
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): March 15, 2016 (March 14, 2016)

QUANTA SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-13831
(Commission
File No.)

74-2851603
(IRS Employer
Identification No.)

**2800 Post Oak Boulevard, Suite 2600
Houston, Texas 77056**
(Address of principal executive offices, including ZIP code)

(713) 629-7600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On March 14, 2016, James F. O’Neil III resigned as president, chief executive officer and director of Quanta Services, Inc. (“Quanta” or the “Company”) as part of the Company’s ongoing leadership succession planning.

(c)(d) On March 14, 2016, the Company’s Board of Directors (the “Board”) named Earl C. (Duke) Austin, Jr. as president and chief executive officer and appointed Mr. Austin as a director to fill the vacancy on the Board. Mr. Austin will retain his current title of chief operating officer in addition to president and chief executive officer.

Mr. Austin, age 46, has served as chief operating officer of the Company since January 2013. He previously served as president of the electric power division and oil and gas division from May 2011 to December 2012 and had responsibility for oversight of power and pipeline operations since January 2011. He served as president of the oil and gas division from October 2009 to May 2011 and as president of North Houston Pole Line, L.P. (“North Houston”), an electric power and natural gas specialty contractor and wholly-owned subsidiary of Quanta, from 2001 until September 2009. He is currently a director of the Southwest Line Chapter of National Electrical Contractors Association. Mr. Austin holds a Bachelor of Arts degree in Business Management.

Mr. Austin will serve as a director until the Company’s next annual meeting of stockholders or until his earlier resignation or removal or when a successor is duly elected and qualified. Mr. Austin has not been appointed to any Board committees. There are no arrangements or understandings between Mr. Austin and any other person pursuant to which he was elected as a director or selected as an officer. Mr. Austin has no family relationship with any director, executive officer, or other person nominated or chosen by the Company to become a director or executive officer.

There are no transactions in which Mr. Austin has an interest requiring disclosure under Item 404(a) of Regulation S-K, except as described herein. North Houston is a party to certain facility leases with Properties, Etc., a general partnership of which Mr. Austin is a general partner and 50% owner. During 2015, North Houston paid an aggregate of \$386,835 to Properties, Etc. in rent expense related to these leases and incurred \$181,905 in costs associated with necessary leasehold improvements to one of these properties. These leases have various terms through September 2016, and as of December 31, 2015, provided for aggregate remaining lease obligations of \$264,005 through the conclusion of the lease terms. In addition, North Houston is a party to a facility lease with Mr. Austin and paid Mr. Austin \$144,000 in rent expense for 2015 related to this lease. As of December 31, 2015, the aggregate remaining lease obligations under this lease were \$89,419 through the conclusion of the lease term in August 2016. Further, North Houston is a party to a facility lease with Mr. Austin’s father and paid Mr. Austin’s father \$180,000 in rent expense for 2015 related to this lease. As of December 31, 2015, the aggregate remaining lease obligations under this lease were \$111,774 through the conclusion of the lease term in August 2016. These leases relate primarily to facilities that were occupied by North Houston when Quanta acquired North Houston in 2001. Quanta believes that the rental rates of these leases do not exceed fair market value.

(e) In connection with Mr. O’Neil’s resignation, he entered into a Separation Agreement and General Release of All Claims (the “Separation Agreement”) with the Company dated March 14, 2016.

The Separation Agreement provides for, among other things, (i) Mr. O’Neil’s continuation as an employee through the separation date of April 1, 2016, (ii) a lump-sum payment by the Company to Mr. O’Neil in the amount of \$2.2 million, less applicable withholding taxes, (iii) continued vesting of unvested time-based restricted stock units held by Mr. O’Neil according to the vesting schedule established upon grant, notwithstanding the separation of employment, (iv) the settlement of unvested performance units held by Mr. O’Neil based on actual Company performance measured at the end of the applicable 3-year performance period, on a pro rata basis according to the number of months of service relative to the 36-month performance period, (v) a mutual release of claims, (vi) certain restrictive covenants, including a covenant not to compete and a non-solicitation agreement, for a period of two years following the separation of employment, and (vii) an agreement to refrain from disclosure of confidential and/or proprietary information of Quanta. As an employee of the Company through April 1, 2016, Mr. O’Neil will remain eligible to receive incentive compensation payable to him in respect of the 2015 fiscal year in accordance with Quanta’s 2015 annual incentive plan, as determined by the Board’s Compensation Committee.

The foregoing summary of the terms of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the Separation Agreement, a copy of which is filed as Exhibit 10.1 and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On March 14, 2016, the Company issued a press release announcing the resignation of Mr. O’Neil as president, chief executive officer and director of the Company, and the appointment of Mr. Austin as president, chief executive officer, chief operating officer and a director of the Company. A copy of the press release is furnished herewith as Exhibit 99.1 to this report.

The information furnished in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Exhibit</u> |
|--------------------|---|
| 10.1 | Separation Agreement and General Release of All Claims dated March 14, 2016 between James F. O’Neil III and Quanta Services, Inc. |
| 99.1 | Press Release of Quanta Services, Inc. dated March 14, 2016 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 15, 2016

QUANTA SERVICES, INC.

