

VALMONT INDUSTRIES INC
Form DEF 14A
March 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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Valmont Industries, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- Fee paid previously with preliminary materials.
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Proxy Statement
For The
April 25, 2005
Annual Shareholders Meeting

Dear Shareholder:

You are cordially invited to attend Valmont's Annual Meeting of Shareholders on Monday, April 25, 2005 at 2:00 p.m. The meeting will be held in the Lecture Hall of the Joslyn Art Museum at 2200 Dodge Street in Omaha. You may enter the building through the atrium entrance on the east side.

The formal meeting of Shareholders will be followed by a review of Valmont's business operations and our outlook for the future. Following the meeting, you are invited to an informal reception where you can visit with the Directors and Officers about the activities of the Company.

If you cannot attend the meeting in person, please vote your shares by proxy. Please complete, sign and date the enclosed proxy card and return it in the postage paid envelope. Your prompt return of the card will help your Company avoid additional solicitation costs. Your vote is important, either in person or by proxy.

I look forward to seeing you at our Annual Meeting.

Sincerely,

/s/ Mogens C. Bay

Mogens C. Bay
Chairman and Chief Executive Officer

**Valmont Industries, Inc.
Notice of Annual Meeting
of Shareholders**

Notice is hereby given that the Annual Meeting of Shareholders of Valmont Industries, Inc., a Delaware corporation, will be held at the Joslyn Art Museum, 2200 Dodge St., Omaha, Nebraska 68102, on Monday, April 25, 2005 at 2:00 p.m. local time for the purpose of:

- (1) Electing three directors of the Company to three year terms.
- (2) Ratifying the appointment of Deloitte & Touche LLP as independent auditors for fiscal 2005.
- (3) Transacting such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 1, 2005 are entitled to vote at this meeting. If you do not expect to be present at the Annual Meeting and wish your shares to be voted, please complete, sign, date and mail the enclosed proxy form.

By Order of the Board of Directors

/s/ P. Thomas Pogge

P. Thomas Pogge
Secretary
One Valmont Plaza
Omaha, Nebraska 68154-5215
March 24, 2005

Proxy Statement

To Our Shareholders:

The Board of Directors of Valmont Industries, Inc. solicits your proxy in the form enclosed for use at the Annual Meeting of Shareholders to be held on Monday, April 25, 2005, or at any adjournments thereof.

At the close of business on March 1, 2005, the record date for shareholders entitled to notice of and to vote at the meeting, there were outstanding 24,210,957 shares of the Company's common stock. There were no preferred shares outstanding. All holders of common stock are entitled to one vote for each share of stock held by them.

Shares of common stock represented by a properly signed and returned proxy, including shares represented by broker non-votes or abstaining from voting, will be treated as present at the meeting for the purpose of determining a quorum. Directors are elected by a favorable vote of a plurality of the shares of voting stock present and entitled to vote, in person or by proxy, at the Annual Meeting. Accordingly, abstentions or broker non-votes will not affect the election of Directors.

The proposal to ratify the appointment of the independent auditors requires the affirmative vote of a majority of shares present in person or represented by proxy. Abstentions will have the same effect as a vote against this proposal. Broker non-votes on this proposal are treated as shares for which voting power has been withheld by the beneficial holders of those shares and therefore will not be counted as votes for or against this proposal.

Any shareholder giving a proxy may revoke it before the meeting by mailing a signed instrument revoking the proxy to: Corporate Secretary, Valmont Industries, Inc., One Valmont Plaza, Omaha, Nebraska 68154-5215. To be effective, the revocation must be received by the Corporate Secretary before the date of the meeting. A shareholder may attend the meeting in person and at that time withdraw the proxy and vote in person.

The cost of solicitation of proxies, including the cost of reimbursing banks and brokers for forwarding proxies and proxy statements to their principals, shall be borne by the Company. This proxy statement and proxy card are being mailed to shareholders on or about March 24, 2005.

