



CORPORATE GOVERNANCE GUIDELINES

August 2019



TABLE OF CONTENTS

I.	Overview of Director Responsibilities	2
	Board of Directors Mission	2
	Core Responsibilities	2
	Board Structure	2
II.	Director Selection	3
	Director Qualifications and Selection Criteria	3
	Selection of Directors	3
	Voting Standard in Director Elections	3
	Stock Ownership by Directors	3
	Hedging Policy	4
	Director Participation on Other Boards	4
III.	Board Leadership	4
	Selection of Chairman of the Board	4
	Lead Independent Director	4
IV.	Board Composition and Performance	4
	Size of the Board	4
	Independent Directors	4
	Director Terms	5
	Resignation and Vacancies	5
	Retirement Age	5
	Board Compensation	5
V.	Director Access to Officers, Employees, and Information	6
VI.	Annual Board Performance Evaluation	6
	Evaluation of Board and Board Committees	6
	Evaluation of the Chairman of the Board	6
VII.	Board Interaction with Outside Interested Parties	6
	Hiring Independent Advisors	6
	Communications Between Stockholders and the Board	6
VIII.	Executive Leadership	7
	Formal Evaluation of the Chief Executive Officer	7
	Succession Planning	7
	Stock Ownership by Officers	7
	Annual Say-on-Pay Vote	8
	Clawback Policy	8
	Hedging Policy	8
IX.	Code of Conduct	8
X.	Oversight of Environmental, Social, and Governance Matters	9

I. OVERVIEW OF DIRECTOR RESPONSIBILITIES

BOARD OF DIRECTORS MISSION

The Board of Directors is elected by the stockholders to oversee their interest in the long-term health and the overall success of the business and its financial strength. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of executive management, who are charged by the Board with conducting the business of the Company.

CORE RESPONSIBILITIES

The core responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. Directors must fulfill their responsibilities consistent with their fiduciary duties to the stockholders, in compliance with all applicable laws and regulations. Directors may also, as appropriate, take into consideration the interests of other stakeholders, including employees and the members of communities in which the Company operates.

The Board provides advice and counsel to the Chief Executive Officer and other executive officers of the Company. The Board oversees the proper safeguarding of the assets of the Company, the maintenance of appropriate financial and other internal controls and the Company's compliance with applicable laws and regulations and proper governance.

In discharging their duties, Directors may rely on the Company's senior executives and outside advisors and auditors. The Board has the authority to hire independent legal, financial or other advisors as the Board may deem necessary.

Directors are expected to attend all meetings of the Board and of the Committees on which they serve. Directors should devote the time and effort necessary to fulfill their responsibilities. Information important to Directors' understanding of issues to come before the Board or a Committee will be provided sufficiently in advance of meetings to permit Directors to inform themselves. Directors are expected to review these materials before meetings.

BOARD STRUCTURE

The Board has: (i) an Audit Committee, (ii) a Compensation Committee, (iii) a Nominating and Corporate Governance Committee, and (iv) a Succession Planning Committee. The Board and its Committees meet throughout the year on a set schedule; hold special meetings, both telephonically and in person; and act by written consent from time to time, as appropriate. Directors are strongly encouraged to attend our Annual Meeting of Stockholders.

The Audit, Compensation, and Nominating and Corporate Governance committees operate under written charters adopted by the Board. Charters are available on the Investor Relations section of our website at www.prim.com.

II. DIRECTOR SELECTION

DIRECTOR QUALIFICATIONS AND SELECTION CRITERIA

In identifying Board nominees, we may consider individuals who are known to our officers or Directors, or individuals with significant industry or other relevant experience. The Nominating and Corporate Governance Committee's consideration of a candidate as a Director includes assessment of the individual's understanding of our business, the individual's professional and educational background, skills, expertise, potential time commitment, and other criteria established by the Nominating and Corporate Governance Committee from time to time. The Board endeavors to have a group of directors representing a diverse background by, among other things, seeking women and minority candidates that meet our qualifications for Board membership.

We expect that our Directors have personal and professional integrity along with possessing one or more of the following:

- » Experience in corporate management;
- » Experience in our industry;
- » Experience as a board member or officer of a publicly held company
- » Experience in financial and accounting matters;
- » Diversity of expertise and experience in substantive matters related to our business; and
- » Practical and mature business judgment.

