax planning and tax returns. These services include assistance regarding federal, state and international tax compliance; assistance with tax reporting requirements, tax returns and audit compliance; mergers and acquisitions tax compliance; and tax advice on international and state tax matters. None of these services were provided under contingent fee arrangements.

*All Other Fees.* These fees were associated with an annual license fee for software used by management in performing technical research.

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

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm, subject to limited discretionary authority granted to our executive management. These services may include audit services, audit-related services, tax

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services and other services. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

**Vote Required**

The affirmative vote of a majority of the shares of our common stock present or represented by proxy and voting at the annual meeting is required for approval of this proposal.

**Recommendation of the Board of Directors**

The Board of Directors recommends that the stockholders vote **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for fiscal year 2013.

Table of Contents**OWNERSHIP OF SECURITIES**

The following table sets forth information known to us with respect to beneficial ownership of our common stock at December 1, 2012 by:

all those persons known by us to own beneficially 5% or more of our common stock;

each director and nominee;

our CEO, Chief Financial Officer ("CFO") and the three most highly compensated executive officers (other than the CEO and CFO) named in the table entitled "Summary Compensation Table" below; and

all directors and executive officers as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, to our knowledge the persons named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned. The number of shares beneficially owned by each person or group as of December 1, 2012 includes shares of common stock that such person or group had the right to acquire on or within 60 days after December 1, 2012, including, but not limited to, upon the exercise of options. References to options in the footnotes of the table below include only options to purchase shares that were exercisable on or within 60 days after December 1, 2012. For each individual and group included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 63,870,317 shares of common stock outstanding on December 1, 2012 plus the number of shares of common stock that such person or group had the right to acquire on or within 60 days after December 1, 2012. Unless otherwise stated, the business address of each of our directors, nominees and executive officers listed in the table below is c/o Tetra Tech, Inc., 3475 E. Foothill Boulevard, Pasadena, California 91107.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Owned
BlackRock, Inc. <sup>(1)</sup>	4,902,957	7.7
Baron Capital Group, Inc. <sup>(2)</sup>	3,766,675	5.9
The Vanguard Group, Inc. <sup>(3)</sup>	3,355,165	5.3
Dan L. Batrack <sup>(4)</sup>	476,536	*
Steven M. Burdick <sup>(5)</sup>	127,544	*
Ronald J. Chu <sup>(6)</sup>	107,450	*
Hugh M. Grant <sup>(7)</sup>	73,500	*
Frank C. Gross, Jr. <sup>(8)</sup>	45,102	*
Patrick C. Haden <sup>(9)</sup>	47,700	*
J. Christopher Lewis <sup>(10)</sup>	110,898	*
James R. Pagenkopf <sup>(11)</sup>	119,830	*
Albert E. Smith <sup>(12)</sup>	79,107	*
J. Kenneth Thompson <sup>(13)</sup>	45,000	*
Richard H. Truly <sup>(14)</sup>	57,500	*
All directors and executive officers as a group (19 persons) <sup>(15)</sup>	2,198,695	3.4

\* Less than 1%

- (1) All information regarding share ownership is taken from and furnished in reliance upon the Schedule 13G (Amendment No. 2), dated as of January 20, 2012, filed by BlackRock, Inc., whose address is 40 East 52<sup>nd</sup> Street, New York, NY 10022.
- (2) All information regarding share ownership is taken from and furnished in reliance upon the Schedule 13G (Amendment No. 2), dated as of February 14, 2012, jointly filed by Baron Capital Group, Inc., BAMCO, Inc., Baron Capital Management, Inc. and Ronald Baron. The address of these



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entities and Mr. Baron is 767 Fifth Avenue, 49<sup>th</sup> Floor, New York, NY 10153.