Certain Shareholders

The following table sets forth, as of March 1, 2005, the number of shares beneficially owned by (i) persons known to the Company to be beneficial owners of more than 5% of the Company's outstanding common stock, (ii) directors and executive officers named in the Summary Compensation Table and (iii) all directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership March 1, 2005 (1)	Percent of Class (2)
Robert B. Daugherty Ocean Reef Key Largo, FL 33037	7,115,568	29.4%
Mogens C. Bay	1,317,547	5.5
John E. Jones	68,000	
Thomas F. Madison	84,330	
Charles D. Peebler, Jr.	62,000	
Stephen R. Lewis, Jr.	12,000	
Walter Scott, Jr.	110,000	
Kenneth E. Stinson	70,000	
Kaj den Daas	0	
Glen A. Barton	2,000	
Terry J. McClain	323,442	1.3%
E. Robert Meaney	184,818	
Mark E. Treinen	111,986	
Mark C. Jaksich	66,561	
All Executive Officers and Directors As Group (17 persons)	2,469,940	10.2%

(1) Includes shares which the directors and executive officers have, or within 60 days of March 1, 2005 will have, the right to acquire through the exercise of stock options, as follows: 32,000 shares for Mr. Stinson; 40,000 shares each for Messrs. Jones, Madison and Scott; 24,000 shares for Mr. Peebler; 8,000 shares for Mr. Lewis; and 900,000, 174,869, 114,772, 52,083 and 50,167 shares for Messrs. Bay, McClain, Meaney, Treinen and Jaksich, respectively; and 1,526,045 shares for all executive officers and directors as a group.

(2) Unless otherwise indicated, beneficial ownership of any named individual does not exceed 1% of the outstanding shares of common stock.

Corporate Governance

Valmont is committed to having strong corporate governance principles. The board of directors believes such principles are essential to the effective operation of Valmont's businesses and to maintaining Valmont's integrity in the marketplace.

Overview

The board of directors has adopted corporate governance principles which are set out in the Investor Relations section of the Company's website at www.valmont.com. The following corporate governance documents also appear on the Company's website and these documents and the Company's Corporate Governance Principles are available in print to any shareholder upon request:

Code of Business Conduct

Code of Ethics for Senior Officers

Audit Committee Charter

Compensation Committee Charter

Governance and Nominating Committee Charter

Procedures for contacting the board of directors (through the lead director) and procedures for bringing concerns or complaints to the attention of the Audit Committee

The board has designated a lead director, Thomas Madison, who chairs executive sessions of the board. The Company's non-employee directors meet in executive session without management present at every board meeting. The Compensation Committee has established stock ownership guidelines for executive officers, which are described in the Compensation Committee report on page 18. Directors are encouraged to attend the annual shareholders meeting and seven of the Company's directors attended the 2004 annual shareholders meeting. The board of directors periodically reviews the Corporate Governance Principles and any changes are communicated to shareholders by posting them on the Company's website.

Board Independence

The board of directors is composed of a majority of independent directors. The board has established independence standards for Valmont's directors. These standards are set forth below and are contained in the Company's Corporate Governance Principles and follow the director independence standards established by the New York Stock Exchange:

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A director will not be independent if, within the preceding three years: (1) the director was employed by Valmont or an immediate family member of the director was an executive officer of Valmont, (2) a Valmont executive officer was on the compensation committee of the board of directors of a company which employed the Valmont director or which employed an immediate family member of the director as an executive officer, or (3) the director or the director's immediate family member received more than \$100,000 during any twelve-month period in direct compensation from Valmont (other than director and committee fees).

A director will not be independent if (1) the director is an executive officer or an employee, or the director's immediate family member is an executive officer, of another company and (2) the other company made payments to, or received payments from, Valmont for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1,000,000 or 2% of either (i) such other company's consolidated gross revenues or (ii) Valmont's consolidated gross revenues.

A director will not be independent if: (1) the director or an immediate family member is a current partner of Valmont's independent auditor, (2) the director is an employee of Valmont's independent auditor, (3) the director has an immediate family member who is a current employee of Valmont's independent auditor who participates in the auditor's audit, assurance or tax compliance practice, or (4) the director or an immediate family member was within the last three years a partner or employee of Valmont's independent auditor and personally worked on Valmont's audit within that time.

For relationships not covered by the foregoing standards, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the above independence standards. The Board's determination of each director's independence will be disclosed annually in the Company's proxy statement.

Contributions to tax-exempt organizations shall not be considered companies for purposes of these independence standards. However, Valmont will disclose in its annual proxy statement any such contribution which it makes to a tax-exempt organization in which a director serves as an employed executive officer if, within the preceding three years, contributions in any fiscal year exceeded the greater of \$1,000,000 or 2% of such tax-exempt organization's consolidated gross revenues.

The board has determined that directors Barton, den Daas, Jones, Lewis, Madison, Peebler and Scott have no material relationship with the Company and are independent within the meaning of the Company's Corporate Governance Principles and the NYSE listing standards.

Audit Committee

The members of the Audit Committee are directors Scott (Chairman), Jones and Peebler. All members of the Audit Committee are independent within the meaning of the Company's Corporate Governance Principles and the listing standards of the NYSE. The board has determined that all members of the Audit Committee are qualified as audit committee financial experts within the meaning of SEC regulations. The Audit Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website. The report of the Audit Committee is included in this proxy statement at page 20.

The Audit Committee met five times during 2004. The Audit Committee assists the board by reviewing the integrity of the financial statements of the Company; the qualifications, independence and performance of the Company's independent auditors and internal auditing department; and compliance by the Company with legal and regulatory requirements. The Audit

Committee has sole authority to retain, compensate, oversee and terminate the independent auditor. The Audit Committee reviews the Company's annual audited financial statements, quarterly financial statements, and filings with the Securities and Exchange Commission. The Audit Committee reviews reports on various matters, including critical accounting policies of the Company, significant changes in the Company's selection or application of accounting principles, and the Company's internal control processes. The Audit Committee also pre-approves all audit and non-audit services performed by the independent auditor.

Compensation Committee

The members of the Compensation Committee are directors Madison (Chairman), Barton, Lewis and Peebler. All members of the Compensation Committee are independent within the meaning of the Company's Corporate Governance Principles and the listing standards of the NYSE. The Compensation Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website. The report of the Compensation Committee is included in this proxy statement at page 16.

The Compensation Committee met four times during 2004. The Compensation Committee assists the board in fulfilling its responsibilities relating to compensation of the Company's directors, executive officers and other selected employees. The Committee has responsibility for reviewing, evaluating and approving compensation plans, policies and programs for such persons. The Compensation Committee annually reviews and approves corporate goals and objectives for the chief executive officer's compensation and evaluates the chief executive officer's performance in light of those goals and objectives. The Compensation Committee, together with the other independent directors, determines the chief executive officer's compensation. The Compensation Committee also periodically reviews and makes recommendations to the board with respect to incentive compensation plans and equity based plans for executive officers and other selected employees.

Governance and Nominating Committee

The members of the Governance and Nominating Committee are directors Madison (Chairman), den Daas and Lewis. All members of the Governance and Nominating Committee are independent within the meaning of the Company's corporate governance principles and the listing standards of the NYSE. The Governance and Nominating Committee acts under a written charter, adopted by the board of directors, a copy of which is available on the Company's website.

The Governance and Nominating Committee met four times during 2004. The Governance and Nominating Committee assists the board by (1) recommending to the board Corporate Governance Principles for the Company, and (2) identifying qualified candidates for membership on the board, proposing to the board a slate of directors for election by the shareholders at each annual meeting, and proposing to the board candidates to fulfill vacancies on the board. The Governance and Nominating Committee coordinates the annual self-evaluation by the directors of the board's performance and the CEO's performance and the annual performance evaluation by each committee of the board. The Governance and Nominating Committee oversees the Company's process for consideration of nominees to the Company's board of directors. The process is described in the following section.