By: /s/ Steven J. Kems

Name: Steven J. Kems

Title: Executive Vice President and General Counsel

EXHIBIT INDEX

Exhibit No.

Exhibit

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**SEPARATION AGREEMENT
AND GENERAL RELEASE OF ALL
CLAIMS**

This Separation Agreement and Release of All Claims (the "Agreement") is made and entered into by and between James F. O'Neil III (hereinafter referred to as the "Employee") and Quanta Services, Inc., a Delaware corporation, (hereinafter referred to as the "Company").

The purpose of this Agreement is to (i) arrange a settlement of the Employee's employment with the Company that is satisfactory both to the Company and to the Employee and (ii) satisfy the Company's obligations arising from the Employee's Employment Agreement effective May 19, 2011 (the "Employment Agreement"). By signing this Agreement, the Company and the Employee agree as follows:

1. **Resignation.** The Employee and the Company are entering into this Agreement as a way of amicably concluding the employment relationship between them on April 1, 2016 (the "Separation Date"), and of resolving voluntarily any dispute or potential dispute or claim that the Employee has or might have with the Company, whether known or unknown by the Employee at this time. The Employee resigned as an officer and director of the Company, and from all other officer and director positions he held with affiliates of the Company effective on March 14, 2016, and the Employee agrees that his employment with the Company and its affiliates shall terminate on the Separation Date. The parties agree this Agreement constitutes notice to the Secretary and President of the Company of the Employee's resignation as an officer and director of the Company, as contemplated by the Company's bylaws. This Agreement is not and should not be construed as an allegation by the Employee, or as an admission on the part of the Company, that the Company has acted unlawfully or violated any state or federal law or regulation. The Employee agrees that he has not resigned as a director of the Company because of any disagreement with the Company on any matter relating to the Company's operations, policies or practices. The Company, including its parent companies, affiliates, associated companies, and subsidiaries, specifically disclaim any liability to the Employee or any other person for any alleged violation of rights or for any alleged violation of any order, law, statute, duty, policy or contract.

Through the Separation Date, the Company will pay the Employee his regular base salary and the Employee will be eligible to continue his participation in the Company's benefits plans. On or around March 15, 2016, the Company will also pay the Employee his 2015 annual cash bonus in the amount of Four Hundred Two Thousand Three Hundred Twenty-Five Dollars (\$402,325) less applicable taxes and authorized withholdings, and paid contemporaneously with the Company's payment of annual cash bonuses for 2015 to its active employees.

2. **Severance Benefits.** As consideration for the Employee agreeing to release the Company from all claims and liabilities that are described in Paragraph 5 herein and subject to the provisions of Paragraph 11 herein, the Company will provide the Employee the following as severance benefits (the "Severance Benefits"):

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- a. a lump sum equal to two (2) years of the Employee's current annual base salary of One Million One Hundred Thousand Dollars (\$1,100,000), which lump sum the parties agree is equal to Two Million Two Hundred Thousand Dollars (\$2,200,000), less applicable taxes and authorized withholdings, with such amount to be paid within ten (10) days after the expiration of the period for the Employee to revoke his acceptance to this Agreement under Paragraph 10;
- b. continued vesting of the time-based Restricted Stock Units identified in Exhibit A according to the original vesting schedules set forth in the applicable award agreements for such Restricted Stock Units;
- c. settlement of the Performance Units identified in Exhibit A, the results of which shall be determined by the Compensation Committee, in its sole discretion, based on the Compensation Committee's determination of the Company's actual performance over the applicable Performance Period (as defined in the applicable award agreement) on a pro-rata basis calculated by multiplying the final number of Performance Units (as defined in the applicable award agreement) by a fraction, (i) the numerator of which is the number of months of service between the period beginning on the first date of the applicable Performance Period and ending on March 31, 2016 and (ii) the denominator of which is thirty-six (36) (the number of months in each Performance Period);
- d. in accordance with past Company practice, payment of or reimbursement for the Employee's 2016 executive physical; and
- e. continued coverage, if the Employee so elects, during the eighteen (18) month period following the Separation Date, for the Employee and the Employee's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse the Employee on a monthly basis for the difference between the amount the Employee pays to effect and continue such coverage and the employee contribution amount that active employees of the Company pay for the same or similar coverage under such group health plans.

Each payment payable under this Agreement is intended to be exempt from or compliant with Section 409A of Internal Revenue Code and constitutes a separate payment for purposes of Section 409A of the Internal Revenue Code. The timing of payment pursuant to this Paragraph shall be determined as established herein and the Employee may not designate the time of payment of any of the Severance Benefits. The Employee acknowledges and agrees that the Company has made no representations to him regarding the tax consequences of any Severance Benefits received by him pursuant to this Agreement.

