

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):
October 9, 2007

INTEGRATED ELECTRICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-13783	76-0542208
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**1800 West Loop South, Suite 500
Houston, Texas**

77027

(Address of principal
executive offices)

(Zip Code)

Registrant's telephone number, including area code: (713) 860-1500

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

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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On October 9, 2007, the Board of Directors of Integrated Electrical Services, Inc. (the "Company") adopted the Amended and Restated 2006 Equity Incentive Plan (the "Plan") which modified the existing 2006 Equity Incentive Plan to authorize the granting of phantom share awards which, subject to conditions set by the Human Resources and Compensation Committee of the Board of Directors (the "Committee"), if any, may result in the payment of a specified number of shares of the Company's common stock, par value \$0.01 per share (the "Company Common Stock"), restricted Company Common Stock or pay an amount of cash equal to the fair market value of a specified number of shares of Company Common Stock in the future. The Plan also now allows for the granting of performance awards which shall be denominated as a cash amount at the time of grant and confer on the participant the right to receive payment of all or a part of such award upon the achievement of established goals during such periods of time as the Committee may establish. The Plan, as modified, allows non-employee Directors who so elect to receive any or all of his or her cash retainer or meeting fees in shares of the Company's Common Stock.

Also on October 9, 2007, the Board of Directors amended the 2007 Deferred Compensation Plan to allow the Committee to designate a group of certain officers and key employees to elect to defer pre-determined amounts into the Plan that would be matched 25% by contributions made by the Company. Concurrently with the amendment the Committee designated all Headquarters employees who hold the positions of director or above to defer amounts up to 10% of their annual salary (which may be deferred from either annual salary or incentive bonuses) and receive a Company funded match of 25% of such amounts deferred.

The Committee also authorized Company paid supplemental life insurance for officers subject to Section 16(b) of the Securities Act of 1934 of five times annual base salary for the Chief Executive Officer and three times annual base salary for principal officers. Finally, the Committee authorized the institution of annual Company paid physical for all officers subject to Section 16(b) of the Securities Act of 1934 as well as principal officers.

The foregoing descriptions of the Plan, the amended Deferred Compensation Plan and the Term Life Insurance Plan are qualified in their entirety by reference to the plans which are incorporated herein by reference and attached hereto as Exhibits 10.1, 10.2, and 10.3, respectively.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amended and Restated 2006 Equity Incentive Plan
10.2	Amended Deferred Compensation Plan
10.3	Term Life Insurance Plan

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.

INTEGRATED ELECTRICAL SERVICES, INC.

By: /s/ Curt L. Warnock
Curt L. Warnock
Senior Vice President and General Counsel

Date: October 17, 2007

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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10.2	Amended Deferred Compensation Plan
10.3	Term Life Insurance Plan

INTEGRATED ELECTRICAL SERVICES, INC.

2006 EQUITY INCENTIVE PLAN

(AS AMENDED AND RESTATED)

Table of Contents

	Page
SECTION 1. PURPOSE	3
SECTION 2. ADMINISTRATION	3
SECTION 3. ELIGIBILITY	4
SECTION 4. STOCK SUBJECT TO PLAN	4
SECTION 5. AWARDS	4
SECTION 6. OPTIONS	5
SECTION 7. STOCK AWARDS	7
SECTION 8. PAYMENT FOR SHARES	8
SECTION 9. TERMINATION OF SERVICE	9
SECTION 10. ADJUSTMENT OF SHARES	10
SECTION 11. GENERAL TERMS	11
SECTION 12. DURATION AND AMENDMENTS	13
SECTION 13. DEFINITIONS	14
SECTION 14. MISCELLANEOUS	17

INTEGRATED ELECTRICAL SERVICES, INC.
2006 EQUITY INCENTIVE PLAN
(AS AMENDED AND RESTATED)

SECTION 1. PURPOSE.

The purpose of the Integrated Electrical Services, Inc. 2006 Equity Incentive Plan (as Amended and Restated) (the "Plan") is to promote the success and enhance the value of Integrated Electrical Services, Inc. (the "Company") and its Subsidiaries by linking the personal interests of the employees, consultants and directors of the Company and its Subsidiaries who have been or will be given responsibility for the management or administration of the Company (or one of its Subsidiaries) to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, consultants and directors of the Company and its Subsidiaries upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Unless the context otherwise requires, capitalized terms used herein are defined in Section 13 of the Plan.

SECTION 2. ADMINISTRATION.

(a) Committee. The Plan will be administered by a committee (the "Committee") of the Board of Directors from among its members (which may be the Compensation Committee of the Board of Directors, a subcommittee thereof or another committee of directors appointed by the Board of Directors or the entire Board of Directors). The Committee (if not the entire Board of Directors) shall be comprised solely of not less than two (2) members who shall be (i) "non-employee directors" within the meaning of Rule 16b-3(b)(3) (or any successor rule) promulgated under the Exchange Act, (ii) "outside directors" within the meaning of Treasury Regulation Section 1.162-27(e)(3) under Section 162(m) of the Code, and (iii) "independent directors" within the meaning of the listing standards of the New York Stock Exchange or, if listed thereon, the Nasdaq Stock Market (and each other exchange on which the Company may be listed). Unless otherwise determined by the Board of Directors, the Committee shall be the Compensation Committee of the Board of Directors.

(b) Authority of the Committee. The Committee shall have full authority and sole discretion to take any actions it deems necessary or advisable for the administration and operation of the Plan, including, without limitation, the right to construe and interpret the provisions of the Plan or any Award Agreement, to provide for any omission in the Plan, to resolve any ambiguity or conflict under the Plan or any Award Agreement, to accelerate vesting of or otherwise waive any requirements applicable to any Award, to extend the term or any period of exercisability of any Award, to modify the purchase price or exercise price under any Award and to establish terms or conditions applicable to

any Award. All decisions, interpretations and other actions of the Committee shall be final and binding on all participants and other persons deriving their rights from a participant.

SECTION 3. ELIGIBILITY

The Committee in its sole discretion is authorized to grant Awards to Employees, Consultants and Directors. Such persons who have been granted Awards shall be participants in the Plan with respect to such Awards. No individual shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive a future Award.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Subject to the provisions of this Section 4 and Section 10 of the Plan, the maximum number of Shares that may be issued pursuant to Awards under the Plan is 2,002,542 Shares. Shares may be treasury shares or authorized but unissued Shares.

(b) Annual Award Limitation. Subject to the provisions of Section 10 of the Plan, the maximum number of Shares with respect to which stock-denominated Awards may be granted to any participant under the Plan in any calendar year shall be 1,001,271 Shares. The maximum amount of Performance Awards that may be granted to any participant under the Plan in any calendar year shall be \$2,000,000.

(c) Additional Shares. In the event that any outstanding Award expires, is cancelled or otherwise terminated without the delivery of Shares, the Shares allocable to the unexercised or unvested portion of such Award shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Company pursuant to any forfeiture provision, right of repurchase, right of first offer or Shares are withheld from an Award in satisfaction of the Company's tax withholding requirements, such Shares shall again be available for purposes of the Plan. In the event a participant pays for any Award through the delivery of previously acquired Shares, the number of Shares available shall be increased for purposes of the Plan by the number of Shares delivered by the participant. To the extent permitted by applicable law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against Shares available for grant pursuant to the Plan.

SECTION 5. AWARDS.

(a) Types of Awards. The Committee may, in its sole discretion, make Awards of one or more of the following types: Options, Stock Payment, Restricted Stock, Phantom Stock Units and Performance Awards. The Company shall make Awards directly to the participant.

(b) Award Agreements. Each Award made under the Plan shall be evidenced by an Award Agreement between the participant and the Company, and no Award shall be valid without any such agreement. An Award shall be subject to all applicable terms and conditions of the Plan and to any other terms and conditions which the Committee in its sole discretion deems appropriate for inclusion in the Award Agreement, provided such terms and conditions are not inconsistent with the Plan. Accordingly, in the event of any conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply. Each Award Agreement shall provide, in addition to any terms and conditions required to be provided in such agreement pursuant to any other provision of this Plan, the following terms, as applicable:

(i) Number of Shares. The number of Shares subject to the Award, if any, which number shall be subject to adjustment in accordance with Section 10 of the Plan.