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- (3) All information regarding share ownership is taken from and furnished in reliance upon the Schedule 13G, dated as of February 6, 2012, filed by The Vanguard Group, Inc., whose address is 100 Vanguard Boulevard, Malvern, PA 19355.
- (4) Includes options to purchase 320,413 shares.
- (5) Includes options to purchase 103,064 shares.
- (6) Includes options to purchase 81,368 shares.
- (7) Includes options to purchase 64,000 shares.
- (8) Includes options to purchase 12,548 shares.
- (9) Includes options to purchase 40,000 shares. The business address of Mr. Haden is c/o University of Southern California Athletic Department, Heritage Hall 203A, 3501 Watt Way, Los Angeles, CA 90089.
- (10) Includes options to purchase 72,000 shares. The business address of Mr. Lewis is c/o Riordan, Lewis & Haden, 10900 Wilshire Boulevard, Suite 850, Los Angeles, CA 90024.
- (11) Includes options to purchase 62,075 shares.
- (12) Includes options to purchase 48,750 shares.
- (13) Includes options to purchase 34,500 shares. The business address of Mr. Thompson is 1120 Huffman Rd., Suite 24 PMB203, Anchorage, AK 99515.
- (14) Includes options to purchase 48,000 shares.
- (15) Includes options to purchase 1,601,160 shares.

### **Equity Compensation Plan Information**

The following table provides information as of September 30, 2012 with respect to the shares of our common stock that may be issued under our existing equity compensation plans under which awards may be granted. All of our existing plans have been approved by our stockholders. All of our employees are eligible to participate in the Employee Stock Purchase Plan (the "ESPP") and the EIP.

	A	B	C
	Number of Securities to be Issued Upon Exercise of Outstanding Options <sup>(1)</sup>	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Stockholders <sup>(2)</sup>	4,875,494	\$ 21.50	5,108,109 <sup>(3)</sup>

- (1) Excludes purchase rights under our ESPP for the purchase right period that commenced on January 1, 2012 and ended on December 31, 2012.

- (2) Consists of the EIP, the 2003 Outside Director Stock Option Plan (the "ODP") and the ESPP.
- (3) As of September 30, 2012, an aggregate of 3,876,624, 22,000 and 1,209,485 shares of common stock were available for issuance under the EIP, the ODP and the ESPP, respectively. As of September 30, 2012, only 1,251,518 of these shares remained available for full-value awards. We no longer grant options under the ODP.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. These persons are required to provide us with copies of all Section 16(a) forms they file. Based solely on our review of these forms and written representations from the executive officers and directors, we believe that all Section 16(a) filing requirements were met during fiscal 2012.

Table of Contents**EXECUTIVE COMPENSATION AND RELATED INFORMATION****Compensation Discussion and Analysis***Introduction*

The following discussion describes and analyzes Tetra Tech's compensation program for its NEOs. Tetra Tech's NEOs for fiscal 2012 are the CEO, the CFO and the three most highly compensated executive officers (other than the CEO and CFO) who were serving as executive officers at the end of fiscal 2012. The NEOs are Dan L. Batrack, Chairman and CEO; Steven M. Burdick, Executive Vice President and CFO; and the three Group Presidents: James R. Pagenkopf, Executive Vice President and President of Engineering and Consulting Services ("ECS"); Ronald J. Chu, Executive Vice President and President of Technical Support Services ("TSS"); and Frank C. Gross, Jr., Executive Vice President and President and Remediation and Construction Management ("RCM").

In this Compensation Discussion and Analysis ("CD&A"), we first provide an *Executive Summary* with highlights of the CD&A. Next, we cover Tetra Tech's *Compensation Philosophy and Objectives* and the *Pay for Performance Analysis*. We then discuss the *Compensation Process* the Compensation Committee follows in deciding how to compensate Tetra Tech's NEOs, and provide an overview of the *Compensation Components and Targets* of Tetra Tech's compensation program. Finally, we engage in a detailed discussion and analysis of the Compensation Committee's specific decisions about the NEOs' *Fiscal 2012 Compensation*, and summarize the Compensation Committee's November 2012 decisions regarding *Fiscal 2013 Compensation*.