3. **Entire Consideration.** The Employee agrees that the Severance Benefits set forth in Paragraph 2, herein, constitute the entire amount of consideration provided to him under this Agreement and satisfy and exceed the Company's obligations to the Employee under the Employment Agreement. Except as otherwise provided in this Agreement, the

Employee agrees that, after the Separation Date, the Employee will not be entitled to accrue additional benefits in any of the Company's benefit plans or receive any salary, bonus, or perquisite, including, but not limited to, corporate housing and Company-provided club memberships. This Agreement does not modify any vested benefits the Employee may have accrued in a Company benefit plan, including, but not limited to, the Company's Nonqualified Deferred Compensation Plan. Such vested benefits shall be paid according to the terms of the applicable benefit plan. However, any outstanding and unvested equity awards not identified in Exhibit A to this Agreement shall be forfeited. The Employee further agrees that he will make no claim for any additional or other severance benefits or payments and that he will not seek any further compensation for any other claimed damage, costs, severance, income or attorneys' fees.

4. **Forfeiture of Severance Benefits.** Notwithstanding any provision of this Agreement to the contrary, if the Employee violates any provision of this Agreement, fails to execute this Agreement prior to the date that is fifty (50) days after the Separation Date, or if the Employee executes this Agreement but subsequently revokes such execution in accordance with Paragraph 10, then the Employee shall forfeit all outstanding Severance Benefits.
5. **Mutual Release.** In consideration of the Severance Benefits, the Employee, for himself, his heirs, executors, administrators, successors and assigns, does fully and forever release and discharge the Company, its parent companies, affiliates, associated companies, and subsidiaries, their respective associated companies and subsidiaries, all of their respective present and former officers, directors, supervisors, managers, employees, stockholders, agents, attorneys and representatives, and the successors and assigns of such persons and entities (collectively, the "Released Parties"), from all actions, lawsuits, grievances, complaints, liens, demands, obligations, damages, liabilities, and claims of any nature whatsoever, known or unknown, that the Employee had, now has, or may hereafter claim to have against the Released Parties from the beginning of time through the date the Employee executes this Agreement. The release provided herein specifically includes, but is not limited to, all claims arising under any federal, state or local fair employment practice laws, and any other employee relations statute, executive order, law and ordinance, including, but not limited to, Title VII of the Civil Rights Acts of 1964, as amended; the Civil Rights Acts of 1866, 1870, and 1871, as amended; the Civil Rights Act of 1991, as amended; the Age Discrimination in Employment Act of 1967, as amended; the Older Workers Benefit Protection Act, as amended; the Americans With Disabilities Act of 1990, as amended; the Family and Medical Leave Act, as amended; the Equal Pay Act, as amended; the Fair Labor Standards Act, as amended; the Worker Adjustment and Retraining Notification Act of 1988, as amended; the Employee Retirement Income Security Act of 1974, as amended; Section 806 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1514A, *et seq.*); the Rehabilitation Act of 1973 (29 U.S.C. Section 791 *et seq.*); the Occupational Safety and Health Act (29 U.S.C. § 651, *et seq.*); the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA); the Texas Labor Code, as amended; the Texas Administrative Code, as amended; the Texas Commission on Human Rights Act, as amended; any local human rights law; and any tort or contract cause of action or theory.

The Employee expressly represents and agrees that he has been advised that, by entering into this Agreement, he is waiving all claims that he may have against the Company arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement.

Provided that the Employee timely executes this Agreement and does not revoke his acceptance of this Agreement under Paragraph 10, the Company, on behalf of itself and its successors and assigns, hereby fully and forever releases, acquits and discharges the Employee from all claims, demands, actions, lawsuits, grievances, and obligations of any nature whatsoever that the Company has or might have against the Employee as of the date this Agreement is executed by the Company arising from or in any way connected with or related to the Employee's past service as an officer, director, employee, or agent of the Company or any of its subsidiaries; provided, however, that such release (i) shall not apply to any claims, demands, actions, lawsuits, grievances or causes of action that the Company may have against the Employee for past conduct that constitutes fraud or willful misconduct, (ii) shall not serve to waive or release any rights or claims of the Company that may arise after the date this Agreement is executed, and (iii) shall not affect any future obligation which the Employee may have to the Company under the terms of this Agreement.

6. **Covenants Concerning Claims/Limitations on Scope of Agreement** The Employee agrees that he will not file any complaints, claims or actions against the Released Parties with any court regarding any matters or claims that arose prior to the Employee's execution of this Agreement. If any court assumes jurisdiction on behalf of the Employee of any complaint, claim or action against the Company, he will direct that court to withdraw from or dismiss with prejudice the matter.

Notwithstanding the preceding provision or any other provision of the Agreement, the Employee's agreement to the provisions under Paragraph 5, or any other Paragraph of this Agreement, is not intended to prohibit the Employee from bringing an action to challenge the validity of the release of claims under the Age Discrimination in Employment Act, as amended, or the Older Worker's Benefit Protection Act, as amended. The Employee further understands and agrees that if he or someone acting on his behalf files, or causes to be filed, any such claim, charge, complaint, or action against the Released Parties, he expressly waives any right to recover any damages or other relief, whatsoever, from the Released Parties, including costs and attorneys' fees.