(ii) Price. Where applicable, each Award Agreement shall designate the price, if any, to acquire any Shares underlying the Award, which price shall be payable in a form described in Section 8 of the Plan and subject to adjustment pursuant to Section 10 of the Plan.

(iii) Dollar Amount. Where applicable, each Performance Award Agreement shall designate or specify through a formula the maximum dollar amount payable pursuant to such Award.

(iv) Vesting. Each Award Agreement shall specify the dates and/or events on which all or any installment of the Award shall be vested and nonforfeitable. Except as otherwise set forth in the Award Agreement, all unvested Awards shall vest upon a Change in Control.

(v) No Rights as a Stockholder. A participant, or a transferee of a participant, shall have no rights as a stockholder with respect to any Shares covered by an Award until Shares are actually issued in the name of such person (or if Shares will be held in street name, to a broker who will hold such Shares on behalf of such person).

SECTION 6. OPTIONS.

(a) Generally. The Committee may, in its sole discretion, grant Options. Each Award Agreement evidencing an Award of Options shall contain the following information, which shall be determined by the Committee in its sole discretion:

(i) Exercise Price. Each Award Agreement shall specify the exercise price per Share subject to the Option; provided, however, that the

exercise price per Share shall not be less than 100% of the Fair Market Value of such Share on the date such Option is granted.

(ii) Exercisability and Vesting. Each Award Agreement shall specify the dates and/or events when all or any installment of the Option becomes exercisable or vested, as applicable; provided, however, that by a resolution adopted after an Option is granted, the Committee may, on such terms and conditions as it may determine to be appropriate, accelerate the time at which such Option or any portion thereof may be exercised or vested, as applicable.

(iii) Term. Each Award Agreement shall state the term of each Option (including the circumstances under which such Option will expire prior to the stated term thereof), which shall not exceed ten (10) years from the date of grant.

(b) Persons Eligible to Exercise Options. During the lifetime of a holder of an Option, only the holder may exercise the Option (or any portion thereof) granted to him or her; provided, however, that the holder's Eligible Representative may exercise the holder's Option during the period of the holder's Disability. After the death of the holder, any exercisable portion of an Option may, prior to the time when such portion terminates under the Plan or the applicable Award Agreement, be exercised by his or her Eligible Representative.

(c) Manner of Exercise of Options. At any time and from time to time prior to the time when the Option expires or is otherwise cancelled under the Plan or the applicable Award Agreement, the exercisable portion of an Option may be exercised in whole or in part; provided, however, that the Company shall not be required to issue fractional shares of stock and the Committee may, by the terms of the Option, require any partial exercise to exceed a specified minimum number of Shares. An exercisable Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company of all of the following prior to the time when such Option or such portion expires or is otherwise cancelled under the Plan or the applicable Award Agreement:

(i) Notice in writing signed by the holder or his or her Eligible Representative, stating that such Option or portion thereof is exercised, and specifically stating the number of Shares with respect to which the Option or a portion thereof is being exercised;

(ii) Full payment of the aggregate exercise price of the Shares with respect to which such Option (or portion thereof) is thereby exercised in accordance with any method prescribed by Section 8 of the Plan, which may include payment by a "net" exercise;

(iii) The payment to the Company of all amounts necessary to satisfy any and all tax withholding requirements of the Company arising in

connection with the exercise of the Option in accordance with any method prescribed by Sections 8, which may include a withholding of Shares, of the Plan;

(iv) Such representations and documents as the Committee deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal or state securities laws or regulations. The Committee may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer orders to transfer agents and registrars; and

(v) In the event that the Option or portion thereof shall be exercised pursuant to Section 6(b) by any person or persons other than the holder, appropriate proof of the right of such person or persons to exercise the Option or portion thereof.

SECTION 7. STOCK AWARDS.

(a) Generally. The Committee may, in its sole discretion, make Stock Awards. At the sole discretion of the Committee, Shares may be awarded under the Plan in consideration of services rendered to the Company or a Subsidiary prior to or after the Award. A Stock Award shall not be deemed made until accepted by a participant in a manner prescribed by the Committee at the time of grant.

(b) Restricted Stock. A Stock Award of Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on Restricted Stock). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Shares of Restricted Stock are registered in the name of the participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificates until such time as all applicable restrictions lapse.

(c) Stock Payment. Payment of all or a portion of any compensation, including any bonus or deferred compensation, payable under any other arrangement may be paid in Shares, in the discretion of the Committee.

(d) Phantom Stock Units. The Committee shall have the authority to grant Awards of Phantom Stock Units to Participants upon such terms and conditions as the Committee may determine. Each Phantom Stock Unit shall

constitute an agreement by the Company to issue or transfer a specified number of Shares or Restricted Stock or pay an amount of cash equal to the Fair Market Value of a specified number of Shares, or a combination thereof to the participant in the future, subject to the fulfillment during the performance period of such conditions, including performance objectives, if any, as the Committee may specify at the date of grant. Any Phantom Stock Award may provide, in the discretion of the Committee, that any or all dividends or other distributions paid on Shares during the period the Award is held be credited in a cash bookkeeping account (with or without interest) or that equivalent additional Phantom Stock be awarded, which account or shares may be subject to the same restrictions as the underlying Award or such other restrictions as the Committee may determine.

(e) Performance Awards. The Committee shall have the authority to determine the participants who shall receive a Performance Award, which shall be denominated as a cash amount at the time of grant and confer on the participant the right to receive payment of all or part of such Award upon the achievement of such goals during such periods as the Committee shall establish with respect to the Award. Performance Awards may be paid in cash and/or in Shares, in the sole discretion of the Committee and shall be paid in a lump sum at such time as established by the Committee with respect to such Award.

(f) Stock in Lieu of Cash for Directors. Each member of the Board of Directors who so elects in accordance with the procedures established by the Committee to receive any or all of his or her cash annual retainer or per meeting fee in Shares, shall receive a number of Shares with a Fair Market Value equal to the amount of such cash annual retainer or per meeting fee so elected to be received in Shares; provided, however, no fractional Shares shall be issuable and the Director shall nonetheless receive cash for any such fractional Share. Such Shares will be granted to such electing Director on the date the applicable cash payment would have been made or such other date as determined by the Committee. Such election must be made on or prior to the dates set by the Committee. All Shares granted under this Section 7(f) shall be fully vested as of the date of issuance.

SECTION 8. PAYMENT FOR SHARES.

(a) General Rule. The purchase price, if any, of Shares issued under the Plan shall be payable in cash or personal check at the time when such Shares are acquired upon exercise of an Award or otherwise purchased, except as otherwise provided in this Section.

(b) Surrender of Shares. At the discretion of the participant, all or any part of the purchase price and any applicable tax withholding requirements may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the participant. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the applicable date. Notwithstanding the foregoing, the participant shall not surrender,

or attest to the ownership of, Shares in payment of any portion of the purchase price (or withholding) if such action would (i) violate the terms of any agreement to which the Company is a party or (ii) cause the Company or any Subsidiary to recognize an additional compensation expense with respect to the applicable Award for financial reporting purposes, unless the Committee consents thereto.

(c) Net Exercise/Tax Withholding. At the discretion of the participant, payment of all or any portion of the purchase price under any Award subject to the Plan and/or any applicable tax withholding requirements may be made by reducing the number of Shares otherwise deliverable pursuant to the Award by the number of such Shares having a Fair Market Value equal to the purchase price and any applicable tax withholding requirement. Notwithstanding the foregoing, the participant shall not be permitted to pay any portion of the purchase price (or tax withholding) in such manner if such action would (i) violate the terms of any agreement to which the Company is a party or (ii) cause the Company or any Subsidiary to recognize an additional compensation expense with respect to the applicable Award for financial reporting purposes, unless the Committee consents thereto.