*Executive Summary**Tetra Tech's Fiscal 2012 Financial Performance and Executive Compensation.*

Tetra Tech reported record results in fiscal 2012 despite continuing challenges for the markets in which Tetra Tech operates. The following is a summary of Tetra Tech's financial performance in fiscal 2012 as compared to fiscal 2011:

	Fiscal 2012	Fiscal 2011	% Change
	(\$ in thousands, except per share data)		
Revenue	\$ 2,711,075	\$ 2,573,144	5.4
Revenue, net of subcontractor costs	2,022,070	1,792,327	12.8
Operating income	166,367	146,422	13.6
Cash flow from operating activities	158,021	131,623	20.1
Diluted earnings per share	1.63	1.43	14.0
Backlog	2,138,783	1,950,094	9.7

Set forth below are tables that display each NEO's variable cash incentive compensation, base salary, long-term equity incentive compensation, and total direct compensation (annual base salary, variable cash incentive and long-term equity incentive amounts) for fiscal 2012 as compared to fiscal 2011.

Tetra Tech's variable cash incentive awards for the NEOs are determined and paid under its Executive Compensation Plan ("ECP") and the related Executive Compensation Policy (the "Policy"), which are consistent with Tetra Tech's core philosophy to pay for performance. For the CEO and CFO, cash incentive awards are based on Tetra Tech's overall performance in the fiscal year, together with the executive's individual performance. For Group Presidents, these awards are based upon the performance of each Group President's respective business group, together with the executive's individual performance. For both the corporate and group performance components, the awards are determined by comparing actual fiscal 2012 performance to the fiscal 2012 target in the categories of gross revenue, operating income, cash flow and backlog, and making certain adjustments. The method of calculation is specifically described below. Variable cash incentive awards for fiscal 2012 for the NEOs other than the CEO ranged from 75% to 92% of the NEO's annual base salary, while the target for each such officer was 75% of base salary. For the CEO, the award was 156% of his annual base salary, while his target was 120% of base salary.

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With respect to equity incentive awards in fiscal 2012, Tetra Tech granted stock options and awarded performance shares to the NEOs. The stock options had time-based vesting at the rate of 25% per year. The performance shares had performance-based vesting, as described below. As in prior years, the Compensation Committee believed that for fiscal 2012, the combination of approximately  $\frac{2}{3}$  time-based stock options and  $\frac{1}{3}$  performance-based shares offered a total long-term equity incentive opportunity aligned with stockholder interests, with the appropriate balance of risk, performance and retention.

### *Financial Performance for Fiscal 2012 Compared to Fiscal 2011*

The tables below set forth the financial metrics used for determining the variable cash incentive awards for fiscal 2012 as compared to fiscal 2011. The methodology for computing the awards is described below under "Compensation Components Variable Cash Incentive Awards." Tetra Tech does not disclose backlog targets for its business groups. As noted above, the CEO and CFO awards are based on the overall Tetra Tech results, and Group President awards are based on the results of their respective business groups. The fiscal 2011 business group results reflect the amounts reported in last year's proxy statement. These financial results do not reflect the pro-forma adjustments relating to the organizational changes that resulted from the realignment of certain operating units in the first quarter of fiscal 2012. The results shown below include the impact of acquisitions in the respective fiscal year.

<b>Tetra Tech</b>		
	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>
	(\$ in thousands)	
Gross Revenue	\$ 2,711,075	\$ 2,573,144
% of Target	96	103
Operating Income	\$ 166,367	\$ 146,422
% of Target	101	105
Cash Flow	\$ 158,021	\$ 131,623
% of Target	109	132
Backlog	\$ 2,138,783	\$ 1,950,094
% of Target	97	93

<b>ECS</b>		
	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>
	(\$ in thousands)	
Gross Revenue	\$ 1,036,588	\$ 1,107,994
% of Target	103	113
Operating Income	\$ 88,091	\$ 100,790
% of Target	95	116
Cash Flow	\$ 88,328	\$ 104,602
% of Target	94	119

**TSS**  
**Fiscal 2012**