Nothing in this Agreement is intended to, or will, interfere with the Employee's right to file a charge with, provide information to, cooperate with, or participate in an investigation or administrative proceeding conducted by the Equal Employment Opportunity Commission or state fair employment practices agency, or by any other federal or state regulatory or law enforcement agency or commission. However, by executing this Agreement, the Employee hereby waives the right to recover, and agrees not to seek any damages, remedies or other relief for himself personally in any proceeding he may bring before such agency or in any proceeding brought by such agency, or any other person, on his behalf. This Agreement is also not intended to apply to claims for accrued benefits (other than severance-type benefits) under any benefit plan of the Released Parties pursuant to the terms of any such plan.

The Employee understands that he is not releasing rights under this Agreement that cannot be waived as a matter of law, that any claims that cannot be lawfully waived are excluded from this Agreement, and that by executing this Agreement he is not waiving any such claims. Likewise, the Employee is not releasing any rights or claims that may arise after the date on which he signs this Agreement including but not limited to rights under the Indemnity Agreement executed between the Employee and the Company. In addition, while this Agreement requires the Employee to waive any and all claims against the Released Parties arising under workers' compensation laws (e.g., claims of retaliation for filing a workers' compensation claim), it is not intended to prohibit the Employee from filing in good faith for and from receiving any workers' compensation benefits from Released Parties' workers' compensation carrier for compensable injuries incurred during his employment. Accordingly, pursuit of any such workers' compensation benefits with Released Parties' workers' compensation carrier or third-party administrator will not be considered a violation of this Agreement.

7. **Agreement Not to Compete/Solicit** The Employee acknowledges that the Employment Agreement subjects him to certain covenants, restrictions and obligations with respect to Company-related inventions and developments in Article V of the Employment Agreement and obligations relating to Proprietary and Confidential Information in Article VI of the Employment Agreement, all of which the parties agree shall remain in full effect as modified by this Agreement and are incorporated by reference into this Agreement. For purposes of convenience, the substantive terms of the non-compete and non-solicitation covenants of Article VI of the Employment Agreement, as modified, are reproduced below.
- a. **Non-Compete**. The Employee agrees that during the Covenant Period (as defined below), he shall not, without the Company's written consent, directly or indirectly, for himself or on behalf of or in conjunction with any other person, persons, company, partnership, corporation or business venture of any nature:
- i. engage, as an officer, director, shareholder, owner, partner, joint venturer or in a managerial or advisory capacity, whether as an employee, independent contractor, consultant, advisor or sales representative, in any business or industry in which the Employer Group (as defined in the Employment Agreement) is engaged or was engaged during the Employee's tenure as an officer of the Company, within the United States, Canada or any other country in which the Employer Group conducts business, including any territory serviced by the Employer Group, or in which the Employer Group is actively pursuing business opportunities (the "Territory");
 - ii. engage, as an officer, director, shareholder, owner, partner, joint venturer or in a managerial or advisory capacity, whether as an employee, independent contractor, consultant, advisor or sales representative, with a Prospective Acquiror of the Employer Group. "Prospective Acquiror" means any person or entity, which, to the Employee's actual knowledge, either called upon or made an acquisition analysis of any member of the Employer Group for the purpose of evaluating an acquisition of any member of the Employer Group or a material portion of the Employer Group's business within twenty-four (24) months of the Employee's Separation Date;

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- iii. call upon any person or entity which is, at that time, or which has been, within one (1) year prior to that time, a customer of the Employer Group, or a prospective customer that has been actively solicited by the Employer Group, within the Territory for the purpose of soliciting or selling products or services in competition with the Employer Group; or
 - iv. call upon any prospective acquisition candidate, on the Employee's own behalf or on behalf of any competitor, which candidate was, to the Employee's actual knowledge after due inquiry, either called upon by the Employer Group or for which the Employer Group made an acquisition analysis for the purpose of acquiring such entity.
- b. Non-Solicitation. The Employee agrees that during the Covenant Period, he shall not, without the Company's written consent, employ, hire, solicit, induce or identify for employment or attempt to employ, hire, solicit, induce or identify for employment, directly or indirectly, any employee(s) of the Employer Group to leave his or her employment and become an employee, consultant or representative of any other entity including, but not limited to, the Employee's new employer, if any.
 - c. Publicly Traded Securities. The provisions of this Paragraph 7 shall not prevent the Employee from acquiring or holding publicly traded stock or other public securities of a competing company, so long as the Employee's ownership does not exceed two percent (2%) of the outstanding securities of such company.
 - d. Agreement to Inform Subsequent Employers. For a period of two (2) years after the Separation Date, the Employee agrees to inform each new employer, prior to accepting employment, of the existence of the Employment Agreement and provide that employer with a copy of the Employment Agreement.
 - e. Reasonableness of Restrictions. The Employee acknowledges that the restrictions set forth in this Paragraph 7 are intended to protect the Employer Group's legitimate business interests and its Proprietary and Confidential Information (as defined in the Employment Agreement) and established relationships and good will. The Employee acknowledges that the time, geographic and scope of activity limitations set forth herein are reasonable and necessary to protect the Employer Group's legitimate business interests. However, if in any judicial proceeding, a court shall refuse to enforce this Agreement as written, whether because the time limitation is too long or because the restrictions contained herein are more extensive (whether as to geographic area, scope of activity or otherwise) than is necessary to protect the legitimate business interests of the Employer Group, it is expressly understood and agreed between the parties hereto that this Agreement is deemed modified to the extent necessary to permit this Agreement to be enforced in any such proceedings.
 - f. Ability to Obtain Other Employment. The Employee acknowledges that (1) the Employee's knowledge, experience and capabilities are such that the Employee can obtain employment in business activities which are of a different and non-competing nature than those performed in the course of his employment with the Company or in the geographic areas outside of the Territory and (2) the enforcement of a remedy hereunder including, but not limited to, injunctive relief, will not prevent the Employee from earning a reasonable livelihood.