SELECTION OF DIRECTORS

The Nominating and Corporate Governance Committee makes recommendations for all director nominees to the Board. The Board acts on the recommendation in a vote in which only independent Directors participate and which takes place during executive sessions of independent Board members.

VOTING STANDARD IN DIRECTOR ELECTIONS

The Board uses a majority voting standard for the election of directors in uncontested elections.

In director elections where there are more nominees than director positions, the nominees receiving the highest number of votes will be elected.

STOCK OWNERSHIP BY DIRECTORS

The Board believes that directors should be stockholders and have a financial stake in the Company. Share ownership directly aligns the interests of our directors with our stockholders.

Each non-employee director is required to own a number of shares of the Company's common stock equivalent to three times the annual cash compensation for non-employee directors. Directors will have five years to attain such level of ownership. Compliance will be evaluated on an annual basis at the time the Nominating & Corporate Governance Committee recommends the slate of Directors nominated for the annual proxy. Once a director achieves compliance with these stock ownership guidelines, a decline in the Company's stock will not be deemed a failure to comply if the director has not sold any shares.

The following are used in determining stock ownership for purposes of these guidelines:

- » shares owned separately by the director or owned either jointly with, or separately by, his or her immediate family members residing in the same household;
- » shares held in trust for the benefit of the director or his immediate family members;
- » shares issued by the Company as compensation for Board service; and
- » shares purchased on the open market.

HEDGING POLICY

The Board believes that Directors should not enter into speculative transactions in PRIM stock, including engaging in short sales of PRIM stock, trading in publicly traded options, puts, calls or other derivative securities related to PRIM stock and engaging in hedging transactions involving PRIM stock.

DIRECTOR PARTICIPATION ON OTHER BOARDS

No Director may serve on more than three other public company boards. Directors are encouraged to limit the number of other boards (excluding non-profit) on which they serve, taking into account potential board attendance, participation and effectiveness on those boards. Directors should advise the Chairman of the Board or Chairman of the Nominating and Corporate Governance Committee prior to accepting an invitation to serve on another public company board.

III. BOARD LEADERSHIP

SELECTION OF CHAIRMAN OF THE BOARD

The Board will elect its Chairman of the Board by simple majority vote.

LEAD INDEPENDENT DIRECTOR

In the event the Chairman of the Board is not independent, as determined by the criteria below, the Board will appoint a Lead Independent Director to help ensure robust independent leadership. The independent Directors shall elect a Lead Independent Director. The Lead Independent Director may be the chair of a Board committee.

IV. BOARD COMPOSITION AND PERFORMANCE

SIZE OF THE BOARD

The authorized number of directors of the Corporation shall be set by resolution of the Board. No reduction in the authorized number of directors shall have the effect of involuntarily removing any director before that director's term of office expires

INDEPENDENT DIRECTORS

Determining director independence requires that the Board affirmatively determine that the director has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

To assist it in making independence determinations, the Board has adopted independence standards, which include the standards required by NASDAQ for independent directors. Under these standards, a director is not independent if:

- » The director is, or has been within the last three years, one of our or our subsidiaries' employees, or the director has an immediate family member who is, or has been within the last three years, one of our executive officers;

- » The director has received, or has an immediate family member who has received, during any twelvemonth period within the last three years, more than \$120,000 in compensation from us (other than compensation for Board or Committee service, compensation to a family member who is an employee but not an executive officer, or benefits under a tax-qualified retirement plan or non-discretionary compensation);
- » The director is, or has a family member that is, a partner in, or a controlling stockholder or an executive officer of, any organization to which we made, or from which we received, payments for property or services in the current year or in any of the last three years, that exceed 5% of the recipient's consolidated gross revenues for that year or \$200,000, whichever is greater, other than payments arising solely from investments in our securities or payments under non-discretionary charitable contribution matching programs;
- » The director, or an immediate family member, is currently employed, or has been employed within the last three years, as an executive officer of another company where any of our present executive officers serves or has served on that company's compensation committee; or
- » The director is, or has a family member, that is a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

The listing standards of NASDAQ require that companies have a board of directors with a majority of independent directors.