(d) Exercise/Sale. Payment may be made in whole or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction (i) to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company, or (ii) to pledge Shares to a securities broker or lender approved by the Company as security for a loan, and to deliver all or part of the loan proceeds to the Company, in each case in payment of all or part of the purchase price and any tax withholding requirements.

(e) Exercise of Discretion. Should the Committee exercise its discretion to permit the participant to pay the purchase price or any applicable tax withholding requirement under an Award in whole or in part in accordance with subsections (b) through (d) above, it shall not be bound to permit such alternative method of payment for the remainder of any such Award or with respect to any other Award or participant under the Plan.

SECTION 9. TERMINATION OF SERVICE.

(a) Termination of Service other than for Cause. Except as otherwise provided in the applicable Award Agreement or under any employment agreement between the participant and the Company or any Subsidiary executed after the Chapter 11 Plan Effective Date, in the event a participant's Service terminates for any reason other than for Cause, then:

(i) Any Options to the extent vested as of the date of such termination shall expire on the earliest of: (i) the expiration of their term, (ii) twelve (12) months following such termination as a result of death or Disability, and (iii) three (3) months following such termination for any

other reason. Any Options to the extent unvested as of the date of such termination shall immediately expire and lapse upon such termination.

(ii) Any unvested Stock Awards and Performance Awards on the date of such termination shall immediately expire and lapse upon such termination; provided, however, that if the vesting of any such Award is conditioned upon satisfying service and performance conditions and the performance conditions have been satisfied but the participant will not be in Service as required on the scheduled payment date due to the termination of the participant's Service on account of the participant's death or Disability, such Award shall be payable to the participant or, if applicable, the participant's Eligible Representative on the first business day of the month following the participant's termination due to death or Disability.

(b) Termination of Service for Cause. Except as otherwise provided in the applicable Award Agreement, in the event a participant's Service is terminated for Cause (or if the Board of Directors or the Committee determines either prior to such termination or before the delivery of any Shares pursuant to an Award that Cause exists), then regardless of the reason for such participant's termination, including death or Disability:

(i) All of the participant's Options on the date of such termination (whether vested or unvested and including any exercised Options for which Shares have not been delivered to the participant) shall be cancelled and forfeited immediately on the date of such termination, and the Company shall return to the participant or Eligible Representative, as applicable, the exercise price (if any) paid for such undelivered Shares, and

(ii) Any unvested Stock Awards and any unvested Performance Awards on the date of such termination (disregarding any vesting upon death or Disability) shall immediately expire and lapse upon such termination.

(c) Leave of Absence. For purposes of this Section 9, Service shall be deemed to continue while a participant is on a bona fide leave of absence, if such leave is approved by the Company in writing or if continued crediting of service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Committee).

SECTION 10. ADJUSTMENT OF SHARES.

(a) General. If there shall be a Recapitalization, an adjustment shall be made to each outstanding Award such that each such Award shall thereafter be exercisable or payable, as the case may be, in such securities, cash and/or other property as would have been received in respect of Shares subject to (or

referenced by) such Award had such Award been exercised and/or settled in full immediately prior to such Recapitalization and such an adjustment shall be made successively each time any such change shall occur. In addition, in the event of any Recapitalization, to prevent dilution or enlargement of participants' rights under the Plan, the Committee shall, and will have the authority to adjust, in a fair and equitable manner, the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, and the purchase price applicable to outstanding Awards. Should the vesting of any Award be conditioned upon the Company's attainment of performance conditions, the Committee may make such adjustments to such terms and conditions of such Awards and the criteria therein to recognize unusual and nonrecurring events affecting the Company or in response to changes in applicable laws, regulations or accounting principles.

(b) Mergers and Consolidations. In the event that the Company is a party to a merger or consolidation, outstanding Awards shall be subject to the agreement of merger or consolidation. Such agreement, without the participants' consent, may provide for:

(i) The continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent;

(ii) The substitution by the surviving corporation or its parent of stock awards with substantially the same terms for such outstanding Awards;

(iii) The acceleration of the vesting of or right to exercise such outstanding Awards immediately prior to or as of the date of the merger or consolidation, and the expiration of such outstanding Awards to the extent not timely exercised or purchased by the date of the merger or consolidation or other date thereafter designated by the Committee; or

(iv) The cancellation of all or any portion of such outstanding Awards by a cash payment of the excess, if any, of the fair market value of the Shares subject to such outstanding Awards or portion thereof being canceled over the purchase price with respect to such Awards or portion thereof being canceled.

SECTION 11. GENERAL TERMS.

(a) Nontransferability of Awards. No Award (other than vested Awards of Shares, which are subject to Section 11(b) of the Plan) may be transferred, assigned, pledged or hypothecated by any participant during the participant's lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process, except by beneficiary designation, will or the laws of descent and distribution. Subject to the limitations

contained in this Section 11(a), an Option or other right to acquire Shares under the Plan, may be exercised during the lifetime of the participant only by the participant or by the participant's Eligible Representative, except in the case of a transfer of such Award by the participant with the prior written consent of the Committee in its sole discretion.

(b) Restrictions on Transfer of Shares. Any Shares issued under the Plan shall be subject to such vesting and special forfeiture conditions, repurchase rights, rights of first offer and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Award Agreement, and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(c) Securities Law Requirements. Notwithstanding anything contained in the Plan or any Award Agreement, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act, and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act or other rules and regulations promulgated thereunder. The Committee may require any individual receiving Shares pursuant to an Award granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under the Securities Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any of such Shares shall have an appropriate legend placed thereon to reflect their status as restricted securities as aforesaid.

(d) Tax Withholding Requirements. As a condition to the receipt or purchase of Shares pursuant to an Award, a participant shall make such arrangements as the Committee may require for the satisfaction of all tax withholding obligations of the Company that may arise in connection with such receipt or purchase. The participant shall also make such arrangements as the Committee may require for the satisfaction of any tax withholding obligations of the Company that may arise in connection with any disposition of Shares acquired pursuant to an Award. With respect to any Award paid in whole or in part in cash, the Company shall first withhold from such cash the amount of the Company's tax withholding obligation with respect to the Award.

(e) No Retention Rights. Nothing in the Plan or in any Award granted under the Plan shall confer upon a participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining the participant) or of the participant., which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without Cause.

(f) Unfunded Plan. Participants shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, nor a fiduciary relationship between the Company and any participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the rights of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

SECTION 12. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, became effective on the Chapter 11 Plan Effective Date. The Plan shall terminate automatically on the day preceding the tenth anniversary of such date unless earlier terminated pursuant to Section 12(b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason; *provided, however*, that any amendment of the Plan (except as provided in Section 10 of the Plan) which increases the maximum number of Shares issuable to any person or available for issuance under the Plan in the aggregate, changes the legal entity authorized to make Awards under this Plan from the Company (or its successor) to any other legal entity or materially changes the class of persons who are eligible for the grant of Award, shall be subject to the approval of the Company's stockholders. Stockholder approval shall not be required for any other amendment of the Plan.

(c) Effect of Amendment or Termination. Except as otherwise expressly provided under the Plan, any amendment of the Plan shall not adversely affect in any material respect any participant's rights under any Award previously made or granted under the Plan without the participant's consent. No Shares shall be issued or sold under the Plan after the termination thereof, except pursuant to an Award granted prior to such termination. Except as otherwise expressly provided under the Plan, the termination of the Plan shall not adversely affect in any material respect any participant's rights under any Award outstanding on the termination date.

(d) Modification, Extension and Assumption of Awards. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Awards or may provide for the cancellation of outstanding Awards in return for the grant of new Awards for the same or a different number of Shares and at the same or a different price. The foregoing notwithstanding, no modification of an

Awards shall, without the consent of the participant, materially impair the participant's rights or increase the participant's obligations under such Award or impair the economic value of any such Award.

