

VALMONT INDUSTRIES INC
Form DEF 14A
March 17, 2016

[QuickLinks](#) -- Click here to rapidly navigate through this document

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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 §240.14a-12

Valmont Industries, 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.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

- o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

PROXY STATEMENT

**FOR THE
APRIL 26, 2016
ANNUAL SHAREHOLDERS' MEETING**

Dear Shareholder:

You are cordially invited to attend Valmont's annual meeting of shareholders on Tuesday, April 26, 2016 at 1:00 p.m. The meeting will be held in the Nebraska Conference Room of the Omaha Marriott at 10220 Regency Circle in Omaha, Nebraska.

The formal meeting of shareholders will be followed by a review of Valmont's business operations and our outlook for the future. Following the meeting, you are invited to an informal reception where you can visit with the directors and officers about the activities of the Company.

We are pleased to furnish our proxy materials to you over the Internet. We believe that this e-proxy process should expedite shareholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. On March 17, 2016, we mailed to many of our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report and vote online. Those shareholders who do not receive such a Notice, including shareholders who have previously requested to receive paper copies of proxy materials, will receive a copy of the proxy statement, proxy card, and annual report by mail. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy statement, proxy card, and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement, proxy card, and annual report over the Internet next year, if you received them by mail this year.

Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may vote by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding these three methods of voting are contained on the Notice and the proxy card. If you hold your shares through an account with a brokerage firm, bank, or other nominee, please follow the instructions you receive from them to vote your shares.

I look forward to seeing you at our annual meeting.

Sincerely,

Mogens C. Bay
Chairman and Chief Executive Officer

Valmont Industries, Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual meeting of shareholders of Valmont Industries, Inc., a Delaware corporation, will be held at the Omaha Marriott, 10220 Regency Circle, Omaha, Nebraska 68114, on Tuesday, April 26, 2016 at 1:00 p.m. local time for the purpose of:

- (1) Electing three directors of the Company to three year terms.
- (2) Advisory approval of the Company's executive compensation.
- (3) Ratifying the appointment of Deloitte & Touche LLP as independent auditors for fiscal 2016.
- (4) Transacting such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 1, 2016 are entitled to notice of, and to vote at, the Annual Meeting.

Your vote is important. Please note that if you hold your shares through a broker, your broker may no longer vote your shares on certain matters in the absence of your specific instructions as to how to vote. In order for your vote to be counted, please make sure that you submit your vote to your broker.

Whether or not you plan to attend the meeting, we urge you to vote your shares via the toll-free telephone number or over the Internet. If you received a copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding these three methods of voting are contained on the Notice and the proxy card. If you hold your shares through an account with a brokerage firm, bank, or other nominee, please follow the instructions you receive from them to vote your shares.

By Order of the Board of Directors

Mark C. Jaksich
Executive Vice President, Chief Financial Officer and Secretary

PROXY STATEMENT

To Our Shareholders:

The board of directors of Valmont Industries, Inc. solicits your proxy in the form enclosed for use at the annual meeting of shareholders to be held on Tuesday, April 26, 2016, or at any adjournments thereof.

At the close of business on March 1, 2016, the record date for shareholders entitled to notice of and to vote at the meeting, there were outstanding 22,792,091 shares of the Company's common stock. There were no preferred shares outstanding. All holders of common stock are entitled to one vote for each share of stock held by them.

The presence of a majority of the outstanding common stock represented in person or by proxy at the meeting will constitute a quorum. Shares represented by proxies that are marked "abstain" will be counted as shares present for purposes of determining the presence of a quorum. Proxies relating to "street name" shares that are voted by brokers on some matters will be treated as shares present for purposes of determining the presence of a quorum, but will not be treated as shares entitled to vote at the annual meeting on those matters as to which authority to vote is withheld by the broker ("broker non-votes"). **Please note that if you hold your shares through a broker, your broker may no longer vote your shares on certain matters in the absence of your specific instructions as to how to vote. In order for your vote to be counted, please make sure that you submit your vote to your broker.**

Election of the three director nominees requires the affirmative vote of a majority of the votes cast for the election of directors at the annual meeting. Votes may be cast in favor of or withheld with respect to all of the director nominees, or any of them. Abstentions and broker non-votes are not treated as votes cast and therefore will not affect the outcome of the election of directors. An incumbent director nominee who receives a greater number of votes "withheld" than "for" in an election is required to tender his resignation to the board, and the resignation will be accepted or rejected by the board as more fully described in Election of Directors.

The proposals to approve the ratification of the appointment of the auditors and the approval of the advisory say-on-pay resolution on executive compensation will be decided by the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. Abstentions will be counted; they will have the same effect as a vote against the matter. Broker non-votes will be disregarded.

Any shareholder giving a proxy may revoke it before the meeting whether delivered by telephone, Internet or through the mail, by using the telephone voting procedures, the Internet voting procedures or by mailing a signed instrument revoking the proxy to: Corporate Secretary, Valmont Industries, Inc., One Valmont Plaza, Omaha, Nebraska 68154-5215. To be effective, a mailed revocation must be received by the Corporate Secretary before the date of the meeting and a telephonic or Internet revocation must be submitted by 11:59 p.m. Eastern Time on April 25, 2016. A shareholder may attend the meeting in person and at that time withdraw the proxy and vote in person.

As permitted by Securities and Exchange Commission rules, Valmont is making this proxy statement and its annual report available to its stockholders electronically via the Internet. On March 17, 2016, we mailed to many of our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and to vote online. If you received such a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The Notice also instructs you on how you may submit your proxy over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the Notice.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

The Securities and Exchange Commission's rules permit us to deliver a single Notice or set of this proxy statement and our annual report to one address shared by two or more of our shareholders. This delivery method is referred to as "householding" and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice or set of this proxy statement and our annual report to multiple shareholders who share an address, unless we received contrary instructions from such shareholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice or a set of this proxy statement and our annual report, as requested, to any shareholder at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the Notice or this proxy statement and our annual report, contact Broadridge Financial Solutions, Inc. at 1-800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

The cost of solicitation of proxies, including the cost of reimbursing banks and brokers for forwarding proxy materials to their principals, will be borne by the Company.

Certain Shareholders

The following table sets forth, as of March 1, 2016, the number of shares beneficially owned by (i) persons known to the Company to be beneficial owners of more than 5% of the Company's outstanding common stock, (ii) executive officers named in the summary compensation table, (iii) directors, and (iv) all directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership March 1, 2016(1)	Percent of Class(2)
BlackRock, Inc.(3) 40 East 52 nd Street New York, NY 10022	1,524,687	6.7%
T. Rowe Price Associates, Inc.(4) 100 E. Pratt Street Baltimore, MD 21202	1,527,539	6.7%
The Vanguard Group(5) 100 Vanguard Boulevard Malvern, PA 19355	1,606,022	7.0%
Neuberger Berman Group LLC(6) 605 Third Avenue New York, NY 10158	1,673,578	7.3%
Mogens C. Bay	378,757	1.7%
Walter Scott, Jr.	132,958	
Kenneth E. Stinson	65,571	
Kaj den Daas	11,074	
Clark T. Randt, Jr.	6,449	
Daniel P. Neary	16,958	
J. B. Milliken	3,145	
Catherine James Paglia	2,957	
Theo W. Freye	896	
Mark C. Jaksich	44,764	
Todd G. Atkinson	36,738	
Vanessa K. Brown	21,908	
Barry Ruffalo	1,267	
John A. Kehoe	2,052	
All Executive Officers and Directors As Group (15 persons)	726,678	3.2%

- (1) Includes shares which the directors and executive officers have, or within 60 days of March 1, 2016 will have, the right to acquire through the exercise of stock options, as follows: 78,757 shares for Mr. Bay; 15,701 shares for Mr. Jaksich; 24,227 shares for Mr. Atkinson; 12,598 shares for Ms. Brown; 1,267 shares for Mr. Ruffalo; 990 shares for Mr. Kehoe and 134,479 shares for all executive officers and directors as a group. Includes restricted stock units held by directors which will vest within 60 days of March 1, 2016 as follows: 1,023 restricted stock units for each director (other than Mr. Bay).
- (2) Unless otherwise indicated, beneficial ownership of any named individual does not exceed 1% of the outstanding shares of common stock.
- (3) Based on a Schedule 13G filed by BlackRock, Inc. with the Securities and Exchange Commission on January 27, 2016.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

- (4) Based on a Schedule 13G filed by T. Rowe Price Associates with the Securities and Exchange Commission on February 9, 2016.
- (5) Based on a Schedule 13G filed by The Vanguard Group with the Securities and Exchange Commission on February 11, 2016.
- (6) Based on a Schedule 13G filed by Neuberger Berman Group LLC with the Securities and Exchange Commission on February 2, 2016.
- (7) Three individuals, Timothy Daugherty, Mogens Bay and Kenneth Stinson, together direct the voting of 500,000 shares owned by the Robert B. Daugherty Foundation.

Corporate Governance

Valmont is committed to having strong corporate governance principles. The board of directors believes such principles are essential to the effective operation of Valmont's businesses and to maintaining Valmont's integrity in the marketplace.

Overview

The board of directors has adopted corporate governance principles which are set out in the "Investor Relations" section of the Company's website at www.valmont.com. The following corporate governance documents also appear on the Company's website and these documents and the Company's Corporate Governance Principles are available in print to any shareholder upon request to the Corporate Secretary:

Code of Business Conduct

Code of Ethics for Senior Officers

Audit Committee Charter

Human Resources Committee Charter

Governance and Nominating Committee Charter

Procedures for bringing concerns or complaints to the attention of the Audit Committee

The board met five times over seven days during 2015. All directors attended at least 75% of all board meetings and all meetings of Committees on which the director served. Directors are encouraged to attend the annual shareholders' meeting and all Company directors attended the 2015 annual shareholders' meeting. The board of directors periodically reviews the Corporate Governance Principles and any changes are communicated to shareholders by posting them on the Company's website.

Board Leadership Structure and Risk Oversight

The board's leadership structure consists of a Chairman and a Lead Director. The Chairman is also the Chief Executive Officer. The board believes this combined role promotes unified leadership and direction for the board and executive management and allows for a single clear focus for the chain of command to execute the Company's strategic initiatives and business plans. The board does not believe the combined role adversely affects the independence of the board. All board members have substantial business experience and all board members, with the exception of the Chief Executive Officer, are independent within the meaning of the Company's corporate governance principles and the NYSE Listing Standards. The Company's independent directors meet in executive session without management present at every board meeting. The Chief Executive Officer periodically updates the board on succession planning for key officers and the board reviews CEO succession planning in detail annually at its July meeting.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

The board has established the position of Lead Director. The position is filled by independent director Kenneth E. Stinson. The lead director presides at executive sessions of the independent directors, serves as a liaison between the independent directors and the Chief Executive Officer, and has the ability to call meetings of the independent directors. Interested parties who wish to contact the board of directors or the lead director may communicate through the lead director by writing to: Lead Director of Valmont Board of Directors, Valmont Industries, Inc., One Valmont Plaza, Suite 601, Omaha, Nebraska, 68154-5215.

The board has oversight responsibility for risks affecting the Company. The board has delegated risk oversight with respect to operational, compliance and financial matters to the Audit Committee and has delegated risk oversight with respect to compensation matters to the Human Resources Committee.

Governance Actions

The board of directors and board committees have taken a number of corporate governance actions. The more significant actions include:

The board of directors has approved bylaws which adopt a majority voting system for the election of directors.

The board of directors has adopted director stock ownership guidelines. The guidelines provide that directors should own Valmont common stock with a value at least equal to five times the director's annual retainer. Directors have five years after joining the board to meet the guidelines.

The board of directors has adopted stock ownership and retention guidelines for senior management. The guidelines require an equity position having a value of six times base salary for the Chief Executive Officer, three times base salary for the Chief Financial Officer, Executive Vice Presidents and Group Presidents, and two times base salary for other corporate officers. The officers are required to retain 75% of the net shares acquired upon the exercise of stock options and the vesting of restricted stock until the stock ownership guidelines have been attained and maintained. The Company also has a policy prohibiting stock hedging and stock pledges applicable to directors and officers.

The board of directors has adopted an executive compensation recoupment policy. The policy generally provides that if Valmont is required to restate its financial statements, due to material noncompliance with any financial reporting requirements, the board of directors may require reimbursement of all or any part of any cash or stock award based on an incentive plan that relates to the performance of Valmont, if the employee engaged in certain conduct which caused or contributed to the need for the restatement. The board of directors has the right to apply the recoupment policy in all cases to the Chief Executive Officer, Chief Financial Officer and Group President (if the conduct occurred in the Group) if an employee engaged in the designated conduct.

The Human Resources Committee has engaged Frederick W. Cook & Co. ("Cook") as its independent executive compensation consulting firm. The Company does not engage Cook for any services beyond their support of the Human Resources Committee.

The board of directors in December 2005 permitted the Company's Shareholder Rights Plan to expire, effectively terminating the Shareholder Rights Plan.

Board Independence

The board of directors is composed of a majority of independent directors. The board has established independence standards for Valmont's directors. These standards are set forth below and are contained in the Company's Corporate Governance Principles and follow the director independence standards established by the New York Stock Exchange:

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 compensation committee of the board of directors of a company which employed the Valmont director as an executive officer 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).

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.

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 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.

Tax-exempt organizations to which Valmont makes contributions 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.

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, is made by the directors who satisfy the above independence standards. The board's determination of each director's independence is disclosed annually in the Company's proxy statement.

The board has determined that all directors except Mr. Bay (the Company's Chief Executive Officer) have no material relationship with the Company and are independent within the meaning of the Company's Corporate Governance Principles and the NYSE listing standards. The directors determined that an aircraft interchange agreement and related agreements between the Company and Mutual of Omaha (an insurance and financial services company with in excess of \$7 billion revenue) were in the ordinary course of business and immaterial.

Audit Committee

The members of the Audit Committee are directors Scott (Chairman), den Daas, Neary and Paglia. All members of the Audit Committee are independent within the meaning of the Company's Corporate Governance Principles and the listing standards of the NYSE. The board has determined

that all members of the Audit Committee are qualified as audit committee financial experts within the meaning of SEC regulations. The Audit Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website. The report of the Audit Committee is included in this proxy statement.

The Audit Committee met six times during 2015. The Audit Committee assists the board by reviewing the integrity of the financial statements of the Company; the qualifications, independence and performance of the Company's independent auditors and internal auditing department; and compliance by the Company with legal and regulatory requirements. The Audit Committee has sole authority to retain, compensate, oversee and terminate the independent auditor. The Audit Committee reviews the Company's annual audited financial statements, quarterly financial statements, and filings with the Securities and Exchange Commission. The Audit Committee reviews reports on various matters, including critical accounting policies of the Company, significant changes in the Company's selection or application of accounting principles, and the Company's internal control processes. The Audit Committee pre-approves all audit and non-audit services performed by the independent auditor. The Audit Committee has a written policy with respect to its review and approval or ratification of transactions between the Company and a director, executive officer or related person. The Audit Committee reviews and approves or disapproves any material related person transaction, i.e., a transaction in which the Company is a participant, the amount involved exceeds \$120,000, and a director, executive officer or related person has a direct or indirect material interest. The Audit Committee reports to the board of directors any such material related person transaction that it approves or does not approve.

Human Resources Committee

The members of the Human Resources Committee are directors Neary (Chairman), Stinson and Paglia. All members of the Human Resources Committee are independent within the meaning of the Company's Corporate Governance Principles and the listing standards of the NYSE. The Human Resources Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website. The report of the Human Resources Committee is included in this proxy statement.

The Human Resources Committee met four times during 2015. The Human Resources Committee assists the board in fulfilling its responsibilities relating to compensation of the Company's directors, executive officers and other selected employees. The Committee has responsibility for reviewing, evaluating and approving compensation plans, policies and programs for such persons. The Human Resources Committee annually reviews and approves corporate goals and objectives for the chief executive officer's compensation and evaluates the chief executive officer's performance in light of those goals and objectives. The Human Resources Committee, together with the other independent directors, determines the chief executive officer's compensation. The Committee also approves incentive compensation plans and equity based plans for executive officers and other selected employees. The Committee reviews the Company's management level organization and programs for management development and succession planning and reviews reports from management on human resources topics as determined by the Committee. The Human Resources Committee has established stock ownership and retention guidelines for company officers, which are described in this proxy statement in Corporate Governance Governance Actions. The board, upon recommendation of the Human Resources Committee, has established stock ownership guidelines for Company directors, which are described in this proxy statement in Corporate Governance Governance Actions.

