

Energy Recovery, Inc.
Form DEF 14A
April 27, 2012

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant
Filed by a party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive additional materials
- Soliciting material under Rule 14a-12

Energy Recovery, Inc.
(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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| (1) | Amount previously paid: |
| (2) | Form, Schedule or Registration Statement No. |
| (3) | Filing Party: |
| (4) | Date Filed: |
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Energy Recovery, Inc.

Notice of Annual Meeting of Stockholders
To Be Held June 5, 2012

Dear Stockholders,

The 2012 Annual Meeting of Stockholders of Energy Recovery, Inc., a Delaware corporation (the “Company” or “ERI”) will be held on Tuesday, June 5, 2012, at 10:00 a.m. Pacific Daylight Time. The Annual Meeting will take place at the Company’s headquarters, located at 1717 Doolittle Drive, San Leandro, CA 94577.

Only stockholders who owned stock at the close of business on April 9, 2012, can attend and vote at the meeting or any postponement or adjournment of the meeting. The purpose of the meeting is:

- the election of Mr. Paul Cook, Dr. Marie-Elisabeth Paté-Cornell, and Mr. Fred Olav Johannessen as Class I directors to serve until our 2015 annual meeting (or until their successors are elected and qualified),
- the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2012,
- an advisory vote on executive compensation,
- approval of the Amended and Restated 2008 Equity Incentive Plan and re-approval of the material terms related to performance-based compensation, and
- other business that may properly come before the meeting and any adjournment or postponement.

These items of business are more fully described in the attached Proxy Statement, which is part of this Notice.

At the meeting, we will also report on our 2011 business results and other matters of potential interest to our shareholders.

By Order of the Board of Directors,

Thomas S. Rooney, Jr.
President and Chief Executive Officer

San Leandro, California
April 27, 2012

Whether or not you expect to attend the annual meeting of stockholders in person, you are urged to vote as promptly as possible to ensure your representation and the presence of a quorum at the annual meeting.

Stockholders of record can vote their shares by using the internet or the telephone. Instructions for using these convenient services are set forth on the enclosed proxy card. Stockholders may also vote their shares by marking, signing, dating, and returning the proxy card in the enclosed postage-prepaid envelope.

If you send in your proxy card and then decide to attend the annual meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the proxy statement.

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APPENDIX A — ENERGY RECOVERY, INC. AMENDED AND RESTATED 2008 EQUITY
INCENTIVE PLAN (As Adopted April 23, 2012)

ENERGY RECOVERY, INC.
1717 Doolittle Drive
San Leandro, California 94577

PROXY STATEMENT

Why am I receiving these materials?

We are inviting you to attend an Annual Meeting of the stockholders of Energy Recovery, Inc. and vote on:

- the election of Mr. Paul Cook, Dr. Marie-Elisabeth Paté-Cornell, and Mr. Fred Olav Johannessen as Class I directors to serve until our 2015 annual meeting (or until their successors are elected and qualified),
- the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2012,
- an advisory vote on executive compensation,
- approval of the Amended and Restated 2008 Equity Incentive Plan and re-approval of the material terms related to performance-based compensation, and
- other business that may properly come before the meeting and any adjournment or postponement.

This year's Annual Meeting will take place on Tuesday, June 5, 2012, at 10:00 a.m. local time. The meeting will be held at the Company's main office at 1717 Doolittle Drive, San Leandro, California, U.S.A.

This Proxy Statement, the accompanying proxy, and our Form 10-K for the fiscal year ended December 31, 2011 (the "2011 Annual Report") were first sent by mail to stockholders on or about April 27, 2012.

How do I vote?

If you are a record holder of our common shares, you can vote either in person at the Annual Meeting or by proxy whether or not you attend the Annual Meeting. If you plan to vote in person, you must bring the enclosed proxy card and proof of identification to the meeting.

To vote by proxy, you must either:

- fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope,