



## Edgar Filing: VALMONT INDUSTRIES INC - Form 8-K

compensation for fiscal 2005. Non-employee directors will receive (1) an annual retainer of \$55,000, (2) \$2,500 for each board meeting attended (\$1,000 if the participation was via teleconference), and (3) \$2,000 for each committee meeting attended. The lead director receives an additional \$25,000 per year and each committee chairman receives an additional \$10,000 per year. Directors have the ability to receive cash fees in the form of deferred compensation which accrues interest indexed to U.S. Government Bonds compounded monthly.

Non-employee directors also receive equity compensation as provided in the stockholder-approved 2002 Stock Plan. The equity compensation consists of (1) an annual grant of 2,000 shares of common stock and (2) an annual grant of a nonqualified stock option for 4,000 shares of common stock exercisable at the fair market value of the Company's common stock on the date of grant. The equity grants are made annually on the date of and following completion of the Company's annual stockholders' meeting. The common stock grant is forfeited if a director's services terminate for any reason other than death, retirement from the board at mandatory retirement age, or resignation or failure to stand for re-election, in any case without the prior approval of the board.

The Valmont board of directors, upon recommendation of the Compensation Committee, on December 20, 2004 established fiscal 2005 base salaries for the five executive officers named in the 2004 proxy statement (the "Executives"): Mogens Bay, \$750,000; Terry McClain, \$309,000; Robert Meaney, \$286,300; Tom Pogge, \$203,700; and Mark Treinen, \$187,200. The Compensation Committee on December 19, 2004 established the performance measures for the fiscal 2005 annual incentives for the Executives. Such incentives were established under the stockholder-approved Valmont Executive Incentive Plan. A target incentive was established for each executive ranging from 35% to 100% of base salary, and performance goals were set based on earnings per share performance. A minimum threshold level of earnings per share must be attained before any incentive is earned and incentives are earned based on specific performance levels of earnings per share. Payout under the plan to any Executive is capped at three times the target incentive.

The Compensation Committee on December 19, 2004 also established the performance measures for executives for the long-term incentive program with respect to the three-year cycle of fiscal 2005 - fiscal 2007. Such incentives were established under the stockholder-approved Valmont Executive Incentive Plan. Targets were established for each Executive ranging from 25% to 60% of base salary, which amount is converted to performance shares. The Committee established performance goals based on return on invested capital for the Company over the three-year term, with a performance matrix pursuant to which the performance shares may be increased or decreased based on greater or lesser levels of performance. Earned performance shares are valued at the Company's stock price at the end of the performance period and awards may be paid in cash or in shares of common stock, or any combination of cash and stock as determined by the Committee. Payout under the plan to any Executive is capped at two times the target incentive. The Committee on December 19, 2004 also granted restricted shares and stock options to the Executives as follows: Mr. Bay, 33,333 restricted shares; Mr. McClain, 10,000 restricted shares; Mr. Meaney, 8,000 restricted shares; Mr. Pogge, 6,000 stock options; and Mr. Treinen, 6,000 stock options. These grants were made pursuant to the stockholder-approved Valmont 2002 Stock Plan.

Item 9.01. Financial Statements and Exhibits

10.1 Form of Restricted Stock Agreement

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Valmont Industries, Inc.

Date: December 22, 2004

By: /s/ Terry J. McClain

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Name: Terry J. McClain

Title: Senior Vice President and  
Chief Financial Officer

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