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- g. **Injunctive Relief.** The Employee acknowledges that compliance with this Paragraph 7 is necessary to protect the good will and other legitimate business interests of the Employer Group and that a breach of any or all of these provisions will give rise to irreparable and continuing injury to the Employer Group that is not adequately compensable in monetary damages or at law. Accordingly, the Employee agrees that the Company, its successors and assigns, may obtain injunctive relief against the breach or threatened breach of any or all of these provisions, in addition to any other legal or equitable remedies which may be available to the Employer Group at law or in equity or under the Employment Agreement. Because the Employee further acknowledges that it would be difficult to measure any damages caused to the Employer Group that might result from any breach by the Employee of any promises set forth in the Agreement, the Employee agrees that the Company shall be entitled to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Employer Group, as well as to be relieved of any obligation to provide further payment or benefits to the Employee or the Employee's dependents.
- h. **Other Remedies.** In addition to the remedies provided in Paragraph 4 of this Agreement, if the Employee violates and/or breaches the Employment Agreement, the Company shall be entitled to an accounting and repayment of all lost profits, compensation, commissions, remuneration or benefits that the Employee directly or indirectly has realized or may realize as a result of any such violation or breach. The Company shall also be entitled to recover for all lost sales, profits, commissions, good will and customers caused by the Employee's improper acts, in addition to and not in limitation of any injunctive relief or other rights or remedies that the Company is or may be entitled to at law or in equity under the Agreement.
- i. **Costs.** The Employee acknowledges that should it become necessary for the Company to file suit to enforce the provisions contained herein, and any court of competent jurisdiction awards the Employer Group any damages and/or an injunction due to the acts of the Employee, then the Company shall be entitled to recover its reasonable costs incurred in conducting the suit including, but not limited to, reasonable attorneys' fees and expenses.
- j. **Covenant Period.** For purposes of this Paragraph 7, the Covenant Period shall mean the period beginning on the Separation Date and ending on the date that is two (2) years after the Separation Date.
8. **Employee Acknowledgments.** The Employee acknowledges and agrees that:
- a. In return for and in consideration of his execution, delivery and performance of this Agreement, the Company is providing to the Employee the Severance Benefits.

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- b. The Employee is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement.
 - c. The Employee does not waive rights or claims that may arise after the date this Agreement is signed.
 - d. In return for signing this Agreement, the Employee will receive payment of consideration beyond that which he was entitled to receive in the absence of entering into this Agreement.
9. **Twenty-One (21) Day Review Period.** The Employee acknowledges that he was provided at least twenty-one (21) days to consider whether to sign this Agreement. If the Employee signs this Agreement prior to the end of the 21-day period, he certifies and agrees that the decision to accept such shortening of time is knowing and voluntary. Should the Employee sign this Agreement before the expiration of the 21-day period, the Company may at its option and discretion expedite the processing of some or all of the Severance Benefits, subject to the revocation period set forth in Paragraph 10.
10. **Seven (7) Day Revocation Period.** The Employee understands that he may revoke this Agreement at any time within seven (7) days after he executes it. To revoke the Agreement, the Employee must deliver written notification of such revocation to the Company's General Counsel within seven (7) days after the date of the Employee's execution of this Agreement. The Employee further understands that if he does not revoke the Agreement within seven (7) days following its execution (excluding the date of execution), it will become effective, binding, and enforceable. The Employee understands that he will not receive the Severance Benefits until this Agreement becomes effective, binding, and enforceable, which shall not occur prior to the eighth day following the Employee's execution of this Agreement.
11. **Employee Representations.** The Employee represents that:
- a. he has reviewed all aspects of this Agreement;
 - b. he has carefully read and fully understands all of the provisions and effects of this Agreement;
 - c. he has had the opportunity to consult with an attorney before signing this Agreement.
 - d. he understands that in agreeing to the terms of this Agreement he is releasing the Released Parties from any and all claims he may have against the Company, and all persons acting by, through, under or in concert with the Company, including claims under the federal Age Discrimination in Employment Act of 1967, as amended, as well as any claims for age discrimination that may exist under Texas law or any other applicable law, as more particularly described in Paragraph 5 herein;
 - e. he voluntarily agrees to all the terms set forth in this Agreement;