Director Nomination Process

The Governance and Nominating Committee considers candidates for board membership suggested by its members and other board members, as well as management and shareholders. The Committee may also retain a third-party executive search firm to identify candidates from time to time. A shareholder who wishes to recommend a prospective nominee for board membership should notify the Company's Corporate Secretary in writing at least 120 days before the annual shareholder meeting at which directors are to be elected and include whatever support material the shareholder considers appropriate. The Governance and Nominating Committee will also consider nominations by a shareholder pursuant to the provisions of the Company's bylaws relating to shareholder nominations as described in Shareholder Proposals.

The Governance and Nominating Committee makes an initial determination as to whether to conduct a full evaluation of the candidate once it has identified a prospective nominee. This initial determination is based on whatever information is provided to the Committee as well as other information available to or obtained by the Committee. The preliminary determination is based primarily on the need for additional board members to fill vacancies or expand the size of the board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines that additional consideration is warranted, it may request a third-party search firm or other third parties to gather additional information about the prospective nominee.

The Committee evaluates each prospective nominee in light of the standards and qualifications set out in the Company's Corporate Governance Principles, including:

Background, including demonstrated high standards of ethics and integrity, the ability to have sufficient time to effectively carry out the duties of a director, and the ability to represent all shareholders and not a particular interest group.

Board skill needs, taking into account the experience of current board members, the candidate's ability to work in a collaborative culture with other board members, and the candidate's qualifications as independent and qualifications to serve on the Audit Committee, Compensation Committee and/or Governance and Nominating Committee.

Diversity, including the extent to which the candidate reflects the composition of Company shareholders and other constituencies.

Business experience, which should reflect a broad experience at the policy-making level in business, government or education.

The Committee also considers such other relevant factors as it deems appropriate. In connection with the evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee interview prospective nominees in person or by telephone. After completing this evaluation process, the Committee makes a recommendation to the full board as to the persons who should be nominated by the board, and the board determines the nominees after considering the recommendations of the Committee.

Election of Directors

The Company's board of directors is presently composed of nine members. The board is divided into three classes and each class serves for three years on a staggered term basis. The board of directors met five times during 2004.

Three directors have terms of office that expire at the 2005 Annual Meeting. They have been nominated by the board of directors, upon the recommendation of the Governance and Nominating Committee, for re-election to three-year terms. These nominees are:

Mogens C. Bay

John E. Jones

Walter Scott, Jr.

Unless authority to vote for directors is withheld, the shares represented by the enclosed proxy will be voted for the election of the nominees named above. In the event any of such nominees becomes unavailable for election, the proxy holders will have discretionary authority to vote the proxies for a substitute. The Board of Directors has no reason to believe that any such nominee will be unavailable to serve.

Nominees for Election - Terms Expire 2008:

Mogens C. Bay, Age 56, Chairman and Chief Executive Officer of the Company since

January 1997. Director, ConAgra Foods, Inc., Peter Kiewit Sons , Inc. and Level 3 Communications, Inc.

Served as Director of Company continuously since October 1993.

John E. Jones, Age 70, Retired Chairman, President and Chief Executive Officer of CBI

Industries, Inc. (industrial construction). Former Chief Financial Officer of CBI Industries, Inc. Director, Amsted Industries Incorporated and NICOR Inc.

Served as Director of Company continuously since April 1993.

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Walter Scott, Jr., Age 73, Chairman of Level 3 Communications, Inc. (communications and information services) since March 1998. Previously, Chairman of the Board and President of Peter Kiewit Sons , Inc. Director, Berkshire Hathaway, Inc., Commonwealth Telephone Enterprises, Inc., MidAmerican Energy Holdings Company, Peter Kiewit Sons , Inc. and Burlington Resources.

Served as Director of Company continuously since April 1981.

Continuing Directors - Terms Expire 2007:

Thomas F. Madison, Age 69, President of MLM Partners (consulting and small business investment) since January 1993; Previously Chairman of Communications Holdings, Inc., President Markets of U S WEST Communications and Vice Chairman and Office of CEO of