

GRANITE

GRANITE CONSTRUCTION INCORPORATED NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

as Approved by the Board of Directors on
January 31, 2003

I. Statement of Purpose

The Nominating and Corporate Governance Committee is a standing committee of the Board of Directors. The purpose of the Committee is to identify individuals qualified to become members of the Board, to recommend Director nominees for each annual meeting of stockholders and nominees for election to fill any vacancies on the Board of Directors and to address related matters. The Committee shall also develop and recommend to the Board of Directors corporate governance principles applicable to the Company and be responsible for leading an annual review of the Board's performance.

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 each year establish a schedule of meetings; additional meetings may be scheduled as required.

D. Quorum; Action by Committee. A quorum at any Committee meeting shall be at least two members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein (or where only two members are present, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed 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, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

F. *Performance Evaluation.* The Committee shall evaluate its performance on an annual basis and develop criteria for such evaluation.

III. Responsibilities

The following shall be the principal responsibilities of the Committee:

A. *Director Selection Criteria.* The Committee shall establish criteria for selecting new Directors, which shall reflect at a minimum any requirements of applicable law or listing standards, as well as a candidate's strength of character, judgment, business experience, specific areas of expertise, factors relating to the composition of the Board (including its size and structure) and principles of diversity.

B. *Director Recruitment.* The Committee shall consider (in consultation with the Chairman of the Board and the Chief Executive Officer) and recruit candidates to fill positions on the Board of Directors, including as a result of the removal, resignation or retirement of any Director, an increase in the size of the Board of Directors or otherwise. The Committee shall also review any candidate recommended by the stockholders of the Company in light of the Committee's criteria for selection of new Directors. As part of this responsibility, the Committee shall be responsible for conducting, subject to applicable law, any and all inquiries into the background and qualifications of any candidate for the Board of Directors and such candidate's compliance with the independence and other qualification requirements established by the Committee.

C. *Recommendation to Board.* In connection with its annual recommendation of a slate of nominees, the Committee shall select or recommend that the Board select the Director nominees for the next annual meeting of stockholders.

D. *Director Removal Guidelines.* Subject to the Certificate of Incorporation and the Bylaws, the Committee shall establish and recommend to the Board of Directors guidelines for the removal of members of the Board of Directors.

E. *Consideration of Term Limits.* The Committee shall review the desirability of term and age limits for Directors and recommend to the Board of Directors policies in this regard from time to time.

F. *Governance Guidelines.* The Committee shall recommend to the Board of Directors corporate governance guidelines addressing, among other matters, the size, composition and responsibilities of the Board of Directors and its Committees, including its oversight of management and consultations with management. The corporate governance guidelines shall be reviewed not less frequently

than annually by the Committee, and the Committee shall make recommendations to the Board of Directors with respect to changes to the guidelines.

G. *Advice as to Committee Membership and Operations.* The Committee shall (in consultation with the General Counsel) advise the Board of Directors with respect to the charters, structure and operations of the various Committees of the Board of Directors and qualifications for membership thereon, including policies for removal of members and rotation of members among other Committees of the Board of Directors. The Committee shall also make recommendations to the Board of Directors regarding which Directors should serve on the various Committees of the Board.

H. *Evaluation of Board and Senior Management.* The Committee shall oversee the evaluation of the Board of Directors and senior executive officers of the Company. In discharging this responsibility, the Committee shall elicit comments from all Directors and report annually to the Board on the results of the evaluation.

I. *Succession Planning.* The Committee shall review periodically with the Chairman of the Board and the Chief Executive Officer the succession plans relating to positions held by senior executive officers of the Company and, in consultation with the Chief Executive Officer, make recommendations to the Board of Directors with respect to the selection of individuals to occupy these positions.

J. *Access to Records, Consultants and Others.* In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company and may retain outside consultants to advise the Committee. The Committee shall have the ultimate authority and responsibility to engage or terminate any outside consultant with respect to the identification of Director candidates and the nomination of members to the Board of Directors and to approve the terms of any such engagement and the fees of any such consultant. 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.

K. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee consisting of members of the Committee.

L. *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.