The Human Resources Committee has the authority to retain the services of independent consultants and other experts to assist in fulfilling its responsibilities. The Committee has engaged the services of Frederic W. Cook & Co., Inc. ("Cook"), a national executive compensation consulting firm, to review and provide recommendations concerning all of the components of the Company's executive

compensation program. Cook performs services solely on behalf of the Committee and does not perform any services for the Company. The Committee has assessed the independence of Cook pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Cook from independently representing the Committee.

Governance and Nominating Committee

The members of the Governance and Nominating Committee are directors Randt (Chairman), Milliken and Freye. All members of the Governance and Nominating Committee are independent within the meaning of the Company's Corporate Governance Principles and the listing standards of the NYSE. The Governance and Nominating Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website.

The Governance and Nominating Committee met three times during 2015. The Governance and Nominating Committee assists the board by (1) recommending to the board Corporate Governance Principles for the Company, and (2) identifying qualified candidates for membership on the board, proposing to the board a slate of directors for election by the shareholders at each annual meeting, and proposing to the board candidates to fill vacancies on the board. The Governance and Nominating Committee coordinates the annual self-evaluation by the directors of the board's performance and the CEO's performance and the annual performance evaluation by each committee of the board. The Governance and Nominating Committee oversees the Company's process for consideration of nominees to the Company's board of directors. The process is described in Director Nomination Process.

Director Nomination Process

The Governance and Nominating Committee considers candidates for board membership suggested by its members and other board members, as well as management and shareholders. The Committee may also retain a third-party executive search firm to identify candidates from time to time. A shareholder who wishes to recommend a prospective nominee for board membership should notify the Company's Corporate Secretary in writing at least 120 days before the annual shareholder meeting at which directors are to be elected and include whatever support material the shareholder considers appropriate. The Governance and Nominating Committee will also consider nominations by a shareholder pursuant to the provisions of the Company's bylaws relating to shareholder nominations as described in Shareholder Proposals.

The Governance and Nominating Committee makes an initial determination as to whether to conduct a full evaluation of the candidate once it has identified a prospective nominee. This initial determination is based on whatever information is provided to the Committee as well as other information available to or obtained by the Committee. The preliminary determination is based primarily on the need for additional board members to fill vacancies or expand the size of the board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines that additional consideration is warranted, it may request a third-party search firm or other third parties to gather additional information about the prospective nominee.

The Committee evaluates each prospective nominee in light of the standards and qualifications set out in the Company's Corporate Governance Principles, including:

Background, including demonstrated high standards of ethics and integrity, the ability to have sufficient time to effectively carry out the duties of a director, and the ability to represent all shareholders and not a particular interest group.

Board skill needs, taking into account the experience of current board members, the candidate's ability to work in a collaborative culture with other board members, and the candidate's

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

qualifications as independent and qualifications to serve on the Audit Committee, Human Resources Committee and/or Governance and Nominating Committee.

Diversity, including the extent to which the candidate reflects the composition of Company shareholders and other constituencies.

Business experience, which should reflect a broad experience at the policy-making level in business, government or education, both domestically and internationally.

The Committee also considers such other relevant factors as it deems appropriate. In connection with the evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee interview prospective nominees in person or by telephone. After completing this evaluation process, the Committee makes a recommendation to the full board as to the persons who should be nominated by the board, and the board determines the nominees after considering the recommendations of the Committee. The Committee assesses the effectiveness of its policies in determining nominees for director as part of its annual performance evaluation.

Following the retirement of Glen Barton in 2015, the Committee considered candidates with desired backgrounds in executive level work in the international and manufacturing areas. Theo Freye, former CEO of CLAAS, a \$4.5 billion agricultural machinery firm headquartered in Germany, was recommended for board membership by a non-management director. Mr. Freye was appointed to the Board on June 1, 2015.

ITEM 1: BOARD OF DIRECTORS AND ELECTION OF DIRECTORS

The Company's board of directors is composed of nine members. The board is divided into three classes and each class serves for three years on a staggered term basis.

Three directors have terms of office that expire at the 2016 annual meeting: Kaj den Daas, James B. Milliken and Catherine Paglia. These three individuals have been nominated by the board of directors, upon recommendation of the Governance and Nominating Committee, for re-election to three-year terms.

The Company bylaws provide that directors are elected by the affirmative vote of a majority of the votes cast with respect to the director at the meeting, unless the number of nominees exceeds the number of directors to be elected (a contested election), in which case directors will be elected by the vote of a plurality of the shares present and entitled to vote at the meeting. If a nominee is not elected and the nominee is an incumbent director, the director is required to promptly tender his resignation to the board. The Governance and Nominating Committee will consider the tendered resignation and recommend to the board whether to accept or reject the resignation or whether other action should be taken. The board will act on the tendered resignation and publicly disclose its decision within 90 days from the certification of the election results. The director who tenders his resignation will not participate in the Committee's recommendation or the board action regarding whether to accept or reject the tendered resignation.

The shares represented by the enclosed proxy will be voted for the election of the nominees named above. In the event any of such nominees becomes unavailable for election, the proxy holders will have discretionary authority to vote the proxies for a substitute. The board of directors has no reason to believe that any such nominee will be unavailable to serve.

The following discussion provides information about the three nominees, and the six directors whose terms expire in 2017 and 2018, including ages, years of service, business experience, and service on other boards of directors within the past five years. Information is also provided concerning each

person's specific experience, qualifications, attributes or skills that led the board to conclude that the person should serve as a director of the Company.

