

**FLORIDA ROCK INDUSTRIES, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “Board”) of Florida Rock Industries, Inc. (the “Company”), has developed corporate governance practices to assist the Board in the exercise of its responsibilities. These practices are memorialized in the following Corporate Governance Guidelines.

These guidelines are not intended to modify, interpret or supersede any provision of the Articles of Incorporation or Bylaws of the Company or any provision of state or federal law. Rather, these guidelines are intended to reflect the current practices of the Board, subject to modification or interpretation at any time by the Board. In the event of any conflict between any of these guidelines and any provision of the Articles of Incorporation or Bylaws of the Company, the provisions of the Articles of Incorporation or Bylaws shall be deemed to be controlling.

**1. Selection and Composition of the Board of Directors.**

A. Size of the Board. The Board is designed to consist of 11 directors, but the Board may increase or decrease the number of directors at any time, in the discretion of the Board, in accordance with the Company's Articles of Incorporation and Bylaws. The Board from time to time may also have any number of Emeritus Directors who attend meetings but do not vote.

B. Director Qualifications. The Corporate Governance and Nominating Committee of the Board shall have the authority to recommend criteria for Board membership. A majority of the directors on the Board at all times shall be independent directors, as determined by the Board in accordance with the Standards of Board Independence established by the Board from time to time and as further determined by applicable law and stock exchange listing standards. In addition, a director must be (or become) a shareholder of the Company.

C. Candidates. The Corporate Governance and Nominating Committee of the Board shall consider, recommend and recruit candidates, and review candidates recommended by any shareholder of the Company. The Board shall have the authority and responsibility for selecting candidates to serve as directors and for recommending such candidates for election by the shareholders of the Company.

D. Retirement Policy. The Board has adopted a retirement policy at age 70 for directors who joined the Board after 1986. Affected directors would continue in office until the next annual meeting of shareholders following the director's 70<sup>th</sup> birthday.

E. Leadership. The Board has not adopted any fixed policy with respect to the combination or separation of the offices of Chairman of the Board and Chief Executive Officer. The Board believes that the Board should have the discretion to determine the leadership of the Board and management in a way that serves the best interests of the Company and its shareholders.

F. Compensation. The Board establishes compensation levels for any non-employee director who serves as or on (i) the Board, (ii) the Audit Committee of the Board, (iii) the Corporate Governance and Nominating Committee of the Board, (iv) the Compensation Committee of the Board, (v) Chairman of the Board, (vi) Chairman of the Audit Committee of the Board, (vii) Chairman of the Corporate Governance and Nominating Committee of the Board, and (viii) Chairman of the Compensation Committee of the Board. In determining the compensation of the directors for service on the Board, any committee thereof, and for serving as the Chair of the Board or any committee thereof, the Board shall consider (i) the responsibilities and duties of directors with respect to such service, (ii) the number of meetings and time that such director is expected to expend in performing his or her duties, and (iii) any other criteria or factors that the Board, in its discretion, shall deem to be relevant to the determination and establishment of the compensation of the directors. Directors who also serve as employees of the Company are not entitled to receive any separate, additional compensation for service on the Board or any committee thereof.

G. Education. The Company shall provide an orientation regarding the business and operations, senior management, corporate governance and background of the Company for all new directors. All directors shall be required to obtain continuing education under all applicable laws and listing standards.

## 2. Director Responsibilities.

A. Attendance at Board Meetings. The Board has five regularly scheduled meetings per year. In addition, special meetings of the Board may be called from time to time in accordance with the Company's Articles of Incorporation and Bylaws. The directors shall have the responsibility to attend the meetings of the Board.

B. Selection of Agenda Items. The Chairman of the Board and the Secretary of the Company shall be responsible for drafting, establishing and circulating, in advance (as described below), the agenda for each meeting of the Board. Any director may make suggestions regarding inclusion of a matter on the agenda for any meeting of the Board.

C. Meeting Materials. If and whenever practicable, the Chairman of the Board and the Secretary of the Company shall distribute to the directors, in advance, written materials containing information, data and materials on specific subjects that will be addressed at the Board meeting. Subject matters that are considered to be sensitive by the Chairman of the Board may be discussed at any meeting of the Board without prior distribution of written materials. The directors shall review any furnished written materials in advance of any meeting of the Board.

D. Access to Management. The Board shall have regular, direct and complete access to the senior executive officers of the Company. The Board expects the Chief Executive Officer and the Chief Financial Officer of the Company to attend regularly all meetings of the Board.

