

THE VALSPAR CORPORATION CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

This charter establishes the responsibilities of the Corporate Governance Committee (“Committee”) of the Board of Directors (“Board”) of The Valspar Corporation (the “Company”). The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors.

Composition

The Committee shall be comprised of the directors who are "independent" as defined in Section IV of the Principles of Corporate Governance. The members and Chair of the Corporate Governance Committee shall be appointed by the Board of Directors and shall continue to act until their successors are elected, but shall be subject to removal at any time by a majority of the Board. Any resulting vacancy may be filled by the Board.

Statement of Policy, Meetings and Reporting

The Committee shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders, the investment community, and others relating to the proper governance of the Company. The Committee shall meet at such times as determined by the Chair of the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee may delegate one or more of its functions to subcommittees established from time to time by the Committee, but the Committee remains responsible for any function delegated to a subcommittee. The Committee shall, through its Chair, provide reports of the Committee’s meetings and actions to the Board.

Duties and Responsibilities

The Committee’s primary responsibility is to provide a forum for all outside directors to address issues of corporate governance. The Committee believes its policies and procedures should remain flexible, in order to best respond to changing conditions and to ensure the Board and shareholders that the corporate governance practices of the Company represent “best practices.”

In carrying out this purpose, the Committee will:

- Adopt, monitor and recommend to the Board any modifications of the Principles of Corporate Governance which may be necessary from time to time.
- Recommend to the Board the selection and replacement, if necessary, of the CEO and annually evaluate the performance of the CEO.

- Oversee evaluations of the Board and management.
- Begin or conclude each Committee meeting with an executive session without management present.
- Establish criteria for selection of new directors and nominees for vacancies on the Board.
- Identify and assist with the recruitment of qualified candidates for Board membership and for the positions of CEO, Chairman and Chair of the Committee.
- Make recommendations to the Board with respect to (i) the election of the CEO, Chairman and Committee Chairs, (ii) the assignment of individual directors to serve on designated committees and (iii) the selection of director nominees for election by the shareholders.
- Periodically review management succession planning to address leadership continuity.
- Accept or decline any tendered resignation of a director for reason of change of employment.
- Review any director conflict of interest issues and determine how to handle such issues.
- Evaluate the performance of any director whose term is expiring and whether such director should be invited to stand for reelection on the basis of the attached Expectations for Individual Director Performance.
- Establish any special committee that may be necessary to properly govern ethical, legal or other matters, which might arise.
- Review and approve an annual Board meeting calendar recommended by the Chairman of the Governance Committee and the Chairman of the Board.
- Be informed regarding the Compensation Committee's actions in approving Board and executive compensation and the underlying philosophy for it.
- Perform an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively.

In carrying out its duties, the Committee will consult with and solicit the views of the CEO.

The Committee shall have direct access to independent professional resources necessary to perform its functions including the ability to retain and compensate professionals to assist with director recruitment and other functions of the Committee.

EXPECTATIONS FOR INDIVIDUAL DIRECTOR PERFORMANCE

It is expected that each Board member, in carrying out their duties and responsibilities of Board service will be guided by the following performance objectives:

- **Representation of Shareholders and Other Stakeholders** - Clearly recognizes the role of directors is to represent the interests of shareholders. Takes into consideration the interests of employees, customers, and the communities in which the Company's facilities are located. Understands the difference between function of the Board and that of management.
- **Judgment and Knowledge** - Demonstrates judgment and knowledge in the ability to assess company strategy, business plans, management evaluation and other key issues. Sufficiently informed and knowledgeable to contribute effectively to Board's monitoring responsibilities.
- **Meaningful Participation** - Comfortable being an active, inquiring participant. Participates in Board process in a meaningful way. Mindful not to get overly involved in operational details and the management process. Has confidence and willingness to express ideas and engage in constructive discussion. Actively participates in decision-making and is willing to make tough decisions. Is diligent and faithful in attending Board and Committee meetings.
- **Communications** - Communicates freely with other Board members. A good sounding board for other directors and the CEO. Willing to challenge fellow directors and CEO. Asks insightful questions and raises thought provoking perspectives. Willing to hold management accountable for performance and results. Team player; works well with other directors while not necessarily sharing their views. Listens with an open mind.
- **Expertise** - Fulfills specific Board needs. Makes individual's expertise available to the Board. Draws on relevant experience in addressing issues facing the Company. Willing to respond to appropriate requests of CEO outside of Board meetings for advice and support.
- **Vision and Leadership** – Understands the Company's philosophy and strategy. Oriented toward the future, and sensitive to future direction of industry. Fulfills legal and fiduciary responsibilities. Supports the Company's mission and values, and is open, honest and direct. Makes appropriate time commitment for Board service. Has no conflict of interest in serving on Board.
- **Professional Status** - Standing and reputation in the business and professional communities in which the director operates. Appropriately represents the Company in such communities.

**SKILLS/CHARACTERISTICS FOR CHAIR OF
CORPORATE GOVERNANCE COMMITTEE**

The chair of the Corporate Governance Committee must be an independent/outside director who possesses the ability to remain independent of, but appropriately supportive of, the management of the Company, and to represent the interests of the other directors and the shareholders. In addition, the person should have:

- The trust and respect of all other directors, the Chairman and CEO, and the top management of the Company.
- Knowledge of the Company, its history, its business and the competitive environment in which it operates.
- Knowledge of the corporate governance process, and the ability to determine which issues the Board properly should address and which have been delegated to the CEO and the management of the Company.
- The ability to act as a facilitator of the Board members, to draw out their ideas and to bring the group to a consensus.
- The ability to provide wise counsel to the Chairman and CEO and other directors.
- Ability to synthesize input from independent directors on the CEO's performance and the skill to deliver the feedback in an appropriate manner.
- The time and interest necessary to serve in this role.

PRINCIPAL DUTIES OF CHAIR OF CORPORATE GOVERNANCE COMMITTEE

- Chair all meetings of the Corporate Governance Committee of the Board.
- In collaboration with the Chairman, and in consultation with the CEO if the CEO and the Chairman are not the same person, and considering any input from other directors:
 - Recommend committee chairs and members of Board committees to the Corporate Governance Committee.
 - Establish the agenda for Board meetings.
- Establish the agenda for Corporate Governance Committee meetings.
- Be available to act as the Board link and advisor to the Chairman and CEO and others designated as members of the office of the CEO.
- Act as the focal point on the Board for:
 - All issues of corporate governance for which the Corporate Governance Committee is responsible.
 - Facilitation of communication between the Board and the CEO
 - Suggestions from outside directors, especially on sensitive issues that they feel need to be resolved.
 - Assuring that any subjects Board members want on the agenda are included.
- Provide counsel to the other directors in the performance of their duties.
- Manage CEO evaluation process including follow-up with CEO.
- Manage Board and individual Board member evaluation processes.
- Chair Board meetings in absence of Chairman and chair Executive Sessions of the Board if Chairman is an inside director.

BOARD CANDIDATE REVIEW AND NOMINATION PROCESS

Candidate Profile

When a Board vacancy occurs, or the Board otherwise determines that individuals should be recruited for possible nomination to the Board, the Corporate Governance Committee (the "Committee") in consultation with the CEO will prepare a profile of the candidate who would provide the most meaningful contributions to the Board as a whole. Factors in this profile may include general business experience, industry experience, track record as director of other companies, probable tenure if elected, and other characteristics identified as necessary to complement existing Board membership. This profile is then submitted to the Board of Directors for final review and approval or modification.

Subcommittee

The Board candidate review process may be facilitated by a subcommittee appointed to assist the Committee in identifying, screening and interviewing candidates. Final recommendations to the Board would be made in all instances by the full Committee.

Search

Each member of the Board will be offered the opportunity to submit names of potential candidates for selection. No candidate will be notified of his or her serious consideration for Board membership until after the CEO and the Committee have first indicated their interest in investigating further that person's suitability for directorship and until contact with the candidate is approved by the CEO or the Committee Chair. An executive search firm may be retained by the Committee to assist in locating suitable candidates based on the profile developed.

Initial Screening

The Committee will establish an initial screening process for each search designed to identify those candidates deemed worthy of further consideration by the Committee and the Board.

Although this process should be tailored to each search, it generally will include the following components, which may be performed by the Committee, the search firm and/or management representatives designated by the Committee:

- A review of each candidate's skills, experience and other relevant biographical information;
- An assessment of each candidate's general interest in serving on a public corporation board;
- An assessment of the candidate's ability to attend the Company's Board and committee meetings, based on the then current Board and committee schedules; and
- An initial review of each candidate's memberships and affiliations for potential conflicts of interest.

Candidate Interviews; Committee Review

After the initial screening process is complete, the Committee, in consultation with the CEO, will determine which candidates to pursue further, as well as the interview process to be employed in assessing the candidates' qualifications. It is expected that at least a majority of the members of the Committee, along with the CEO, would interview each candidate. The Committee may also request other directors or members of management to interview candidates.

The Committee, assisted by the General Counsel, will conduct a comprehensive conflicts-of-interest assessment for each candidate as part of the review process, the results of which will be reported to the Committee. Each candidate shall also be asked to indicate his or her willingness to serve on the Board and shall provide such other assurances as the Committee deems necessary or appropriate to confirm that the candidate will be able to dedicate the time and attention necessary to discharge the duties of a director of the Company.

Final Selection

After completion of the conflicts review and interviews with all potential candidates, directors involved will report their findings and recommendations to the Committee. The Committee will consider those reports and determine whether one or more of the candidates will be recommended to the full Board.

The Committee and the CEO will then notify the candidate that his or her election will be recommended at the earlier of the next Board meeting or annual meeting of shareholders. Similarly, if one or more candidates are not selected, that decision will also be communicated to the candidates.

Nomination

The Board or the shareholders will be asked to formally elect the candidate(s) at the next scheduled meeting.

Election

Before initial election to the Board, a new director will be advised of the terms of his or her compensation, benefits, liability insurance and such other matters as the Committee may deem appropriate. In addition, all new directors shall be required to attend an orientation conducted at the direction of the CEO and Committee as soon as practicable after joining the Board.

Shareholder and Other Third Party Nominations

Notwithstanding anything to the contrary contained in these procedures, any nominations submitted by a shareholder of the Company shall be referred to the Committee, and the Committee, in consultation with the General Counsel, will review such nominations in accordance with the Company's articles, bylaws and applicable legal and regulatory requirements.

Bona fide, unsolicited nominations received from third parties who are not shareholders of the Company shall be given due consideration and reviewed and processed by the Committee in a manner determined by the Committee to be appropriate.