

## Corporate Governance Principles

- The primary responsibility of the Board is to oversee the business affairs of Valmont Industries. The Board exercises its business judgment to act in what each director reasonably believes to be the best interests of Valmont Industries and its stockholders. The Board selects the Chief Executive Officer, who is responsible for the day-to-day conduct of the Company's business.

1. **Qualification of Board Members.** The Board will have a majority of directors who meet the criteria for independence established by the New York Stock Exchange. The Governance and Nominating Committee will review with the Board the requisite skills and characteristics for new Board members. This assessment will include members' qualification as independent as well as consideration of background, board skill needs, diversity and business experience.

2. **Independence.** The Board must affirmatively determine that a director has no material relationship with Valmont in order for the director to be considered independent under New York Stock Exchange standards. The Board has established the following guidelines in connection with director independence determinations:

a. A director will not be independent if, within the preceding three years: (1) the director was employed by Valmont or an immediate family member of the director was an executive officer of Valmont, (2) a Valmont executive officer was on the Human Resources Committee of the board of directors of a company which employed the Valmont director or which employed an immediate family member of the director as an executive officer, or (3) the director or the director's immediate family member received more than \$120,000 during any twelve-month period in direct compensation from Valmont (other than director and committee fees).

b. A director will not be independent if (1) the director is an executive officer or an employee, or the director's immediate family member is an executive officer, of another company and (2) the other company made payments to, or received payments from, Valmont for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1,000,000 or 2% of either (i) such other company's consolidated gross revenues or (ii) Valmont's consolidated gross revenues.

c. A director will not be independent if: (1) the director or an immediate family member is a current partner of Valmont's independent auditor, (2) the director is an employee of Valmont's independent auditor, (3) the director has an immediate family member who is a current employee of Valmont's independent auditor and who personally works on Valmont's audit, or (4) the director or an immediate family member was within the last three years a partner or employee of Valmont's independent auditor and personally worked on Valmont's audit within that time.

d. For relationships not covered by the foregoing standards, the determination of whether the relationship is material or not, and therefore whether the director would be

independent or not, shall be made by the directors who satisfy the above independence standards. The Board's determination of each director's independence will be disclosed annually in the Company's proxy statement.

e. Contributions to tax-exempt organizations shall not be considered "companies" for purposes of these independence standards. However, Valmont will disclose in its annual proxy statement any such contribution which it makes to a tax-exempt organization in which a director serves as an employed executive officer if, within the preceding three years, contributions in any fiscal year exceeded the greater of \$1,000,000 or 2% of such tax-exempt organization's consolidated gross revenues.

3. Selection of Board Members. Nominees for directorship will be recommended to the Board by the Governance and Nominating Committee in accordance with the policies and principles in its Charter.

4. Orientation and Continuing Education of Board Members. The Company will conduct an orientation program for new directors following the meeting at which the new director is elected. The orientation will include presentations by senior management with respect to the Company's principal businesses, strategic plans, financial reporting, and its auditing processes. The Board will periodically receive materials and briefing sessions to continue their education on subjects that assist directors in the discharge of their duties.

5. Compensation of Board Members. The compensation of directors will be periodically reviewed by the Human Resources Committee which shall make recommendations to the Board. Director compensation should consist of an appropriate mix of cash and stock/options.

6. Chairman of the Board. The Chairman of the Board will be selected by the Board. The Board may select the Chief Executive Officer as Chairman if that seems best for the Company at a given point in time.

7. Lead Director. The Board will select a lead director from the independent directors if the positions of Chairman and Chief Executive Officer are held by the same person. The lead director will preside at executive sessions of the Board and shall act as a liaison between the directors and the Chief Executive Officer.

8. Size of the Board. The Board will assess its size from time to time. The Board believes that a size of seven to ten is presently best for the Company.

9. Committees of the Board. The Board will at all times have an Audit Committee, a Human Resources Committee, and a Governance and Nominating Committee. All members of these committees will be independent directors under the criteria established by the New York Stock Exchange. The Board may from time to time establish additional committees as necessary or appropriate. Committee members will be appointed by the Board. The Governance and Nominating Committee will periodically consider the rotation of committee members, but rotation is not mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes of the committees as well as qualifications for committee membership.

The Chairman of each committee will determine the frequency and length of committee meetings and will develop the committee's agenda for each meeting.

10. Director Time Commitments. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a director. Directors should advise the Chairman of the Governance and Nominating Committee in advance of accepting an invitation to serve on another public company board.

11. Change in Director Professional Responsibilities. Individual directors who change the responsibility they held when they were elected to the Board should volunteer to resign from the Board. Such persons should not necessarily leave the Board. This provides an opportunity for the Board through the Governance and Nominating Committee to review the continued appropriateness of Board membership under the circumstances.

12. Retirement of Directors. No director may be nominated to a new term if he or she would be over age 73 at the time of the election.

13. Term Limits of the Board. The Board does not believe it should establish term limits. Such limits may lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and therefore provide an increasing contribution to the Board. As an alternative to term limits, the Governance and Nominating Committee will review each director's continuation on the Board every three years.

14. Agenda and Meetings; Board Information. The Chairman will establish the agenda for each Board meeting. The Chairman will consult with the lead director in connection with establishing the agenda. Each Board member may suggest the inclusion of items on the agenda. Each Board member may raise at any Board meeting subjects that are not on the agenda for that meeting.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed to prepare for meetings. Information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting. Directors have a fiduciary duty to hold in confidence information about the Company which he or she obtains as a director.

15. Strategic Planning. The Board will review the Company's long-term strategic plan during at least one Board meeting each year.

16. Chief Executive Officer Evaluation. The performance of the Chief Executive Officer will be reviewed by the Board at least annually. Such review will be subsequent to

recommendations from the Human Resources Committee with respect to long and short term compensation goals and performance of the Chief Executive Officer.

17. Management Succession. The Chief Executive Officer will report annually to the Board on the Company's program for succession and management development. The Chief Executive Officer should make available to the Board his or her recommendations and evaluations of potential successors.

18. Access to Executive Officers and Independent Advisors. Directors have full access to executive officers of the Company. The Board welcomes regular attendance at each Board meeting of executive officers and other members of senior management of the Company. The Board and each Committee may retain independent financial, legal and other advisors to assist in the performance of its duties.

19. Board Interaction with Company Constituencies and the Public. Management speaks for the Company. Communications about the Company with the press, media and other constituencies should be made by management. Individual Board members may, from time to time, at the request of the Chief Executive Officer, meet or otherwise communicate with various constituencies of the Company.

20. Executive Sessions of the Board. The non-management directors will meet in executive session as a part of each regularly scheduled Board meeting. The lead director will chair such meetings.

21. Board Evaluation. The Governance and Nominating Committee is responsible for coordinating an annual self-evaluation by the directors of the Board's performance. The Governance and Nominating Committee will oversee that comments from all directors are discussed with the full Board on an annual basis.

22. Communications to Directors. Interested parties may communicate with the Company's lead director by writing to the special address published on the Company's public website. Any person who has a concern about the Company's accounting, internal accounting controls or auditing matters may communicate such concerns to the Company's Audit Committee, which communications may be confidential or anonymous and may be submitted in writing to the special address published on the Company's public website. All such concerns will be reviewed and addressed by the Internal Audit office and/or the Human Resources office as appropriate. The status of all outstanding concerns will be reported at each meeting of the Audit Committee. The Company's Code of Business Conduct prohibits any person from retaliating against an employee for any report made in good faith.