SECTION 13. DEFINITIONS.

(a) “**Award**” shall mean the grant of an Option, Stock Award or Performance Award to a participant under the Plan.

(b) “**Award Agreement**” shall mean any written agreement, contract or other instrument or document evidencing an Award, including through electronic medium.

(c) “**Board of Directors**” shall mean the Board of Directors of the Company, as constituted from time to time.

(d) “**Cause**” shall mean (i) participant's willful, material and irreparable breach of his/her terms of employment as provided in an employment agreement or otherwise (which remains uncured 5 days after delivery of written notice); (ii) participant's gross negligence in the performance or intentional nonperformance (in either case continuing for 10 days after receipt of written notice of need to cure) of any of participant's material duties and responsibilities to the Company or any Subsidiary; (iii) participant's dishonesty or fraud with respect to the business, reputation or affairs of the Company or any Subsidiary which materially and adversely affects the Company or any Subsidiary (monetarily or otherwise); (iv) participant's conviction of a felony crime or crime involving moral turpitude; (v) participant's drug or alcohol abuse that materially affects participant's Service or results in a material violation of Company or Subsidiary policy; or (vi) participant's material violation of Company or Subsidiary policy, such policy having been made available to participant by the Company or Subsidiary (which remains uncured or continues 5 days after delivery of written notice).

(e) “**Change in Control**” shall mean the first to occur of any of the following events:

(i) Any person or any persons acting together which would constitute a “group” for purposes of Section 13(d) of the Exchange Act (other than the Principal Stockholders, Company or any Subsidiary) shall “beneficially own” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, at least fifty percent (50%) of the ordinary voting power of all classes of capital stock of the Company entitled to vote generally in the election of the Board of Directors;

(ii) Either (A) “current directors”, as defined below, shall cease for any reason to constitute at least a majority of the members of the Board of Directors (for these purposes, a “current director” means, as of the date of determination, any person who (1) was a member of the Board of

Directors on the date of the Chapter 11 Plan Effective Date or (2) was nominated for election or elected to the Board of Directors with the affirmative vote of a majority of the current directors who were members of the Board of Directors at the time of such nomination or election), or (B) at any meeting of the stockholders of the Company called for the purpose of electing directors, a majority of the persons nominated by the Board of Directors for election as directors shall fail to be elected; or

(iii) The consummation of a sale, lease, exchange or other disposition (in one transaction or a series of transactions) of all or substantially all of the assets of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) “ **Chapter 11 Plan Effective Date**” shall mean the date that the Company's Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code, which has been confirmed by the United States Bankruptcy Court, becomes effective.

(g) “ **Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

(h) “ **Committee**” shall mean a committee of the Board of Directors from among its members (which may be the Compensation Committee of the Board of Directors, a subcommittee thereof or another committee of directors appointed by the Board of Directors or the entire Board of Directors), as described in Section 2(a) of the Plan.

(i) “ **Company**” shall mean Integrated Electrical Services, Inc., a Delaware corporation, and its successors and assigns.

(j) “ **Consultant**” shall mean a person who performs bona fide services for the Company or a Subsidiary as a consultant or advisor, excluding Employees and Directors.

(k) “ **Director**” shall mean a member of the Board of Directors or the board of directors of a Subsidiary who is not an Employee.

(l) “ **Disability**” shall mean with respect to a participant, (i) “disability” as defined in any employment agreement between the participant and the Company (or, if applicable, the Subsidiary employing the participant) or (ii) if the participant is not a party to an employment agreement or “disability” is not defined therein, the participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment,

as determined by the Committee in its sole discretion, unless another meaning is specifically provided in the participant's Award Agreement.

(m) “ **Eligible Representative**” for a participant shall mean such participant's personal representative or such other person as is empowered under the deceased participant's will or the then applicable laws of descent and distribution to represent the participant under the Plan.

(n) “ **Employee**” shall mean any individual who is a common-law employee of the Company or a Subsidiary.

(o) “ **Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(p) “ **Fair Market Value**” of a Share as of any given grant, vesting, exercise, payment, tax withholding or other applicable date shall be:

(i) If the Shares are listed on any established stock exchange or a national market system, including, without limitation, The New York Stock Exchange, The Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for a share of such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the applicable date (or if not traded on such date, last market trading day prior to such date), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for a Share for the applicable date (or if not traded on such date, last market trading day prior to such date); or

(iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Committee, in accordance with the principles set forth in Section 409A of the Code. Such determination shall be conclusive and binding on all persons.

(q) “ **Option**” shall mean a stock option not described in Section 422(b) of the Code granted pursuant to Section 6 the Plan entitling the holder to acquire Shares upon exercise.

(r) “ **Performance Award**” shall mean a dollar-denominated Award granted pursuant to Section 7(e) of the Plan.

(s) “ **Phantom Stock**” shall mean a notional or “phantom” Share.

(t) “**Plan**” shall mean this Integrated Electrical Services, Inc. 2006 Equity Incentive Plan, as it may be amended from time to time.

(u) “**Principal Stockholders**” shall mean Tontine Capital Partners L.P. and their affiliates.

(v) “**Recapitalization**” shall mean an event or series of events affecting the capital structure of the Company such as a stock split, reverse stock split, stock dividend, distribution, recapitalization, combination or reclassification of the Company’s securities.

(w) “**Restricted Stock**” shall mean a Share granted pursuant to Section 7 of the Plan which is subject to restrictions on transfer or forfeiture.

(x) “**Securities Act**” shall mean the Securities Act of 1933, as amended from time to time.

(y) “**Service**” shall mean service as an Employee, Director or Consultant.

(z) “**Share**” shall mean one share of common stock of the Company, with a par value of \$0.01 per share, as adjusted in accordance with Section 10 of the Plan.

(aa) “**Stock Award**” shall mean an Award (other than an Option) denominated in Shares granted pursuant to Section 7 of the Plan.

(bb) “**Stock Payment**” shall mean a payment in Shares made pursuant to Section 7(c) of the Plan.

(cc) “**Subsidiary**” shall mean any corporation or other entity (other than the Company) in an unbroken chain of corporations or other entities beginning with the Company, if each of the corporations or other entities other than the last one in the unbroken chain owns stock or equity interests possessing fifty percent (50%) or more of the total combined voting power of all classes of stock or equity interests in one of the other corporations or other entities in such chain. A corporation or other entity that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

SECTION 14. MISCELLANEOUS.

(a) Choice of Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(b) Execution. To record the adoption of this amendment and restatement of the Plan by the Board of Directors, the Company has caused its authorized officer to execute the same, effective for all purposes as of _____, 2007. Nothing in this amendment and restatement shall operate or be construed as changing the terms of an Award outstanding immediately prior to the effective date of this amendment and restatement.

INTEGRATED ELECTRICAL SERVICES, INC.

By: _____

Title: _____

INTEGRATED ELECTRICAL SERVICES, INC.
AMENDED AND RESTATED
2007 DEFERRED COMPENSATION PLAN

Effective as of January 1, 2007

TABLE OF CONTENTS

	<u>Page</u>
I. Definitions and Construction	1
1.1 Definitions	1
(1) Account	1
(2) Affiliate	1
(3) Base Salary	1
(4) Board	1
(5) Bonus	1
(6) Change of Control	1
(7) Code	1
(8) Committee	1
(9) Company	1
(10) Compensation	1
(11) Election Date	1
(12) Employee Account	2
(13) Employer	2
(14) Employer Account	2
(15) Employer Contribution	2
(16) Fund	2
(17) Participant	2
(18) Plan	2
(19) Plan Year	2
(20) Selected Employees	2
(21) Termination of Employment	2
(22) Trust	2
(23) Trust Agreement	2
(24) Trust Fund	2
(25) Trustee	2
1.2 Number and Gender	2
1.3 Headings	3
II. Selected Employees	3
2.1 Participation	3
2.2 Cessation of Active Participation	3
III. Account Credits and Allocations of Income or Loss	3
3.1 Participant Deferrals	3
3.2 Employer Deferrals	4
3.3 Valuation of Accounts	4
IV. Deemed Investment of Funds	5
4.1 Investment Funds	5
4.2 Investment Elections	5

V. Vested Interest	5
5.1 Employee Account	5
5.2 Employer Account	5
VI. Elective Withdrawals	6
6.1 No Elective Withdrawals	6
6.2 Emergency Withdrawals	6
VII. Benefits	6
7.1 Amount of Benefit	6
7.2 Time of Payment	6
7.3 Designation of Beneficiaries	7
7.4 Payment of Benefits	7
7.5 Unclaimed Benefits	8
7.6 Employment Relationship	8
7.7 Section 409A Distribution Limitations	8
VIII. Administration of the Plan	8
8.1 Appointment of Committee	8
8.2 Committee Powers and Duties	8
8.3 Claims Review	9
8.4 Employer to Supply Information	10
8.5 Indemnity	10
IX. Administration of Funds	10
9.1 Payment of Expenses	10
9.2 Trust Fund Property	10
X. Nature of the Plan	11
XI. Miscellaneous	11
11.1 Not Contract of Employment	11
11.2 Alienation of Interest Forbidden	11
11.3 Tax Withholding	12
11.4 Amendment and Termination	12
11.5 Severability	12
11.6 Governing Laws	12
11.7 Compliance with Section 409A	12
11.8 Change of Control	12

INTEGRATED ELECTRICAL SERVICES, INC.

AMENDED AND RESTATED

2007 DEFERRED COMPENSATION PLAN

WITNESSETH:

WHEREAS, Integrated Electrical Services, Inc. (the "Company") has heretofore adopted the Integrated Electrical Services, Inc. 2007 Deferred Compensation Plan (the "Plan"), for the benefit of certain key employees of the Company and its Affiliates; and

WHEREAS, there is reserved to the Company in Section 11.4 of the Plan the right to amend the Plan;
and

NOW, THEREFORE, the Company hereby amends and restates the Plan as follows, effective January 1, 2007:

I.

Definitions and Construction

1.1 Definitions. Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

(1) **Account:** A Participant's Employee Account and/or Employer Account, as the context requires.

(2) **Affiliate:** Each corporation or unincorporated entity, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company. For this purpose, control shall be determined by a more than 50% ownership standard.

(3) **Base Salary:** The base salary payable by the Employer to a Selected Employee while a Participant, including the base salary such Participant could have received in cash in lieu of elective deferrals made from such base salary pursuant to Section 3.1 or a cafeteria plan under Section 125 of the Code.

(4) **Board:** The Board of Directors of the Company.

(5) **Bonus:** The amount payable to a Selected Employee, while a Participant in cash under a bonus plan maintained by the Employer, including bonus amounts such Participant could have received in cash in lieu of elective deferrals made from such bonus pursuant to Section 3.1 or a cafeteria plan under Section 125 of the Code.

(6) **Change of Control:** The occurrence of a "change of control event," as defined in the regulations and guidance promulgated under Section 409A of the Code.

(7) **Code:** The Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations thereunder.

(8) **Committee:** The committee appointed by the Board to administer this Plan, or, if no such committee is appointed, the committee appointed by the Board to administer the Company's 401(k) plan.

(9) **Company:** Integrated Electrical Services, Inc.

(10) **Compensation:** Base Salary and Bonuses.

(11) **Election Date:** The first day of each Plan Year and, with respect to a Selected Employee who first becomes eligible (determined in accordance with requirements concerning the required aggregation of plans under Section 409A) to become a Participant after the first day of a Plan Year, the first of the month following the date of his initial eligibility.

- (12) **Employee Account**. A Participant's notional Employee Account under the Plan, reflecting the Participant's elective deferrals, if any, and any investment gains and losses allocated thereto.
- (13) **Employer**: The Company and each Affiliate.
- (14) **Employer Account**: A Participant's notional Employer Account under the Plan reflecting the Employer Contributions, if any, credited with respect to such Participant, and any investment gains and losses allocated thereto.
- (15) **Employer Contribution**. As defined in Section 3.2.
- (16) **Fund**: An investment fund designated from time to time for the deemed investment of Accounts pursuant to Article IV.
- (17) **Participant**: Each Selected Participant who becomes a participant.
- (18) **Plan**: Integrated Electrical Services, Inc. Amended and Restated 2007 Deferred Compensation Plan, as it may be amended from time to time.
- (19) **Plan Year**: The calendar year.
- (20) **Selected Employees**: A key member of management or highly compensated employee of the Company and its Affiliates selected to participate in the Plan pursuant to the provisions of Section 2.1. An employee must have a Base Salary of \$150,000 or more to be a Selected Employee.
- (21) **Termination of Employment**: A termination of service for purposes of Section 409A of the Code and the regulations and guidance promulgated thereunder.
- (22) **Trust**: The trust, if any, established under the Trust Agreement.
- (23) **Trust Agreement**: The agreement, if any, entered into between the Company and the Trustee pursuant to Article X.
- (24) **Trust Fund**: The funds and properties, if any, held pursuant to the provisions of the Trust Agreement, together with all income, profits and increments thereto.
- (25) **Trustee**: The trustee or trustees qualified and acting under the Trust Agreement at any time.

1.2 Number and Gender. Wherever appropriate herein, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender.

1.3 Headings. The headings of Articles and Sections herein are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

II.

Selected Employees

2.1 Participation. The Board, in its sole discretion, shall designate the Selected Employees who shall become Participants. The Board shall notify such Selected Employees of their designation and the Election Date as of which their participation shall become effective. Subject to the provisions of Section 2.2, a Selected Employee shall remain eligible to defer Compensation hereunder following his initial Election Date, except as otherwise provided in the Plan.

2.2 Cessation of Active Participation. Notwithstanding any provision herein to the contrary, a Selected Employee shall cease to be entitled to defer Compensation hereunder or receive an Employer Contribution effective as of (i) the first of any Plan Year designated by the Board, (ii) the date such person ceases to be a key member of management or a highly compensated employee for purposes of ERISA, or (iii) the date such person ceases to be employed by the Employer.

III.

Account Credits and Allocations of Income or Loss

3.1 Participant Deferrals.

(a) A Participant may elect to defer up to 75% of his Base Salary and/or Bonus for a Plan Year; provided, however, that no Participant may elect to defer less than \$5,000 for a Plan Year. With respect to an individual who first becomes a Participant other than on the first day of a Plan Year, any such deferral election shall apply only for the portion of Compensation for such Plan Year commencing after the date such individual first becomes a Participant. For purposes of determining whether an individual first becomes a Participant in the Plan after the beginning of the Plan Year, all plans required to be aggregated with this Plan for purposes of Section 409A shall be treated as one plan. Compensation for a Plan Year not so deferred by such an election shall be received by such Participant in cash. For purposes of any Bonus that is based on a performance period that begins prior to the Participant's initial date of participation, the deferral election shall apply only to the portion of the Bonus earned after the election, determined by the ratio of the number of days remaining in the performance period at the time of the election over the total number of days in the performance period, as required by Section 409A of the Code.

(b) A Participant's election to defer an amount of his Compensation pursuant to this Section shall be made by executing a Compensation deferral election pursuant to which the Participant authorizes the Employer to reduce his Compensation in the elected amount and the Employer agrees to credit an equal amount to such Participant's Employee Account

maintained under the Plan. Deferral elections may be made either in percentages, dollar amounts, or a combination of percentages and dollar amounts, as determined by the Committee. Compensation deferrals made by a Participant shall be credited to such Participant's Employee Account as of a date determined in accordance with procedures established from time to time by the Committee. A new deferral election shall be required for each subsequent Plan Year.

