

**TOWER AUTOMOTIVE, INC.**  
**Corporate Governance Guidelines**  
**(Adopted February 18, 2004)**

The Board of Directors adopted the following guidelines regarding the corporate governance of Tower Automotive, Inc.:

**A. Responsibilities of the Board of Directors**

The Board is elected by the stockholders to oversee their interests in the long-term performance and overall success of the enterprise. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with its stockholders. The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Company and its affiliates, the authority and responsibility for managing the business of the Company in a manner consistent with the Company's Mission, Vision and Values, and in accordance with any specific plans, instructions or directions of the Board.

Members of the Board are expected to exercise their business judgment and to act in good faith and in a manner he or she reasonably believes to be in the best interest of the Company and its stockholders.

In general, the Board of Directors is responsible for supervising and directing senior management of the Company in the interest and for the benefit of the Company's stockholders. More specifically, the Board is responsible for:

1. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
2. Reviewing and, where appropriate, approving the Company's major operational matters and financial objectives, plans, and actions;
3. Through the Audit Committee, reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
4. Assessing major risk factors relating to the Company and its performance, and reviewing measures to address and mitigate such risks;
5. Regularly evaluating the performance and approving the compensation of the Chief Executive Officer and, with the advice of the Chief Executive Officer, regularly evaluating the performance of principal senior executives; and

6. Succession planning for the Chief Executive Officer and monitoring management's succession planning for other key executives.

Directors are expected to prepare for and attend all meetings of the Board and the committees on which they serve, and to devote the requisite time and effort necessary to fulfill the foregoing responsibilities.

## **B. Composition of the Board of Directors**

A substantial majority of the directors will be independent. No director will be deemed independent unless the Board affirmatively determines that the director has no material relationship with the Company, directly or as an officer, stockholder, or partner of an organization that has a material relationship with the Company. The Board will observe all additional criteria for independence established by the New York Stock Exchange or other governing laws and regulations.

In accordance with its Certificate of Incorporation and Bylaws, directors will serve for a term of one year. The Board does not believe that it should establish limits on either (1) the number of terms a director may serve or (2) the maximum age for service as a director. The Board believes there is much to be gained by having members with sufficient experience dealing with the unique issues of the Company and the industry in which it operates. Accordingly, service as a director will continue to be based on an individual's performance and qualifications. That evaluation will be based upon the review process explained in Section H of these Guidelines.

Directors may be nominated by the Board or by stockholders in accordance with the Company's Bylaws. The Nominating and Corporate Governance Committee will review all nominees for the Board in accordance with its Charter. That Committee will select qualified nominees and review its recommendations with the Board, which will act upon recommendation.

Members of the Board have agreed that they will submit their resignation as a member of the Board upon a change in their employment and/or service responsibility that was held at the time they were last elected to the Board. Whether the individual's resignation will be accepted by the Board will be determined by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. Furthermore, each director must inform the Chairman of his or her intention to serve as a director of any other public company.

Except as otherwise determined by not less than a majority of the independent members of the Board of Directors, the same person shall not occupy the positions of Chairman of the Board and Chief Executive Officer.

**C. Director Compensation**

The form and amount of director compensation shall be determined by the Compensation Committee of the Board, in accordance with its Charter, and then recommended to the full Board. Currently, director fees may be paid in the form of cash or, at the election of members of the Board, may be deferred under the Company's Director Deferred Stock Purchase Plan. Amounts deferred under that Plan are payable only in shares of the Company's common stock. Directors may also be granted options to purchase shares of the Company's common stock under the Company's Independent Director Stock Option Plan. Under that Plan, among other conditions, the exercise price of those options may not be less than the fair market value of the Company's stock on the date of grant.

**D. Business Relationships with Directors**

For the purpose of minimizing the risk of actual or perceived conflicts of interest, any monetary arrangement (other than director or employee compensation) between a director (including any member of a director's immediate family) and the Company or any of its affiliates or members of senior management or their affiliates for goods or services shall be subject to approval by the Board of Directors as a whole.

