



GRANITE CONSTRUCTION INCORPORATED AUDIT/COMPLIANCE COMMITTEE CHARTER

I. Statement of Purpose

The Audit/Compliance Committee is a standing committee of the Board of Directors. The purpose of the Committee is to assist the Board of Directors in its oversight of (A) the Company's accounting and financial reporting policies and procedures, (B) the Company's system of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, (C) the integrity of the Company's financial statements, (D) the performance of the Company's internal audit function (E) the performance, qualifications and independence of the Company's independent auditor, (F) the Company's compliance with legal and regulatory requirements, (G) the Company's Corporate Compliance Program and Code of Conduct, and (H) the risks from cybersecurity threats. In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission ("SEC") to be included in the Company's proxy statement.

II. Organization

- A. Charter.** At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board of Directors for approval.
- B. Members.** The members of the Committee shall be appointed by the Board of Directors and shall meet the independence requirements of applicable law and the listing standards of the New York Stock Exchange. In addition, the members must be financially literate as such qualification is interpreted by the Board of Directors in its business judgment or must become financially literate within a reasonable period of time after appointment to the Committee. At least one member of the Committee shall be an audit committee financial expert, as defined by Item 407(d)(5)(ii) of Regulation S-K. No member of the Committee shall serve on the audit committee of more than three other public companies. Director fees are the only compensation a Committee member shall receive from the Company. The Committee shall consist of at least three members. Committee members may be removed by the Board of Directors. The Board of Directors shall also designate a Committee Chairperson; other officers of the Committee, if any, shall be elected by members of the Committee.
- C. Meetings.** In order to discharge its responsibilities, the Committee shall meet at least six times annually, including at least four times annually in executive sessions at which management directors are not present, including prior to filing each Quarterly Report on Form 10-Q and Annual Report on Form 10-K with the SEC. The Committee should also meet separately at each in person meeting of the Committee in executive sessions with management, the internal auditor and the independent auditor to discuss any matters that the Committee or any of these persons or firms believe should be discussed.

- D. Quorum; Action by Committee.** A quorum at any Committee meeting shall be at least one-third of the members but in any event no less than two members of the Committee. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held. Any decision or determination of the Committee reduced to writing and signed or approved by email or similar electronic media or device by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.
- E. Agenda, Minutes and Reports.** The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record and shall be approved at a subsequent meeting of the Committee. The Committee shall make regular reports to the Board of Directors on the business conducted by the Committee.
- F. Performance Evaluation.** The Committee shall evaluate its performance on an annual basis.

III. Responsibilities

The Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board of Directors. Management is responsible for the preparation, presentation and integrity of the Company's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles, policies, internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditor is responsible for planning and carrying out a proper audit of the Company's annual financial statements and internal control over financial reporting prior to the filing of the Annual Report on Form 10-K, reviews of the Company's quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, and other procedures. The independent auditor will report directly to the Committee.

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the Company's independent auditor (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and for setting clear hiring policies for employees or former employees of the independent auditor.

The Committee is responsible for reviewing and advising on the selection and removal of the chief audit executive and ensuring there are no unjustified restrictions or limitations on the chief audit executive's scope of activities or access to information.

Please refer to the Audit/Compliance Committee Planner attached hereto for a comprehensive list of Committee responsibilities, which are incorporated herein by reference.

IV. Qualified Legal Compliance Committee

The Committee shall serve as the Qualified Legal Compliance Committee (“QLCC”) of the Board of Directors and in such capacity shall adhere to the following:

- A. Purpose.** The purpose of the QLCC is to receive evidence of a material violation of federal or state securities law or breach of fiduciary duty or similar violation by the Company or by any officer, employee, director or agent of the Company (a “Material Violation”) from attorneys subject to Section 307 of the Sarbanes-Oxley Act of 2002 (the “Act”) representing the Company (whether employed by the Company or as outside counsel or otherwise) and to determine an appropriate response of the Company to evidence of such Material Violation.

- B. Authority and responsibilities.** The QLCC is charged by the Board of Directors with establishing and maintaining the appropriate procedures to address reported evidence of Material Violations, the reporting requirements mandated by Section 307 of the Act, and to take all appropriate action to address such evidence, including the authority to notify the Securities and Exchange Commission in the event that the Company fails in any material respect to implement an appropriate response that the QLCC has recommended the Company to take.

Please refer to the Audit/Compliance Committee Planner attached hereto for a list of QLCC responsibilities, which are incorporated herein by reference.

IV. General

- A. Resources and Authority.** The Committee may retain independent counsel and other advisors, experts or consultants, as it determines necessary to assist it in carrying out its duties. The Committee will have appropriate resources and authority to discharge its responsibilities, including appropriate funding provided by the Company and in such amount as determined by the Committee, for payment of (1) compensation to the Company’s independent auditor engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, (2) compensation to independent counsel and any other advisors, experts or consultants employed by the Committee, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company. The Committee may also request that any officer or other employee of the

Company, the Company's outside counsel, independent auditor or any other person meet with any members of, or consultants to, the Committee.