(c) A Participant's Compensation deferral election shall become effective as of the Election Date which is after the deferral election is executed by the Participant and filed with the Employer and shall apply only to Compensation for services rendered after the Election Date. A Participant's Compensation deferral election shall be irrevocable and remain in force and effect for the entire Plan Year (or remaining part thereof, if applicable) to which such election relates except that a Participant's Compensation deferral election shall be automatically suspended during an unpaid leave of absence or, to the extent permitted by Section 409A of the Code and the regulations and guidance thereunder, upon the Participant's Disability. Further, in the event that the Committee, upon written petition of a Participant, determines in its sole discretion that such Participant has suffered an unforeseeable emergency (as defined in Section 409A of the Code) or that such Participant will, absent termination of such Participant's Compensation deferral election then in effect, suffer an unforeseeable emergency, then such Participant's Compensation deferral then in effect, if any, shall be terminated as soon as administratively practicable after such determination if and to the extent permitted by Section 409A of the Code and the regulations and guidance thereunder. A Participant whose Compensation deferral election has been so terminated may again elect to defer a portion of his Compensation, effective as of any subsequent Election Date, by executing and delivering to the Employer a new Compensation deferral election prior to such Election Date.

(d) The Participant's deferral election shall specify the time of payment of his deferral, as provided in Section 7.2; provided, however, a deferral for any Plan Year must be for a deferral period of a minimum of two years or until the Participant's Termination of Employment, if earlier.

3.2 Employer Deferrals. With respect to any Plan Year, the Committee may, in its sole discretion, credit one or more Participants with an Employer deferral (contribution) in such amount as the Committee may choose ("Employer Contribution"). The Employer Contribution may be a fixed dollar amount, a fixed percentage of the Participant's Compensation, Base Salary, or Bonus, or a "matching" amount with respect to all or part of the Participant's elective deferrals for such Plan Year, and/or any combination of the foregoing as the Committee may choose. Which Participants, if any, and the amount and type of the Employer Contributions, if any, credited for any Plan Year shall be determined by the Committee in its sole discretion.

3.3 Valuation of Accounts. All amounts allocated to an Account shall be deemed invested among the Funds as provided in Article IV at such time or times determined in accordance with procedures established from time to time by the Committee. The balances of such Account shall reflect, to the extent reasonably practical, the daily pricing of the assets in which such Account are deemed invested.

IV.

Deemed Investment of Funds

4.1 Investment Funds. The Committee, in its discretion, may provide for one or more Funds or may provide for a single Fund, including an interest crediting fund, in which the Accounts shall be deemed invested. Unless the Committee permits otherwise, an Employer Account shall be invested in the same manner (and subject to change) as directed by the Participant with respect to his elective deferrals and his Employee Account balance.

4.2 Investment Elections. If the Committee, in its discretion, permits Participants to choose how to invest all or part of their Accounts, each Participant shall designate, in accordance with the procedures established from time to time by the Committee, the manner in which the amounts allocated to his Accounts shall be deemed to be invested from among the Funds made available from time to time for such purpose by the Committee. Such Participant may designate one of such Funds for the deemed investment of all the amounts allocated to his Accounts or he may split the deemed investment of the amounts allocated to his Accounts between such Funds in such increments as the Committee may prescribe. If a Participant fails to make a proper designation, then his Account shall be deemed to be invested in the Fund or Funds designated by the Committee from time to time in a uniform and nondiscriminatory manner.

A Participant may change his deemed investment designation for future amounts to be allocated to his Account. Any such change shall be made in accordance with the procedures established by the Committee, and the frequency of such changes may be limited by the Committee.

A Participant may separately elect to convert his deemed investment designation from one Fund to another Fund or Funds with respect to amounts already allocated to his Account. Any such conversion shall be made in accordance with the procedures established by the Committee, and the frequency of such conversions may be limited by the Committee.

V.

Vested Interest

5.1 Employee Account. A Participant shall have a 100% Vested Interest in his Employee Account at all times.

5.2 Employer Account. A Participant's Employer Account shall be subject to such vesting terms as the Committee, in its sole discretion, may establish for such Employer Account. Different vesting terms may be provided for different Participants and also for Employer Contributions credited for different Plan Years, as well as for "different" components of the Employer Contributions made for the same Plan Year, e.g., "matching" Employer Contributions versus "non-matching" Employer Contributions made for the same Plan Year, all as the Committee, in its discretion, may specify with respect to the Employer Contributions credited. Such vesting terms shall be announced to the Participants eligible to receive the applicable Employer Contributions. In all events, the Employer Account shall be fully vested (i) if a

Participant ceases to be an employee of the Company and its Affiliates due to his death or a disability that entitles him to benefits under the Company's long-term disability plan or (ii) upon a Change of Control.

VI.

Elective Withdrawals

6.1 No Elective Withdrawals. Except as provided in Section 6.2, no elective withdrawals may be made from any Account.

6.2 Emergency Withdrawals. In the event that the Committee, upon written request of a Participant, determines in its sole discretion that such Participant has suffered an Unforeseeable Emergency (as defined in Section 409A of the Code), such Participant shall be entitled to a withdrawal amount from his Employee Account not to exceed the lesser of (1) the amount determined by the Committee as necessary to satisfy such Unforeseeable Emergency plus such amount determined by the Committee as necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or (2) the then value of such Participant's Employee Account. Such amount shall be paid in a single cash payment as soon as administratively practicable after the Committee has made its determinations with respect to such request. If a Participant's Employee Account is deemed to be invested in more than one Fund, such benefit shall be distributed prorata from each Fund in which such Employee Account is deemed to be invested. In no event may the amount withdrawn exceed the amount determined by the Committee as necessary to satisfy the requirements of Section 409A of the Code and avoid the 20% additional tax thereunder.

VII.

Benefits

7.1 Amount of Benefit. A Participant or, in the event of the death of the Participant, the Participant's beneficiary, shall be entitled to a Plan benefit equal in value to the vested balance of the Participant's Account(s) as of the date preceding the date the payment of such benefit is to be made pursuant to Section 7.2.

7.2 Time of Payment.

(a) Unless elected otherwise by a Participant at the time of the deferral as provided in Section 7.2(b) with respect to an Employee Account, payment of a Participant's Accounts shall be paid on the first business day of the month following the Participant's Termination of Employment. Notwithstanding the foregoing, the payment of an Account upon a Termination of Employment of a Participant who is a "specified employee," as defined in Section 409A of the Code, shall be made on the first business day that is six months after the

date of his Termination of Employment, or, if earlier, the date of death of the specified employee.

(b) A Participant may elect, in his deferral election for a Plan Year, for all or a designated part of his Employee Account that is attributable to that Plan Year's deferral (including any Fund earnings thereon) to be paid in a lump sum in a specified year or in equal annual installments in specified years (not to exceed ten); provided, however, upon such Participant's Termination of Employment, his entire Employee Account shall be payable in a lump sum upon such termination as provided in Section 7.2(a) above notwithstanding an election to the contrary. A payment pursuant to an election under this Section 7.2(b) shall be paid on the first business day on or following January 15 of the year specified in the election and shall be paid in a lump sum. Notwithstanding anything herein to the contrary, a Participant may not have more than five annual installments scheduled to be paid at any time.

(c) An Employer Account shall be payable only in a lump sum and only upon the Participant's Termination of Employment, as provided in Section 7.2(a).

7.3 Designation of Beneficiaries.

(a) Each Participant shall have the right to designate the beneficiary or beneficiaries to receive payment of his benefit in the event of his death. Each such designation shall be made by executing the beneficiary designation form prescribed by the Committee and filing the same with the Committee. Any such designation may be changed in such manner as the Committee may prescribe. Notwithstanding the foregoing, if a Participant who is married on the date of his death has designated an individual or entity other than his surviving spouse as his beneficiary, such designation shall not be effective unless such surviving spouse has consented thereto in writing in such manner as the Committee may prescribe.