NOMINEES FOR ELECTION Terms Expire in 2019

Kaj den Daas, age 66, is currently CEO of TCP International Holdings, Ltd. (lighting products manufacturer) since July 2015. Mr. den Daas retired in 2009 as Executive Vice President of Philips Lighting B.V. of the Netherlands (manufacturer of lighting fixtures and related components) and Chairman of its North American Lighting Operations. Mr. den Daas was responsible for oversight of the manufacturing, distribution, sales and marketing of Philips products in the United States, Canada and Mexico, with prior Philips experience in the Asia Pacific area. He previously served on the board of directors of Lighting Science Group Corp. Mr. den Daas, a native of the Netherlands, has more than 30 years of international experience in the lighting industry. His extensive international business experience provides value to the Valmont board of directors. Mr. den Daas has been a director of the Company since October 2004.

James B. Milliken, age 58, has been Chancellor of the City University of New York since June 1, 2014. CUNY is the nation's largest urban public university with 275,000 students pursuing degrees on 24 campuses in New York City and another 270,000 adult and continuing education students. CUNY has an annual operating budget of over \$4 billion. Mr. Milliken was President of the University of Nebraska from August 2004 to May 2014; the University of Nebraska has an annual budget of approximately \$2.5 billion. Mr. Milliken has a law degree from New York University and practiced law on Wall Street before his academic career. He has led the development of research and education programs in China, India, Brazil and other countries. He is a member of the Council on Federal Relations and the Executive Committee on the Council on Competitiveness. He has chaired commissions on innovation and economic competitiveness for the Association of Public and Land-grant universities and the Council on Competitiveness. Mr. Milliken's experience in managing large organizations which work closely with business and industry and in countries around the world provides value to the Valmont board of directors as the Company grows internationally. Mr. Milliken has served as a director of the Company since December 2011.

Catherine James Paglia, age 63, has been a director of Enterprise Asset Management, Inc., a New York based privately-held real estate and asset management company since September 1998. Ms. Paglia previously spent eight years as a managing director at Morgan Stanley, ten years as a managing director of Interlaken Capital, and served as chief financial officer of two public corporations. Ms. Paglia serves on the board of directors of the Columbia Funds and is a member of the board of trustees of the Carnegie Endowment for International Peace. Her extensive Wall Street experience and prior service as a chief financial officer of public companies provide an excellent background for membership on Valmont's Audit Committee. Ms. Paglia has served as a director of the Company since February 2012.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE ABOVE NOMINEES.

CONTINUING DIRECTORS Terms Expire 2018

Daniel P. Neary, age 64, has been Chairman of Mutual of Omaha (full service and multi-line provider of insurance and financial services) since December 2004. Mr. Neary retired as CEO of Mutual in 2015. Mutual of Omaha's revenues were in excess of \$7 billion in 2015. He was previously President of the Group Insurance business unit of Mutual of Omaha. Mr. Neary's training as an actuary and knowledge of the financial services industry provides valuable background for board oversight of the Company's accounting matters. His experience in strategic development and risk assessment for the Mutual of Omaha insurance companies are well suited to membership on Valmont's board of directors. Mr. Neary has been a director of the Company since December 2005.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

Kenneth E. Stinson, age 73, is currently Chairman Emeritus of Peter Kiewit Sons', Inc. (construction and mining). Mr. Stinson was Chairman of Peter Kiewit Sons' Inc. from March 1998 to December 2012. He was Chief Executive Officer of Peter Kiewit Sons', Inc. from 1998 to 2005. He previously served as Chairman and CEO of Kiewit Construction Group, Inc. Peter Kiewit Sons', Inc. revenues were in excess of \$11 billion in 2015. Mr. Stinson also serves as a director of McCarthy Group LLC and was previously a director of ConAgra Foods, Inc. Mr. Stinson has a civil engineering degree and had management responsibility at Kiewit for the construction of highways, bridges, transit systems, power plants and refineries for commercial, industrial and governmental customers. His extensive experience in the United States infrastructure business aids the board's oversight of Valmont's engineered support structures segment and utility support structures segment. Mr. Stinson has served as a director of the Company since December 1996.

Theo Freye, age 66, retired in 2015 as CEO of CLAAS KgaA, a \$4.5 billion family owned agricultural machinery firm headquartered in Germany. Mr. Freye, a native of Germany, has more than 30 years of international machinery experience. He holds a Master's Degree in Mechanical Engineering and a Ph.D. in Agricultural Science. His extensive international business experience and engineering background provides value to the Valmont board of directors. Mr. Freye has served as a director of the Company since June 2015.

CONTINUING DIRECTORS Terms Expire 2017

Mogens C. Bay, age 67, has been Chairman and Chief Executive Officer of the Company since January 1997. He was President and Chief Executive Officer of the Company from August 1993 through December 1996. Mr. Bay currently serves as a director of Peter Kiewit Sons', Inc. and previously served as a director of ConAgra Foods, Inc. Mr. Bay is the only Valmont officer who serves on the Company's board of directors. Mr. Bay's 37 years of experience with Valmont provides an extensive knowledge of Valmont's operating companies and its lines of business, its long-term strategies and domestic and international growth opportunities. Mr. Bay has served as a director of the Company since October 1993.

Walter Scott, Jr., age 84, previously served as Chairman of the Board and President of Peter Kiewit Sons', Inc. Mr. Scott was Chairman of Level 3 Communications from 1998 - 2014. Mr. Scott is a director of Berkshire Hathaway, Inc. and Berkshire Hathaway Energy. He previously served as a director of Commonwealth Telephone Enterprises and Burlington Resources. Mr. Scott is a civil engineer with management experience of infrastructure construction operations at Kiewit. His extensive board experience provides a valuable resource of strategic and oversight input to the Valmont board of directors. He has served as a director of the Company since April 1981.