- B. Delegation.** The Committee may delegate any of its responsibilities to a subcommittee consisting of members of the Committee.
- C. Other Delegated Responsibilities.** The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.

Audit/Compliance Committee Planner										
		As Necessary	YE Call	Q1 Meeting	Q1 Call	Q2 Meeting	Q2 Call	Q3 Meeting	Q3 Call	Q4 Meeting
Independent Auditor										
1	Review and discuss with management and the independent auditor the annual audited financial statements including the disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations. Recommend to the Board of Directors whether the financial statements should be included in the Company's Annual Report on Form 10-K.		X							
2	Review with the independent auditor the results of the audit, including: •any audit problems or difficulties encountered in the course of the audit work and management responses; •any restrictions on the scope of the activities or access to requested information; •any significant disagreements with management; •any accounting adjustments that were proposed by the auditor but were "passed" (as immaterial or otherwise); •any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; •any "management" or "internal control" letters issued, or proposed to be issued, by the audit firm to the Company.		X							
3	Review (a) major issues regarding (i) accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and (ii) the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.		X							
4	Review and discuss with management and the independent auditor quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and the disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, before filing the Company's Quarterly Report on Form 10-Q with the SEC or other applicable regulatory filings with regulators.				X		X		X	
5	Review and discuss recent professional, accounting and regulatory pronouncements and initiatives, and understand their impact on the Company's financial statements.		X		X		X		X	

Audit/Compliance Committee Planner										
		As Necessary	YE Call	Q1 Meeting	Q1 Call	Q2 Meeting	Q2 Call	Q3 Meeting	Q3 Call	Q4 Meeting
6	Obtain, review and discuss annually a report by the independent auditor (the Audit Quality Report) describing (a) the audit firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality- control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and (c) any steps taken to deal with any such issues.									X
7	Obtain and review annually a report from the independent auditor required by PCAOB Rule 3526 <i>Communications with Audit Committee Concerning Independence</i> of all relationships between the independent auditor and the Company. Discuss with the independent auditor any relationships disclosed in such report that, in the judgment of the Committee, may have an impact on the competence or independence of the independent auditor.		X							
8	Evaluate the independent auditor's qualifications, performance and independence, taking into account the opinions of management and the internal auditors and including a review and evaluation of the lead partner. The independence evaluation will include: <ul style="list-style-type: none"> •assuring the rotation of the audit partners as required by law; •consideration of whether, in order to assure continuing auditor independence, there should be a regular rotation of the audit firm itself; •whether non-audit services are compatible with maintaining the auditor's independence; •Consideration of all relationships between the auditors and the Company. Present its conclusions with respect to the independent auditor's qualifications, performance and independence to the Board of Directors.					X				
9	Meet with the independent auditor to discuss the independent auditor's proposed audit planning, scope, staffing and approach, including coordination of its effort with internal audit.					X				
10	Pre-approve all audit and permitted non-audit services to be provided to the Company by the independent auditor and associated fees.	X		X						
11	Review any reports of the independent auditors mandated by Section 10A of the Securities Exchange Act of 1934, as amended, and obtain from the registered public accountants any information with respect to illegal acts. Review communications from outside auditors as required by the PCAOB.	X								

Audit/Compliance Committee Planner										
		As Necessary	YE Call	Q1 Meeting	Q1 Call	Q2 Meeting	Q2 Call	Q3 Meeting	Q3 Call	Q4 Meeting
Internal Auditor										
12	Review with management, the independent auditor and the chief audit executive the internal audit plan for the upcoming year, including responsibilities, activities, budget, and staffing. Review the organizational structure, objectivity, resources, expertise and staff qualifications of the internal audit function, and any recommended changes thereto.			X						
13	Obtain Annual Confirmation of Appropriate IA Access & Scope from chief audit executive.			X						
14	Review significant reports to management prepared by internal audit and management's responses, including with respect to the Company's risk management processes and systems of internal control.			X		X		X		X
15	Review and approve the Internal Audit Charter, including any changes thereto.			X						
Granite Management										
16	Review and discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and ratings agencies.		X		X		X		X	
17	Review earnings calls transcripts within 30 days of publication to assess whether public statements at earnings calls by Company executives match what is known about the Company's financial condition and outlook.	X		X		X		X		X
18	In connection with the Board of Directors' review of the Company's Enterprise Risk Management process, review and discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management guidelines and policies.					X				
19	Review reports from the Company's Controller, Treasurer and Chief Technology Officer (or equivalent) relevant to their respective areas of responsibilities.			X		X		X		X
20	Review and discuss with management cybersecurity incidents and threats; the Company's processes for assessing, identifying, and managing material risks from cybersecurity threats; as well as the material effects, or reasonably likely material effects, of risks from cybersecurity threats and previous cybersecurity incidents.	X		X		X		X		X
21	Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Annual Report on Form 10-K and the Quarterly Reports on Form 10-Q about any significant deficiencies in the design of the operation of internal controls over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.		X		X		X		X	
22	Review the Company's Code of Conduct, ensuring that it addresses conflicts of interest, fair dealing, the protection and proper use of Company assets, compliance with laws and regulations and the reporting of illegal or unethical behavior. Recommend to the Board of Directors that they approve the Company's Code of Conduct.	X								

Audit/Compliance Committee Planner										
		As Necessary	YE Call	Q1 Meeting	Q1 Call	Q2 Meeting	Q2 Call	Q3 Meeting	Q3 Call	Q4 Meeting
Audit/Compliance Committee										
23	Review and approve the report required by the rules of the SEC to be included in the Company's proxy statement.			X						
24	Review Committee charter annually and recommend any proposed changes to the Board of Directors for approval.									X
25	At the beginning of each fiscal year, report to the Board of Directors the Committee's planned agenda for the ensuing year.			X						
26	Evaluate the performance of the chief audit executive and the Corporate Compliance Officer							X		
27	Review the policies and procedures for monitoring compliance with the Code of Conduct, laws and regulations and the Whistleblower Policy.			X						
28	Review the status and results of any investigations conducted by management or outside counsel and follow-up (including disciplinary action) of any substantiated instances of noncompliance.			X		X		X		X
29	Review quarterly reports by management to assist the Committee in its oversight of the Company's compliance with public reporting requirements, internal risk assessment and internal reporting, and the Company's compliance with applicable laws and regulations, including those relating to public disclosures about the Company's business affairs, financial reporting and risk exposure.			X		X		X		X
30	Consider and investigate and/or take any other appropriate action to address material compliance issues related to (a) compliance with internal controls or (b) material violation of federal or state securities laws or breach of fiduciary duty or similar violation identified by management and/or the Risk Committee of the Company concerning the Company's contracts valued at more than \$100,000,000 in estimated revenue for the Company.	X								
31	Advise the Board of Directors with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct, including review of the process for communicating the Code of Conduct to Company personnel and for monitoring compliance.			X						
32	Review the Company's security and trading policies and certain transactions as necessary.	X		X						
33	Review and approve other applicable policies (hedging, investment, limits of authority, etc.) on an annual basis.									X
34	Review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.			X		X		X		X
35	Review and discuss with management and the independent auditor any correspondence with, or the findings of any examinations by, regulatory agencies, published reports or auditor observations that raise significant issues regarding the Company's financial statements or accounting policies.			X		X		X		X
36	Obtain regular updates from management and Company counsel regarding compliance, legal and regulatory matters that may have a significant impact on the financial statements or the Company's compliance policies.	X		X		X		X		X
37	Regularly report to the Board of Directors on the business conducted by the Committee.	X		X		X		X		X

Audit/Compliance Committee Planner										
		As Necessary	YE Call	Q1 Meeting	Q1 Call	Q2 Meeting	Q2 Call	Q3 Meeting	Q3 Call	Q4 Meeting
38	Review with the Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, or the performance of the internal audit function.	X		X		X		X		X
39	Perform other activities related to this charter as requested by the Board of Directors.	X								
40	Evaluate the Committee's performance on an annual basis.			X						
41	Meet separately with the independent auditor, internal auditor, management and others, as needed	X		X		X		X		X
Qualified Legal Compliance Committee (QLCC)										
42	Maintain and review written procedures to receive, consider and retain any reports of evidence of a Material Violation, as contemplated by the Act.			X						
43	Inform the Company's chief legal officer ("CLO") and chief executive officer ("CEO") of any report of evidence of Material Violations, any investigations of such matters and remedial measures.	X								
44	Determine whether an investigation is necessary regarding any report of evidence of a Material Violation and, if it determines an investigation is necessary or appropriate, to (a) notify the Board of Directors; (b) initiate an investigation, which may be conducted either by the CLO or by outside attorneys; and (c) retain such additional expert personnel as the Committee deems necessary.	X								
45	At the conclusion of any such investigation, (a) recommend that the Company implement an appropriate response to evidence of a Material Violation; and (b) inform the CLO and CEO and the Board of Directors of the results of any such investigation and the appropriate remedial measures to be adopted.	X								
46	Review with the CEO/President and CLO the appropriate corporate training programs to facilitate familiarity with and foster the development of expertise in the operation of the QLCC.	X								