(b) If no such designation is on file with the Committee at the time of the death of the Participant or such designation is not effective for any reason as determined by the Committee, then the designated beneficiary or beneficiaries to receive such benefit shall be as follows:

(1) if a Participant leaves a surviving spouse, his benefit shall be paid to such surviving spouse; or

(2) if a Participant leaves no surviving spouse, his benefit shall be paid to such Participant's executor or administrator, or to his heirs at law if there is no administration of such Participant's estate.

(c) Notwithstanding the preceding provisions of this Section or any designation to the contrary, a divorce shall automatically terminate the designation of such former spouse as the Participant's beneficiary, unless provided otherwise by a qualified domestic relations order.

7.4 Payment of Benefits. To the extent the Trust Fund (if one exists) has sufficient assets, the Trustee shall pay benefits to Participants or their beneficiaries from such assets, except to the extent the Employer pays the benefits directly and provides adequate evidence of such payment

to the Trustee. To the extent the Trustee does not or cannot pay benefits out of the Trust Fund, the benefits shall be paid by the Employer. Any benefit payments made to a Participant or for his benefit pursuant to any provision of the Plan shall be debited to such Participant's Accounts. All benefit payments shall be made in cash.

7.5 **Unclaimed Benefits.** In the case of a benefit payable on behalf of a Participant, if the Committee is unable to locate the Participant or beneficiary to whom such benefit is payable, upon the Committee's determination thereof, such benefit shall be forfeited to the Employer and used to reduce Employer Deferrals otherwise to be credited to the Plan that year and/or to pay reasonable expenses of administering the Plan. Notwithstanding the foregoing, if subsequent to any such forfeiture the Participant or beneficiary to whom such benefit is payable makes a valid claim for such benefit, such forfeited benefit (unadjusted for any subsequent fund earnings or losses) shall be restored to the Plan by the Employer.

7.6 **Employment Relationship.** For purposes of this Article VII, a Participant shall be considered to be in the employment of the Employer as long as such Participant remains an employee (for purposes of Section 409A of the Code) of either the Company or an Affiliate, and transfers among the Company and its Affiliates shall not be considered a termination of employment. Notwithstanding the preceding sentence, it is expressly provided that a Participant shall be considered to have terminated employment at the time of the termination of the Affiliate status of the entity or other organization that employs such Participant, provided a distribution upon such termination shall be made only to the extent permitted by Section 409A. Any question as to whether and when there has been a termination of employment, and the cause of such termination, shall be determined by the Committee and its determination shall be final.

7.7 **Section 409A Distribution Limitations.** Notwithstanding anything in the Plan to the contrary, Compensation deferred under the Plan may not be distributed earlier than (i) a Termination of Employment, (ii) as permitted by applicable Treasury Regulations or IRS guidance under Section 409A of the Code, with respect to a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company, (iii) the termination of the Plan in accordance with Section 409A or (iv) on a specified date or pursuant to a specified schedule elected prior to the deferral, in conformance with the requirements of Section 409A.

VIII.

Administration of the Plan

8.1 **Appointment of Committee.** The general administration of the Plan shall be vested in the Committee.

8.2 **Committee Powers and Duties.** The Committee shall supervise the administration and enforcement of the Plan according to the terms and provisions hereof and shall have all powers necessary to accomplish these purposes, including, but not by way of limitation, the right, power, authority, and duty:

(a) To make rules, regulations, and bylaws for the administration of the Plan that are not inconsistent with the terms and provisions hereof, and to enforce the terms of the Plan and the rules and regulations promulgated thereunder by the Committee;

(b) To construe in its discretion all terms, provisions, conditions, and limitations of the Plan;

(c) To correct any defect or to supply any omission or to reconcile any inconsistency that may appear in the Plan in such manner and to such extent as it shall deem in its discretion expedient to effectuate the purposes of the Plan;

(d) To employ and compensate such accountants, attorneys, investment advisors, and other agents, employees, and independent contractors as the Committee may deem necessary or advisable for the proper and efficient administration of the Plan;

(e) To determine in its discretion all questions relating to eligibility;

(f) To determine whether and when there has been a termination of a Participant's employment with the Employer, and the reason for such termination;

(g) To make a determination in its discretion as to the right of any person to a benefit under the Plan and to prescribe procedures to be followed by distributees in obtaining benefits hereunder;

(h) To receive and review reports from the Trustee as to the financial condition of the Trust Fund, including its receipts and disbursements; and

(i) To establish or designate Funds as investment options as provided in Article IV.

8.3 Claims Review. In any case in which a claim for Plan benefits of a Participant or beneficiary is denied or modified, the Committee shall furnish written notice to the claimant within 90 days (or within 180 days if additional information requested by the Committee necessitates an extension of the 90-day period), which notice shall:

(a) State the specific reason or reasons for the denial or modification;

(b) Provide specific reference to pertinent Plan provisions on which the denial or modification is based;

(c) Provide a description of any additional material or information necessary for the Participant, his beneficiary, or representative to perfect the claim and an explanation of why such material or information is necessary; and

(d) Explain the Plan's claim review procedure as contained herein.

In the event a claim for Plan benefits is denied or modified, if the Participant, his beneficiary, or a representative of such Participant or beneficiary desires to have such denial or modification

reviewed, he must, within 60 days following receipt of the notice of such denial or modification, submit a written request for review of such initial decision by the Committee. In connection with such request, the Participant, his beneficiary, or the representative of such Participant or beneficiary may review any pertinent documents upon which such denial or modification was based and may submit issues and comments in writing. Within 60 days following such request for review the Committee shall, after providing a full and fair review, render its final decision in writing to the Participant, his beneficiary or the representative of such Participant or beneficiary stating specific reasons for such decision and making specific references to pertinent Plan provisions upon which the decision is based. If special circumstances require an extension of such 60 day period, the Committee's decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If an extension of time for review is required, written notice of the extension shall be furnished to the Participant, beneficiary, or the representative of such Participant or beneficiary prior to the commencement of the extension period.

8.4 Employer to Supply Information. The Employer shall supply full and timely information to the Committee, including, but not limited to, information relating to each Participant's Compensation, Termination of Employment and such other pertinent facts as the Committee may require. When making a determination in connection with the Plan, the Committee shall be entitled to rely upon the aforesaid information furnished by the Employer.

8.5 Indemnity. The Employers shall indemnify and hold harmless each member of the Committee, and each employee of the Employer who is a delegate of the Committee, against any and all expenses and liabilities arising out of his administrative functions or fiduciary responsibilities with respect to the Plan, including any expenses and liabilities that are caused by or result from an act or omission constituting the negligence of such individual in the performance of such functions or responsibilities, but excluding expenses and liabilities that are caused by or result from such individual's own gross negligence or willful misconduct. Expenses against which such individual shall be indemnified hereunder shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

IX.

Administration of Funds

9.1 Payment of Expenses. All expenses incident to the administration of the Plan and Trust, including but not limited to, legal, accounting, Trustee fees, and expenses of the Committee, may be paid by the Employer and, if not paid by the Employer, shall be paid upon direction of the Committee by the Trustee from the Trust Fund, if any.

9.2 Trust Fund Property. All income, profits, recoveries, contributions, forfeitures and any and all moneys, securities and properties of any kind at any time received or held by the Trustee (if any) shall be held for investment purposes as a commingled Trust Fund pursuant to the terms of the Trust Agreement. The Committee may maintain one or more Accounts in the name of each Participant, but the maintenance of an Account designated as the Account of a Participant

shall not mean that such Participant shall have a greater or lesser interest than that due him by operation of the Plan and shall not be considered as segregating any funds or property from any other funds or property contained in the commingled fund. No Participant shall have any title to any specific asset in the Trust Fund, if any.

X.

Nature of the Plan

The Employers intend for the provisions of the Plan and the Trust Agreement to apply equally to the Company and each other Employer. However, it shall not be necessary for Employers other than the Company to execute the Plan and Trust Agreement or any amendments thereto. Each such Employer shall be conclusively presumed to have consented to its participation under the Plan and Trust Agreement, including any and all amendments thereto, upon its submission of information to the Committee required by the terms of or with respect to the Plan or upon making a contribution to the Trust Fund pursuant to the terms of the Plan.