Clark T. Randt, Jr., age 70, is currently President of Randt & Co. LLC (business consulting) and lived and worked in Asia for more than thirty-five years. Ambassador Randt served as the United States Ambassador to the People's Republic of China from July 2001 to January 2009. He currently serves as a director of United Parcel Service, Inc., Qualcomm Incorporated and Wynn Resorts Ltd. Ambassador Randt was formerly a partner with the international law firm of Shearman & Sterling in Hong Kong where he headed the firm's China practice. Ambassador Randt is a member of the New York bar association and was admitted to the Hong Kong bar association and has over 25 years of experience in cross-border corporate and finance transactions. He is a member of the Council on Foreign Relations. His international experience and knowledge of Asian business operations and experience with U.S. investment in China serves the Company well as it expands its operations in Asia. Ambassador Randt has served as a director of the Company since February 2009.

Compensation Discussion and Analysis

General. The following compensation discussion and analysis provides information which the Human Resources Committee of the Board of Directors (the "Committee") believes is relevant to an assessment and understanding of Valmont's executive compensation programs. This discussion should be read in conjunction with these sections of the proxy statement: (1) the summary compensation table and related tables, (2) the Human Resources Committee information in the corporate governance section and (3) the compensation summary in the advisory vote on executive compensation section.

Say-On-Pay Vote. Valmont conducted its first advisory vote on executive compensation in April 2011. Valmont's shareholders in April 2011 cast 94.6% of their votes in favor of an annual say-on-pay vote. The compensation resolution passed with at least 96% of the vote in each year, including 96.2% in 2015. The board of directors and the Human Resources Committee considered these results in determining compensation policies and decisions, and determined to hold annual say-on-pay votes and, based on the significant level of shareholder support, to continue the current compensation objectives, strategies, processes and practices described below.

Compensation Objectives and Strategies. Valmont's executive compensation programs, policies and practices are approved by the Committee. The compensation programs apply to executive officers and to certain key employees who are not executive officers. The programs specifically apply to the executive officers listed in the summary compensation table (named executive officers). The Committee has established Valmont compensation objectives pursuant to which Valmont's compensation programs are designed to:

target total compensation amounts at competitive market levels to attract, retain, motivate and reward the performance of executive officers and other key employees;

direct management focus to the long-term growth of the Company, enhance shareholder value, and ensure that executive officers have significant ownership without increasing dilution over acceptable levels; and

pay for performance by providing performance based incentive plans measured against established targets, with no guaranteed minimum payment provisions, and with total awards above median market levels for exceeding performance targets.

The Committee established compensation strategies designed to carry out the compensation objectives, including:

total compensation evaluated by position, on an annual basis, against like positions in companies of similar sales volume, according to data provided by outside compensation consultants; and

base pay, annual incentives and long-term incentives targeted at median market levels, with the opportunity for annual and long-term incentives at the 75th percentile or higher for significantly exceeding performance targets. Actual compensation will be above median if performance exceeds targets and below median when performance is below targets.

The Committee has engaged Frederic W. Cook & Co., Inc. ("Cook") as the Committee's independent executive compensation consultant. Cook reports directly to the Committee and provides advice to the Committee on the structure and amounts of executive and director compensation. Cook provides no other services to the Company.

Compensation Processes and Practices. The Committee follows certain processes and practices in connection with the structure and implementation of executive compensation plans.

The elements of compensation, and total compensation, are reviewed annually against general industry survey data and a peer group developed by Cook and approved by the Committee. The

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

Committee uses the survey data and peer group information to assess the competitiveness of compensation levels and pay mix for the CEO, CFO and other executives.

The Committee used as its primary benchmark a general industry Aon Hewitt Survey of 117 companies which Cook adjusted to provide representative compensation levels for companies within a range of Valmont's annual revenues. The adjusted revenue size range of the companies in the Aon Hewitt Survey was approximately \$2.60 billion. Valmont's 2015 revenues were approximately \$2.62 billion. The competitive medians referenced below for base salary, annual incentives and long-term incentives are the competitive medians based on the Aon Hewitt Survey data.

The Committee also used a peer group developed by Cook as a supplemental benchmark of CEO and CFO pay levels. Cook advised that, due to differences in the jobs of the individuals reported in the proxies of the peer group companies, consistent and reliable comparable compensation information was available only for the CEO and CFO. The current peer group consists of the following thirteen companies:

Barnes Group	Hubbell	SPX Corporation
Carlisle Corporation	IDEX	TORO
Crane	Pall Corporation	Trinity Industries
FlowServe	Pentair	Watts Water
Harsco		

The Company's revenues approximated the median of the peer group. The peer group had median revenue of \$2.85 billion. Valmont's revenues for 2015 were approximately \$2.62 billion.

The Committee also reviews a tally sheet with respect to the total compensation of each named executive officer and each group president. The Committee utilizes tally sheets as a reference point in order to ensure that the Committee has a comprehensive picture of the compensation paid and payable to each executive officer. The Committee uses market data provided by its independent compensation consultant as one of the primary factors in executive compensation decisions and the tally sheets are not determinative with respect to any particular element of compensation.

The compensation programs provide for both cash and equity elements. Base salary and annual incentives are paid in cash. Long-term incentives comprised of Company performance shares are paid in cash for executives who have met their stock ownership guidelines, and are paid 50% in cash and 50% in equity for other executives. Stock options are settled in equity.