- f. he has not filed, caused to be filed, and presently is not a party to any claim, complaint, or action against the Released Parties in any forum or form, whether administrative or otherwise; and
- g. as of the time of execution of this Agreement by the Employee, the Employee is unaware of any facts or conduct that would give rise to a claim against the Released Parties of any type or sort, including those types of claims or other violations set forth generally and specifically above, and further including but not limited to, any claims under the Family Medical Leave Act of 1993 or the Fair Labor Standards Act.
12. **Return of Company Property and Confidentiality Obligations.** The Employee agrees that on or before the Separation Date, the Employee shall return or shall have returned all Company Property and Proprietary and Confidential Information. "Company Property" means all property of the Company, including, but not limited to, Company issued/owned computers, laptops, peripheral electronic equipment (e.g., printers, cameras, projectors, computer docking stations, etc.), Blackberry or other personal digital assistants (PDAs), cellular telephones, credit cards, keys, door cards, tools, equipment on loan, and any other Company books, manuals, and journals. For purposes of this Paragraph 12 and Paragraph 13, "Company" shall include all parent companies, affiliates, associated companies, and subsidiaries.
- The Employee further acknowledges and agrees that the Employee is obligated to not, at any time, disclose or otherwise make available to any person, company or other party Proprietary and Confidential Information or trade secrets of the Company, its parent, associated companies, affiliates, and subsidiaries. This Agreement shall not limit any obligations the Employee has under any applicable federal or state law.
13. **Non-disparagement.** The Employee agrees not to make any disparaging or negative statements about the Company, its services or its current or former directors, officers, supervisors, managers, or employees. The Company shall refrain, and shall use reasonable efforts to cause its directors and executive officers to refrain, from making any disparaging or negative statements about the Employee or the Employee's services to the Company. Statements made in the course of any litigation, or legal or regulatory proceeding, whether disparaging or negative, are excluded from the coverage of this Paragraph.
14. **Assistance With Legal Proceedings.** The Employee agrees that following the execution of this Agreement, the Employee will furnish such information and proper assistance as may be reasonably necessary in connection with any litigation or other legal proceedings in which the Company is then or may become involved, and shall cooperate in a timely manner with the Company, including but not limited to cooperation with the Board of Directors, officers, counsel, regulators and auditors, with respect to all internal investigations with respect to which the Employee may have relevant information, provided, however, that for the period from the Separation Date through June 30, 2016, the Company will compensate the Employee at the hourly rate of Four Hundred Dollars (\$400) for any such services that exceed eight hours per month. For services that are provided under this Paragraph 14 on and after July 1, 2016, the Company will compensate the Employee at the stated hourly rate for any such services that exceed one hour per month. The Company shall also reimburse the Employee for all reasonable and necessary expenses he incurs in fulfilling his obligations under this Paragraph 14, including but not limited to, attorneys' fees.

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15. **Voluntary Action.** The Employee represents and agrees that he is knowingly and voluntarily entering into this Agreement, and that he has relied solely and completely upon his own judgment or the advice of his attorney in entering into this Agreement.
16. **Entire Agreement.** This Agreement sets forth the entire agreement between the Employee and the Company and fully supersedes and replaces any and all prior agreements or understandings, written or oral, between the Company and the Employee pertaining to the subject matter of this Agreement, including, without limitation, the provisions of the Employment Agreement that are not incorporated herein pursuant to Paragraph 7. The Employee and the Company represent and acknowledge that in executing this Agreement they do not rely upon and have not relied upon any representation or statement made by any of the parties or by any of the parties' agents, attorneys, employees, or representatives with regard to the subject matter, basis, or effect of this Agreement or otherwise, other than those specifically stated in this written Agreement.
17. **Partial Invalidity.** Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such illegal, invalid or unenforceable provision had not been included herein.
18. **Governing Law.** This Agreement will be governed by, and construed and interpreted in accordance with, the laws of the State of Texas without regard to principles of conflict of laws.

QUANTA SERVICES, INC.