E. Access to Independent Advisors. The Board and all committees of the Board shall have access and the authority to retain any independent advisors, as the Board or such committee of the Board determines, in its reasonable judgment, to be necessary or appropriate.

F. Executive Sessions. The independent directors shall meet regularly in executive session without the participation of management. The independent directors shall choose an independent director to preside over all executive sessions. The name of the presiding independent director shall be disclosed in the Company's annual proxy statement.

G. Senior Executive Officers. The Board shall have the following duties and responsibilities with respect to the Company's senior executive officers:

(i) Evaluation of the Chief Executive Officer. The Compensation Committee of the Board shall have the sole authority to (A) review and approve the Company's goals and objectives with respect to the compensation of the Chief Executive Officer, (B) evaluate the job performance of the Chief Executive Officer, and (C) establish and determine the compensation level, including all base, bonus, and stock option compensation of the Chief Executive Officer.

(ii) Evaluation of Other Senior Executive Officers. The Board, upon consultation with the Compensation Committee, shall evaluate the job performance of the senior executive officers other than the Chief Executive Officer and shall establish and determine the compensation level, including all base, bonus, and stock option compensation of other senior executive officers.

(iii) Succession Planning. The Chief Executive Officer, the Chairman of the Board and the Corporate Governance and Nominating Committee of the Board shall review periodically the succession plans for senior executive officers and shall meet with the Board to make recommendations regarding the selection of individuals to occupy these positions.

H. Performance Evaluation. The Board shall conduct a self-evaluation periodically, at least annually, to determine whether the Board and all committees thereof are functioning effectively.

### **3. Committees of the Board.**

A. Number and Composition of Committees. The Board currently has five standing committees: the Executive Committee, the Audit Committee, the Corporate Governance and Nominating Committee, the Long Range Planning Committee and the Compensation Committee.

B. Purposes of the Committees. The committees of the Board each shall have the following purposes and responsibilities:

(i) Executive Committee. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors subject to the limitations contained in the Company's Bylaws.

(ii) Audit Committee. The Audit Committee shall assist Board oversight of (1) the integrity of the financial statements of the Company, (2) the independent auditor's qualifications and independence, (3) the performance of the Company's internal audit function and

independent auditors, and (4) the compliance by the Company with legal and regulatory requirements.

(iii) Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee shall (A) recommend criteria for Board membership, (B) identify individuals who are qualified to serve on the Board, (C) recommend to the Board to select, the director nominees for the next annual meeting of the shareholders of the Company, (D) develop and recommend to the Board corporate governance principles, in accordance with the Corporate Governance and Nominating Committee Charter, and (E) oversee the evaluation of the Board and the Management of the Company.

(iv) Long Range Planning Committee. The Long Range Planning Committee shall meet periodically to discuss the long range goals, plans and strategies of the Company.

(v) Compensation Committee. The Compensation Committee shall: (A) discharge the responsibilities of the Board relating to the compensation of the Company's senior executive officers and (B) prepare an annual report on executive compensation to be included in the Company's annual proxy statement, in accordance with the Compensation Committee Charter.

C. Appointment. The Board, in consultation with the Corporate Governance and Nominating Committee, shall appoint independent directors to serve on the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. The Board shall, in its reasonable judgment, determine the term of the membership in each committee. Notwithstanding the foregoing, no independent director may serve on the audit committees of more than two (2) public companies, other than the Company, unless (i) the Board of Directors makes an affirmative determination that such simultaneous service will not impair the ability of such director to serve effectively on the Company's Audit Committee, and (ii) the Company discloses such determination by the Board of Directors in its annual proxy statement.

D. Committee Meetings. The Chairman of each committee, in consultation with the other committee members and management, as appropriate, shall develop the Committee's agenda and shall determine the frequency and length of all committee meetings, in accordance with each committee's charter.

**4. Periodic Review.** The Corporate Governance and Nominating Committee shall review and recommend to the Board, periodically, changes to these Corporate Governance Guidelines.

**5. Communication with Directors.** The Company is committed to maintaining the highest level of corporate governance and transparency in communications between the Company and its constituencies, including its shareholders. Shareholders may communicate directly with the Chair of the Audit Committee [or other independent director] by sending an e-mail to Tessie Gandionco, Director of Internal Audit at [tessieg@flarock.com](mailto:tessieg@flarock.com) or the whole Board of Directors by sending an e-mail to the Board at [tessieg@flarock.com](mailto:tessieg@flarock.com) or by writing any of the above at c/o Florida Rock Industries, Inc., 155 East 21<sup>st</sup> Street, Jacksonville, Florida 32206.