**E. Stock Ownership by Directors**

It is the policy of the Board that all directors, consistent with their responsibilities to the stockholders of the Company as a whole, hold a significant equity interest in the Company. Toward this end, the Board expects that all directors own, or acquire within five years of first becoming a director, at least 20,000 shares of common stock of the Company, including share units under the Company's Director Deferred Stock Purchase Plan, or any successor plan.

The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate in the interest of the Company's stockholders.

**F. Board Meetings**

The Chairman, in consultation with the other members of the Board, shall determine the timing and duration of the meetings of the Board. The Board expects that at least four regular meetings at appropriate intervals are in general desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company, or Board action may be taken by unanimous written consent.

The Chairman, in consultation with the Chief Executive Officer and other members of the Board of Directors, shall establish the agenda for each Board meeting. Directors are to receive information and data that are important to understanding the business of the Company, in writing, in sufficient time to prepare for meetings. Each director shall be

entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Directors are encouraged to keep themselves informed about the Company's affairs between Board meetings through direct individual contacts with members of senior management of the Company, as well as among members of the Board. Members of senior management and the Company's legal advisors and key consultants shall make themselves generally accessible to members of the Board and respond, as soon as reasonably practicable, to matters of inquiry.

Non-management directors will meet in executive session immediately following regularly scheduled Board meetings, and as needed. Those sessions will be chaired by the non-management director selected annually by the Board. The Board will not take formal actions at those sessions, although the participating directors may make recommendations for consideration by the full Board.

#### **G. Board Committees**

Committees shall be established by the Board from time to time to facilitate and assist in the execution of the Board's responsibilities. Committees may be standing or *ad hoc*. There are currently four standing committees:

- Executive Committee
- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

Each member of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee must be independent, as provided under the NYSE listing standards, and each member of the Audit Committee must also meet the independence standards imposed by the Sarbanes-Oxley Act of 2002.

Each Committee shall have a written Charter of responsibilities, duties and authorities, which shall periodically be reviewed by the Board. Each Committee shall report to the full Board with respect to its activities, findings and recommendations after each meeting.

Each Committee shall have full power and authority, in consultation with the Chairman of the Board, to retain the services of such advisers and experts, including counsel, as the Committee deems necessary or appropriate with respect to specific matters within its purview.

The Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board, will periodically review the Committee Charters, the composition of each Board Committee and make recommendations to the Board for (a) the creation of additional Board Committees, (b) the dissolution of Board Committees, (c) changes in

mandate of the a Committee, and (d) the nomination of directors to be members of Board Committees.

Each Committee chair shall establish agendas and set meetings at the frequency and duration appropriate and necessary to carry out the Committee's responsibilities. Any director who is not a member of a particular Committee may attend any Committee meeting with the concurrence of the Committee chair or a majority of the members of the Committee.

## **H. Board Conduct and Review**

At least once per year, the Board shall conduct a review and evaluation of its conduct and performance based upon completion by all directors of an evaluation form that includes, among other things, an assessment of (a) the Board's composition and director independence, (b) the Board's access to and review of information from management, and the quality of such information, (c) the Board's responsiveness to stockholder concerns, (d) maintenance and implementation of the Corporation's standards of conduct, and (e) maintenance and implementation of these Guidelines. The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken.

In addition, at least once every three years, the Board shall conduct a review and evaluation of each member of the Board for the purpose of assessing, among other attributes, each director's (a) participation and contribution at meetings, (b) attendance, (c) availability and willingness to advise and consult fellow directors and management, and (d) overall qualifications and value as a member of the Tower Board. The Nominating and Corporate Governance Committee shall have responsibility for ensuring that the foregoing reviews and evaluations are completed.

## **I. Continuing Education**

Members of the Board are encouraged to attend and participate in director training and continuing education programs. Provided that a director receives the prior approval of the Chairman of the Board or the Chairman of the Nominating and Corporate Governance Committee to attend such a training or continuing education program, the cost of that program will be reimbursed by the Company.