DATED: March 14, 2016

By: /s/ Bruce E. Ranck
Bruce E. Ranck
Chairman of the Board

EMPLOYEE

DATED: March 14, 2016

/s/ James F. O'Neil III
James F. O'Neil III

EXHIBIT A**Restricted Stock Units:**

For purposes of this Agreement, “Restricted Stock Units” means the outstanding Restricted Stock Units granted under the Company’s 2011 Omnibus Equity Incentive Plan, as identified below:

| <u>Grant Date</u> | <u>02.28.17 Vest</u> | <u>02.28.18 Vest</u> | <u>Total Unvested Shares Included in the Severance Benefits</u> |
|-------------------|----------------------|----------------------|---|
| 03.12.14 | 39,422 | | 39,422 |
| 03.12.14 | 18,449 | | 18,449 |
| 03.16.15 | 25,552 | 25,552 | 51,104 |
| Total | | | 108,975 |

Performance Units:

For purposes of this Agreement, “Performance Units” means the outstanding Performance Units granted under the Company’s 2011 Omnibus Equity Incentive Plan, which shall be subject to proration in accordance with the terms of Paragraph 2(c), as identified below:

| <u>Grant Date</u> | <u>Performance Period (calendar years)</u> | <u>2017 Vest</u> | <u>2018 Vest</u> | <u>Total</u> |
|-------------------|--|------------------|------------------|--------------|
| 03.16.14A | 2014-2016 | 55,345 | | 55,345 |
| 03.16.15B | 2015-2017 | | 87,108 | 87,108 |
| Total | | | | 142,453 |

A Threshold is 13,837 Performance Units; maximum is 110,690.

B Threshold is 21,777 Performance Units; maximum is 174,216.



PRESS RELEASE

FOR IMMEDIATE RELEASE

16-05

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 Ward Creative Communications
 713-869-0707

QUANTA SERVICES ANNOUNCES CEO TRANSITION
CHIEF OPERATING OFFICER EARL “DUKE” AUSTIN NAMED CHIEF EXECUTIVE OFFICER
COMPANY REAFFIRMS ITS GROWTH STRATEGY & FULL YEAR GUIDANCE

HOUSTON, Mar. 14, 2016 — Quanta Services, Inc. (NYSE: PWR) today announced that president and chief executive officer (CEO) Jim O’Neil, has stepped down as part of Quanta’s ongoing leadership succession planning. Quanta’s board of directors has named current chief operating officer (COO), Earl “Duke” Austin, Jr., to succeed Mr. O’Neil as president and CEO. Mr. Austin will retain his current title of COO in addition to president and CEO. Mr. O’Neil has also resigned from the board of directors, and the board has appointed Mr. Austin to fill that position. Mr. O’Neil will remain available to Mr. Austin and the company as part of this planned succession.

Bruce Ranck, independent chairman of the board stated, “On behalf of the board, I want to thank Jim for his many contributions to Quanta over his distinguished 17 year career with the company, including the last five years as president and CEO. As CEO, Jim oversaw significant, profitable growth and was critical in developing and implementing Quanta’s long-term strategic initiatives and setting the stage for the company’s next phase of growth.

“Jim and the board believe that Duke Austin is uniquely suited to lead Quanta forward. Since joining Quanta in 2001, Duke has been an important part of our success, taking on increasingly larger roles in our organization, and has been a key architect of our current growth strategy. He is a proven leader who has built outstanding teams, developed and executed value enhancing strategies and demonstrated a keen ability to anticipate industry changes. Quanta has an incredibly bright future and we look forward to continuing to work with Duke and our talented team to deliver on that promise.”

Mr. Austin said, “I am humbled by the trust and confidence that Jim and the board are placing in me with this appointment. I am fortunate to transition into the CEO role at Quanta following Jim’s strong direction over the past five years. We have many opportunities to enhance Quanta’s leadership position in the industry and to continue to profitably grow our business. As we do, we will remain committed to driving long-term value for our employees, customers and stockholders.”

Mr. O’Neil added, “I am honored to have been part of the Quanta family and feel privileged to have served as the company’s CEO. I am proud of what we have accomplished at Quanta and remain excited about the opportunities that lie ahead for this tremendous organization. Quanta’s competitive differentiation is strong and the long term outlook for our end markets is bright. Duke is a leader with deep knowledge and experience about all aspects of our business and having worked with him for 15 years, I am confident he is the right leader at the right time to lead Quanta forward.”

Austin, 46, brings more than two decades of industry experience to the position and represents the fourth generation within his family to work in the electric infrastructure business. He has served as Quanta’s chief operating officer since January 2013. He previously served as president of the electric power division and oil and gas division from May 2011 to December 2012 and had responsibility for oversight of power and pipeline operations since January 2011. He served as president of the oil and gas division from October 2009 to May 2011 and as president of North Houston Pole Line, L.P., an electric power and natural gas specialty contractor and now a subsidiary of Quanta, from 2001 until September 2009. He is currently a director of the Southwest Line Chapter of the National Electrical Contractors Association. Mr. Austin holds a bachelor of arts in business management.

The Company also reaffirmed its growth strategy and 2016 outlook as outlined on its fourth quarter and full year 2015 earnings call on February 25, 2016. Quanta continues to believe that the execution of its well-defined strategy will enable it to deliver long-term value.

ABOUT QUANTA SERVICES

Quanta Services is a leading specialized contracting services company, delivering infrastructure solutions for the electric power and oil and gas industries. Quanta’s comprehensive services include designing, installing, repairing and maintaining energy infrastructure. With operations throughout the United States, Canada and Australia and in select other international markets, Quanta has the manpower, resources and expertise to safely complete projects that are local, regional, national or international in scope. For more information, visit www.quantaservices.com.

