



GRANITE CONSTRUCTION INCORPORATED RISK COMMITTEE CHARTER

I. **Statement of Purpose**

The Risk 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 the Company's strategic, operational, and health, safety and environmental compliance risks. The Board of Directors recognizes that management has primary responsibility for the development and implementation of the Company's commercial strategies, operations and compliance programs. The Committee has been formed to assist the Board of Directors in assessing and overseeing the risks associated with such strategies and the Company's operations, health, safety and environmental compliance.

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. 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.
- 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 following shall be the principal responsibilities of the Committee:

A. Strategic Planning and Risk Assessment and Mitigation. Oversee the Company's strategic planning process, which may include a review of existing lines of business, new lines of business, acquisitions, joint ventures, investments or dispositions of businesses and assets, and the financing of related transactions and management's capital allocation strategy. Work with management to review overall adequacy of the Company's risk assessment and risk mitigation policies, procedures and practices related to its strategic and operational risks.

B. Enterprise Risk Management. Oversee management's adoption and implementation of Enterprise Risk Management (ERM) policies and procedures.

C. Strategy for High-Risk Contracts. Discuss with management the Company's bid and proposal strategy for contracts that present high risk to the Company. Work with management to assess implementation of strategy during performance of such contracts.

D. Environmental, Health and Safety Matters. Oversee management's adoption and implementation of Environmental, Health and Safety policies and procedures. Work with management to review the overall adequacy of the Company's health, safety and environmental compliance policies, procedures and practices. Work with management to assess the Company's health, safety and environmental compliance risks. Review and discuss with management any material reports or disclosures made to government agencies with respect to health, safety and environmental issues.

E. Risk Oversight Disclosure. Review and discuss with management the Company's disclosure regarding risk oversight.

F. Risk Reports. Report to the Board of Directors on risk topics as the Committee deems appropriate from time to time.

G. Quarterly Management Reports. Review the report from management each quarter concerning (i) internal reporting, public disclosures, and necessary disclosures to the Company's joint venturers or vendors regarding any material risks; and (ii) the status and performance of the Company's contracts valued by the Company at more than \$100,000,000 in estimated revenue for the Company.

IV. General

A. Resources and Authority. The Committee may retain consultants and/or advisors to assist it in carrying out its responsibilities. The Committee will have appropriate resources and authority

to discharge its responsibilities, including appropriate funding in such amount as the Committee deems necessary to compensate any consultants and other advisors retained by the Committee.

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 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.
- D. Coordination.** The Committee shall promptly report any compliance issues that may have significant financial implications to the Audit/Compliance Committee and advise the Board of Directors that such a report has been made. The Committee shall also coordinate and communicate with the Audit/Compliance Committee, as appropriate, to carry out the Committee's responsibilities under this Charter and to enable the Audit/Compliance Committee to perform its responsibilities with respect to overseeing the Company's disclosure requirements and the Company's policies regarding risk assessment and risk management, in accordance with the New York Stock Exchange listing standards and Securities and Exchange Commission regulations.