The Committee determines the mix of cash and equity compensation. The Committee has no pre-established policy for the allocation between either cash and non-cash or short-term and long-term incentive compensation. The Committee reviews information provided by compensation consultants to determine the appropriate level and mix of incentive compensation. The Committee believes that a majority of an executive's overall compensation should be incentive-based and that each executive who has not attained applicable stock ownership guidelines should receive at least 50% of long-term compensation in equity.

The structure of all incentive compensation plans is reviewed periodically to assure their linkage to the current objectives and strategies and performance goals.

The Committee's policy is to establish base salary, annual incentives and long-term incentives with targets at the competitive median level and potential payouts of incentives up to 200% of target for executive officers who significantly exceed performance targets. The annual incentives and long-term incentives are established for each executive officer by using a percentage of base

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

salary that approximates the competitive target median for the executive. There are no material differences in compensation policies with respect to individual executive officers.

The Company's programs have been designed so that compensation paid to executive officers will be deductible under the Internal Revenue Code's compensation limits for deductibility, although the Committee may from time to time make restricted stock awards or discretionary cash awards in excess of the deductibility limits to recognize exceptional performance in a particular year. Executive compensation generally produces ordinary income to the executive and a corresponding tax deduction for Valmont, except for amounts deferred under Valmont's qualified and related nonqualified plan, amounts subject to future vesting, and amounts related to stock awards which are subject to special accounting and tax provisions.

Elements of Compensation. Valmont's executive compensation is based on three components, each of which is intended to support the overall compensation philosophy.

The three components are base salary, annual incentives, and long-term performance incentives (which include equity incentives). For 2015, base salary accounted for approximately 29.5% of the total compensation of the named executive officers and incentive compensation accounted for approximately 64.0% of such total compensation.

Valmont's executive officers do not have employment agreements.

Valmont's executive officers do not have agreements providing for special payments in the event of a termination of employment or a change-of-control of Valmont. Valmont's 2013 Stock Plan provides for accelerated vesting of non-vested amounts in the event of an involuntary termination following a change-of-control. See Potential Payments Upon Termination or Change-in-Control.

Valmont does not have a pension plan. Valmont's executive officers do participate in its 401(k) Plan and also participate in the related non-qualified supplemental benefit plan.

Valmont does not maintain a perquisite program for its executive officers. Amounts relating to the Chief Executive Officer's limited use of Company aircraft for personal travel are included in the summary compensation table.

Valmont has an executive compensation recoupment policy described on page 5.

Base Salary. Base salary is targeted at the competitive median level. Competitive median levels are provided by Cook based on the primary benchmark survey prepared by Aon Hewitt. Base salary is intended to compensate the executive for satisfying the requirements of the position. Salaries for executive officers and other key employees are reviewed by the Committee on an annual basis and may be changed based on the individual's performance or a change in competitive pay levels in the marketplace.

The Committee reviews with the Chief Executive Officer an annual salary plan for the Company's executive officers and other key employees (other than the Chief Executive Officer). The annual salary plan is developed by the Company's Human Resources staff, under the ultimate direction of the Chief Executive Officer, and is based on national surveys of companies with similar characteristics and on performance judgments as to the past and expected future contributions of the individual executive. The salary plan is modified as deemed appropriate and approved by the Committee. The Committee reviews and establishes the base salary of the Chief Executive Officer based on competitive compensation data provided by Cook and the Committee's assessment of his past performance, his leadership in establishing performance standards in the conduct of the Company's business, and its expectation as to his future contribution in directing the long-term success of the Company and its businesses.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

The Committee continued the Company's combined matching contribution under the Valmont Employees Retirement Savings Plan (a 401(k) plan) and related Restoration Plan (a non-qualified plan in place since 2002 designed to restore benefits otherwise limited by IRS regulations). The contribution is 15% of covered compensation (salary, bonus and cash incentives) for Mr. Bay and 4.5% for other executive officers. The Committee set the contribution percentage for the Chief Executive Officer at a higher rate due to the need to retain his critical services and the absence of any pension plan; the higher contribution percentage for the Chief Executive Officer will end when Mr. Bay no longer holds this position. The Company's contributions to such plans for 2015 compensation for the named executive officers (which matched the amounts contributed by such executive officers) are set forth in the Non-Qualified Deferred Compensation table.

Based on the factors described above, the Committee in December 2014 reviewed the base salaries of the named executive officers for 2015. The base salary for Mr. Bay was not changed. The base salaries for the other named executive officers were increased 3% with Ms. Brown receiving a 5% increase. Mr. Ruffalo was hired in March 2015 and his base salary of \$450,000 was set at competitive levels at that time. For 2015, base salaries of Bay, Jaksich, Atkinson, Brown and Kehoe were 99%, 96%, 106%, 91% and 84% of the survey competitive median level. The Committee reviewed executive base salaries in December 2015 again based on the factors described above. The Committee made no change in the base salary for 2016 of Mr. Bay (\$980,000). The base salaries for 2016 for the other named executive officers were increased 3%, except Mr. Atkinson, whose employment ended in February 2016, did not receive an increase, and Mr. Kehoe who became an executive officer in April 2015, received an 11.5% increase in 2016 based on competitive levels. See also Executive Officer Transitions.