The Plan is intended to constitute an unfunded, unsecured plan of deferred compensation for a select group of management or highly compensated employees of the Employer and shall be construed and operated in such manner. Plan benefits herein provided are to be paid out of each Employer's general assets. Nevertheless, subject to the terms hereof and of the Trust Agreement, each Employer may transfer money or other property to the Trustee, and the Trustee shall pay Plan benefits to Participants and their beneficiaries out of the Trust Fund.

XI.

Miscellaneous

11.1 Not Contract of Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any person or to be consideration for the employment of any person. Nothing herein contained shall be deemed to give any person the right to be retained in the employ of the Employer or to restrict the right of the Employer to discharge any person at any time nor shall the Plan be deemed to give the Employer the right to require any person to remain in the employ of the Employer or to restrict any person's right to terminate his employment at any time.

11.2 Alienation of Interest Forbidden. The interest of a Participant or his beneficiary or beneficiaries hereunder may not be sold, transferred, assigned, or encumbered in any manner, either voluntarily or involuntarily, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; neither shall the benefits hereunder be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person to whom such benefits or funds are payable, nor shall they be an asset in bankruptcy or subject to garnishment, attachment or other legal or equitable proceedings. Plan provisions to the contrary notwithstanding, the Committee shall comply with the terms and provisions of an order that satisfies the requirements for a "qualified domestic relations order" as such term is defined in section 206(d)(3)(B) of the Employee Retirement Income Security Act of 1974, as amended, including an order that requires distributions to an alternate payee prior to a Participant's "earliest retirement age" as such term is defined in section 206(d)(3)(E) (ii) of such Act.

11.3 Tax Withholding. All deferrals, credits and payments provided for hereunder shall be subject to applicable tax withholding and other deductions as shall be required of the Employer under any applicable law. Such withholdings may, in the Employer's discretion, be made by reducing a Participant's Account, withholding from his Compensation or in any other manner the Employer deems appropriate.

11.4 Amendment and Termination. The Committee may from time to time, in its discretion, amend, in whole or in part, any or all of the provisions of the Plan; provided, however, that no amendment may be made that would materially adversely affect the rights of a Participant with respect to amounts already allocated to his Accounts. The Committee may also terminate the Plan at any time. In the event that the Plan is terminated, each Participant's Account shall be paid to such Participant (or his beneficiary as the case may be) in a lump sum as soon as permitted by Section 409A, provided that (1) all arrangements that are required to be aggregated with the Plan for purposes of Section 409A if the same Participant participated in all arrangements are terminated, (2) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within 12 months of the termination of the arrangements, (3) all payments are made within 24 months of the termination of the arrangements, and (4) the Company and its affiliates (for purposes of Section 409A) do not adopt a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulation §1.409A-1(c) if the same service provider participated in both arrangements, at any time within five years following the date of termination of the arrangement.

11.5 Severability. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

11.6 Governing Laws. All provisions of the Plan shall be construed in accordance with the laws of Texas except to the extent preempted by federal law.

11.7 Compliance with Section 409A. The Plan shall be operated and construed in a manner necessary to comply with Section 409A of the Code and any provision of the Plan that would cause the Plan to fail to comply with Section 409A of the Code is void and of no force or effect.

11.8 Change of Control. Within the 30 days preceding or 12 months following a Change of Control event, the Committee, in its discretion, may terminate the Plan and pay each Participant his Account in a lump sum, provided all participants under all substantially similar plans of the Employers and Affiliates are required to receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date of termination of the arrangements.

EXECUTED this October __, 2007, effective for all purposes as of January 1, 2007.

INTEGRATED ELECTRICAL SERVICES, INC.

By: _____
Name: _____
Title: _____



**INTEGRATED ELECTRICAL SERVICES, INC.
EXECUTIVE SUPPLEMENTAL LIFE INSURANCE PROGRAM**

Effective Date: October 9, 2007

INTEGRATED ELECTRICAL SERVICES, INC.

EXECUTIVE SUPPLEMENTAL LIFE INSURANCE PROGRAM

WHEREAS, INTEGRATED ELECTRICAL SERVICES, INC. (the “Company”) desires to adopt the **INTEGRATED ELECTRICAL SERVICES, INC. EXECUTIVE SUPPLEMENT LIFE INSURANCE PROGRAM** (the “Program”) for the benefit of certain executives;

WHEREAS, the Company has heretofor adopted and maintains the Supplemental Executive Life Insurance Plan (the “Life Insurance Plan”); and

WHEREAS, the Company desires to adopt the Program as a component of the Life Insurance Plan;

NOW, THEREFORE, the Company hereby adopts the Program as follows, effective as of October 9, 2007:

1. The Program shall be a component of the Life Insurance Plan.

2. The plan administrator and fiduciary of the Life Insurance Plan shall be the administrator and fiduciary of Program. Except as provided in Section 3, administration of the Program shall be governed by the applicable provisions of the Life Insurance Plan, and such provisions are incorporated by reference into the Program.

3. The Program allocates to the insurers named in Section 4 responsibility for administering the Program’s claims procedures and for exercising other fiduciary functions described in the group insurance contracts issued by such insurers and listed in Section 4 (the “Group Insurance Contracts”). Such insurers shall have the discretion to interpret the provisions of the Group Insurance Contracts pertaining to the eligibility for and amount of benefits under the Program.

4. All benefits under the Program are provided by the Company’s Group Life Insurance Carrier by way of a separate rider.

The Group Insurance Contracts describe the benefits under the Program. The Group Insurance Contracts also contain the rules for determining eligibility to participate in the Program and eligibility to receive benefits under the Program. The Program incorporates by reference the Group Insurance Contracts.

5. Benefit claims and appeals of denied or modified benefit claims under the Program are processed by the insurers in accordance with the benefit claims procedures set forth in the Group Insurance Contracts. Benefits under the Program are paid by the insurers in accordance with the Group Insurance Contract provisions.

6. The procedure for funding the Program is payment of premiums from the general assets of the Company directly to the insurers on a monthly basis. Participants shall not be required to make contributions to the Program. Any dividends received under the contracts shall be applied according to such contracts.

7. The Company may designate any other affiliated entities as participating employers under the Program. Upon such designation, such entities and their eligible employees shall be covered under the Program and the contracts described in Section 4 in the same manner as the Company. The Company shall advise the insurers in writing of the designation of participating employers. The above notwithstanding, only the Company shall have the powers set forth in Section 8.


8. The procedure for amending the Program is by rider to the Group Insurance Contracts or amendment to this document by the Board of Directors of the Company. Although the Program was established with the intent to maintain it indefinitely, the Board of Directors of the Company shall have the right to amend or terminate the Program at any time.

9. The Company has created this Program to provide certain benefits to participants in accordance with the terms of the Program. No interest in or benefit payable under the Program shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, except as specifically permitted in the Group Insurance Contracts or as the administrator may otherwise permit by rule or regulation; and any action by a participant to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same, except as so provided, shall be void and of no effect, nor shall any interest in or benefit payable under the Program be in any way subject to any legal or equitable process, including, but not limited to, garnishment, attachment, levy, or seizure or to the lien of any person. This provision shall be construed to provide each participant, or other person claiming any interest or benefit in the Program through a participant, with the maximum protection against alienation, encumbrance, and any legal and equitable process, including, but not limited to, attachment, garnishment, levy, seizure, or other lien, afforded his interest in the Program (and the benefits provided thereunder) by law and any applicable regulations.

10. The plan year of the Program shall be the twelve consecutive month period commencing on January 1 of each year.

EXECUTED this 9th day of October, 2007.

INTEGRATED ELECTRICAL SERVICES, INC.

By: 
Name: Robert B. Callahan
Title: Sr. Vice President, Human Resources