Forward Looking Statement

This press release (and oral statements regarding the subject matter of this press release) contains forward-looking statements intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to growth strategy and outlook, leadership position, delivering long-term value, and the company’s future and opportunities, as well as statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts. Although Quanta’s management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements can be affected by inaccurate assumptions and by known and unknown risks and uncertainties that are difficult to predict or beyond Quanta’s control, including, among others, risks arising from executive succession; market conditions; the effects of industry, economic or political conditions outside of the control of Quanta; quarterly variations in operating results; adverse economic and financial conditions, including weakness in the capital markets; trends and growth opportunities in relevant markets; delays, reductions in scope or cancellations of anticipated, pending or existing projects, including as a result of weather, regulatory or environmental processes, project performance issues, or customers’ capital constraints; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts, including the ability to obtain awards of projects on which Quanta bids or is otherwise discussing with customers; the ability to attract skilled labor and retain key personnel and qualified employees; potential shortage of skilled employees; dependence on fixed price contracts and the potential to incur losses with respect to these contracts; estimates relating to the use of percentage-of-completion accounting; adverse impacts from weather; the ability to generate internal growth; competition in Quanta’s business, including the ability to effectively compete for new projects and market share; potential failure of renewable energy initiatives, the economic stimulus package or other existing or potential legislative actions to result in increased demand for Quanta’s services; liabilities associated with multi-employer pension plans, including underfunding of liabilities and termination or withdrawal liabilities; the possibility of further increases in the liability associated with Quanta’s withdrawal from a multi-employer pension plan; liabilities for claims that are self-insured or not insured; unexpected costs or liabilities that may arise from lawsuits or indemnity claims asserted against Quanta; the outcome of pending or threatened litigation; risks relating to the potential unavailability or cancellation of third party insurance, the exclusion of coverage for certain losses, and potential increases in premiums for coverage deemed beneficial to Quanta; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; loss of customers with whom Quanta has long-standing or significant relationships; the potential that participation in joint ventures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners; Quanta’s inability or failure to comply with the terms of its contracts, which may result in unexcused delays, warranty claims, failure to meet performance guarantees, damages or contract terminations; the effect of natural gas, natural gas liquids and oil prices on Quanta’s operations and growth opportunities and on Quanta’s customers’ capital programs and the resulting impact on demand for Quanta’s services; the future

development of natural resources in shale formations; the inability of customers to pay for services; the failure to recover on payment claims against project owners or to obtain adequate compensation for customer-requested change orders; the failure of Quanta's customers to comply with regulatory requirements applicable to their projects, including those related to awards of stimulus funds, which may result in project delays and cancellations; budgetary or other constraints that may reduce or eliminate tax incentives for or government funding of projects, including stimulus projects, which may result in project delays or cancellations; estimates and assumptions in determining financial results and backlog; the ability to realize backlog; risks associated with operating in international markets, including instability of foreign governments, currency fluctuations, tax and investment strategies and compliance with the laws of foreign jurisdictions as well as the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws; the ability to successfully identify, complete, integrate and realize synergies from acquisitions; the potential adverse impact resulting from uncertainty surrounding acquisitions, including the ability to retain key personnel from the acquired businesses and the potential increase in risks already existing in Quanta's operations; the adverse impact of impairments of goodwill, receivables, property and equipment and other intangible assets or investments; growth outpacing Quanta's decentralized management and infrastructure; requirements relating to governmental regulation and changes thereto; inability to enforce Quanta's intellectual property rights or the obsolescence of such rights; risks related to the implementation of an information technology solution; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; potential liabilities relating to occupational health and safety matters; Quanta's dependence on suppliers, subcontractors and equipment manufacturers; beliefs and assumptions about the collectability of receivables; the cost of borrowing, availability of credit and cash, fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investing activities; the ability to access sufficient funding to finance desired growth and operations; the ability to obtain performance bonds; potential exposure to environmental liabilities; the ability to continue to meet the requirements of the Sarbanes-Oxley Act of 2002; rapid technological and structural changes that could reduce the demand for Quanta's services; the impact of increased healthcare costs arising from healthcare reform legislation; the impact of regulatory changes on labor costs; the impact of significant fluctuations in foreign currency exchange rates; the business, accounting or other effects from the sale of Quanta's fiber optic licensing operations; the potential for claims or damages associated with the sale of Quanta's fiber optic licensing operations, including as a result of indemnity claims; the terms of the ASR and factors affecting the final number and price of shares to be purchased thereunder, including the volume-weighted average share price of common stock, actions by the counterparty, events and transactions that result in termination of the ASR or adjustments of shares purchased or amounts paid under the ASR, and other risks and uncertainties detailed in Quanta's Annual Report on Form 10-K for the year ended Dec. 31, 2015 and any other documents that Quanta files with the Securities and Exchange Commission (SEC). For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through the company's website at www.quantaservices.com or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Quanta further expressly disclaims any written or oral statements made by any third party regarding the subject matter of this press release.

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