Annual Incentives. The Company's short-term incentives are paid pursuant to programs established under the shareholder approved Executive Incentive Plan. The Committee believes that the annual incentive of officers should be based on optimizing profits. Accordingly, the programs provide for target performance levels based on the Company's earnings per share performance for executive officers, and on the respective business unit's operating income for business unit senior officers; the business unit plans include a gross working capital modifier to promote effective use of the Company's capital. Annual incentives are targeted at the competitive median level. Competitive median levels are provided by Cook based on the primary benchmark survey prepared by Aon Hewitt. For 2015, each named executive officer's annual incentive opportunity ranged from 0% to 200% of the targeted incentive, depending on the level of achievement of the Company's earnings per share performance goals. For executive officers' 2015 annual incentives, a target incentive was established ranging from 35% to 110% of base salary, and performance goals were set based on earnings per share performance; the percentage of base salary for the named executive officers was: Mr. Bay, 110%; Mr. Jaksich, 70%; Messrs. Ruffalo and Atkinson, 60%; and Ms. Brown and Mr. Kehoe, 40%. The annual incentive targets for Bay, Jaksich, Atkinson, Brown and Kehoe were 101%, 80%, 100%, 67% and 81% of the survey competitive median level. Competitive data was not available for Mr. Ruffalo's position when he was hired in March 2015. A minimum threshold level of earnings per share had to be attained before any incentive was earned by an executive officer. Payout under the plan to any executive officer was capped at two times the target incentive. Participants, thresholds and specific performance levels are established by the Committee at the beginning of each fiscal year. The Committee may in addition award discretionary non-incentive based bonuses to an executive officer to recognize exceptional performance in a particular year; no discretionary awards were made to named executive officers with respect to performance in 2015.

The Committee approved in February 2015 (March 2015 for Mr. Ruffalo) participation, including executive officers, in the short-term incentive program for 2015. The threshold earnings per share performance for executive officers was set at earnings per share of \$8.17 (2014 earnings per share). The target annual incentive (the amount of which for each executive officer was based on the competitive

median pursuant to the primary benchmark survey provided by Cook) was based on earnings per share of \$8.84, with a two times target incentive (the amount of which represented a capped payout potential based on the Committee's view of earning per share which would significantly exceed target) set at \$10.25. Based on the \$5.63 earnings per share performance levels achieved during 2015 (determined prior to restructuring and other non-recurring expenses), there were no short-term incentive payouts made to executive officers for 2015. In February 2016, the Committee selected the participants and established the performance goals for the 2016 annual incentive program; the performance goals for named executive officers in 2016 are based 75% on net earnings and 25% on net working capital intensity.

Long-Term Performance Incentives. Long-term performance incentives for senior management employees are provided in two ways: through long-term performance share programs established under the shareholder approved Executive Incentive Plan, and through equity awards under the shareholder approved 2013 Stock Plan. Both long-term performance incentive programs (long-term performance share plan and equity awards) are targeted at competitive median levels. Competitive median levels are provided by Cook based on the primary benchmark survey prepared by Aon Hewitt. For the three-year award cycle ended in 2015, each named executive officer's long-term incentive opportunity under the performance share program ranged from 0% to 200% of the targeted incentive, depending on the level of achievement of the Company's performance goals. The 2015 long-term incentive targets (for both performance shares and options) for Bay, Jaksich, Atkinson, Brown and Kehoe were 86%, 63%, 95%, 78% and 106% of the survey competitive median level.

The current long-term performance share programs operate on three-year award cycles. The Committee selects participants, establishes target awards, and determines a performance matrix. The Committee in February 2013 designed the matrix for the award cycle ending in 2015 to encourage both the effective use of the Company's capital and the growth of its earnings, and consequently the matrix was based on average return on invested capital or "ROIC" and cumulative compound operating income growth or "OIG", weighted 40% ROIC and 60% OIG, at the beginning of the award cycle. Average ROIC of less than 8.0% coupled with OIG growth of less than 3% resulted in no incentive payment. Average ROIC of 9.5% coupled with OIG growth of 10% generated a target incentive payment (based on the competitive median established by Cook's primary benchmark survey). Average ROIC of 13% coupled with OIG of 17% generated a two times target incentive payment (based on the Committee's judgment as to performance substantially exceeding the target levels). Targets for the 2013-2015 award cycle were established based on a predetermined percentage ranging from 25% to 150% of base salary, which amount was converted to performance shares valued at the Company's stock price at the beginning of the performance period (which for the 2013-2015 performance period was a thirty-day average of \$136.77). The percentages of base salary for the named executive officers was: Mr. Bay, 150%; Mr. Jaksich 70% for period as CFO and 40% for prior periods; Mr. Atkinson, 70%; Ms. Brown and Mr. Kehoe, 40%. Mr. Ruffalo was hired in March 2015 and did not participate in the 2013-2015 plan. The performance matrix provides for the potential payouts to be increased or decreased in number based on greater or lesser levels of performance. Earned performance shares are valued at the Company's stock price at the end of the performance period (the thirty-day average prior to fiscal year end); consequently, payouts may be higher or lower based on the Company's stock price performance during the award cycle. Performance incentives are generally forfeited if a participant leaves the Company before the end of the performance cycle. Prorated awards may be earned based on performance results in the event of death, disability, normal retirement, termination of employment without cause, or a change in control. Earned performance shares are capped at two times the target number of performance shares. The Committee approves the number of performance shares to be paid following a review of results at the end of each performance cycle. Awards may be paid in cash or in shares of common stock or any combination of cash and stock; participants who have not attained applicable stock ownership guidelines receive 50% of the award in common stock.

Edgar Filing: VALMONT INDUSTRIES INC - Form DEF 14A

The Committee in February 2013 selected the participants, including executive officers, for participation in the three-year award cycle ending in 2015. Based on the above described ROIC and OIG performance goals established by the Committee, and the Company's three-year average 11.23% ROIC and three-year cumulative compound operating income growth of 3.95%, performance shares for the three-year period