DIRECTOR TERMS

All newly appointed or elected Directors will serve a one-year term. Beginning with the 2021 Annual Meeting, all Directors will be elected to a one-year term.

RESIGNATION AND VACANCIES

Any Director may resign at any time upon notice given in writing or by electronic transmission to the Secretary of the Corporation. When one or more Directors resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have resigned, shall fill the vacancy or vacancies. Any vacancies on the Board resulting from death, resignation, disqualification, removal, newly created directorships or other causes shall be filled only by an affirmative vote of the majority of the remaining independent directors then in office.

RETIREMENT AGE

The Board has established 75 years as a mandatory retirement age. No person older than 75 years may be appointed to or nominated for a Director position.

BOARD COMPENSATION

Directors who also are employees of the Company do not receive additional compensation for serving as Directors. Director compensation is disclosed in the proxy statement.

Current compensation for Directors of the Company includes the following components:

- » Cash payments of \$35,000 made for the second and fourth calendar quarters of each year.
- » Restricted shares of Common Stock with an approximate value of \$46,667 for the first and third calendar quarters of each year. The Common Stock cannot be traded for a period of one year from the date of issuance. The number of shares is determined using the average of the closing prices of the Company's Common Stock on NASDAQ for the one-month period prior to the beginning of the quarter. The shares are issued pursuant to the Primoris' 2013 Equity Incentive Plan, approved by the stockholders on May 3, 2013.

Additional cash compensation is paid to Committee chairs, the Chairman of the Board and the Lead Independent Director. Directors are reimbursed for expenses incurred in connection with Board and Board Committee meetings and assignments.

V. DIRECTOR ACCESS TO OFFICERS, EMPLOYEES, AND INFORMATION

Directors have full and free access to officers, employees and the books and records of the Company. The Directors are expected to use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. Non-Board member employees may be invited to attend all or portions of Board and Committee meetings.

VI. ANNUAL BOARD PERFORMANCE EVALUATION

EVALUATION OF BOARD AND BOARD COMMITTEES

Under the purview of the chairman of the Nominating & Corporate Governance Committee, the Company's Secretary will prepare and circulate a self-evaluation questionnaire during the fourth calendar quarter. The results of the questionnaire will be reviewed by the Nominating & Corporate Governance Committee prior to the nomination of directors for inclusion in the annual proxy.

EVALUATION OF THE CHAIRMAN OF THE BOARD

If the Chairman of the Board position is not held by an independent director, the independent Directors will annually evaluate the Chairman of the Board's performance in an executive session of independent Directors led by the Lead Independent Director.

VII. BOARD INTERACTION WITH OUTSIDE INTERESTED PARTIES

HIRING INDEPENDENT ADVISORS

The Board and each Board committee shall have the full power and authority to hire, at the expense of the Company, independent financial, accounting, legal or other advisors, as necessary to fulfill their duties, without consulting or obtaining the approval of any officer of the Company, and the Company shall pay, or shall provide the committee with, all funds necessary to engage and compensate such advisors. The decision to engage independent advisors must be made by the Board, or a Board Committee, and not by an individual Director or Directors.

COMMUNICATIONS BETWEEN STOCKHOLDERS AND THE BOARD

Stockholders may communicate with any of our Directors, either individually or as a group, by writing to them at Primoris Services Corporation, c/o Secretary, 2300 N. Field Street, Suite 1900, Dallas, TX 75201. Please specify to whom your correspondence should be directed. The Secretary will promptly forward all correspondence to the Board or any specific Director, as indicated in the correspondence, except for mass mailings, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate material. Certain correspondence, such as product-related or service-related inquiries, may be sent elsewhere within the Company for review and possible response.

VIII. EXECUTIVE LEADERSHIP

FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance and compensation. Thereafter, with the Chief Executive Officer absent, the independent Directors shall meet in Executive Session to review the Chief Executive Officer's performance. The results of the evaluation shall be communicated to the Chief Executive Officer.

SUCCESSION PLANNING

The Succession Planning Committee coordinates the efforts of the Board and executive management in establishing the processes, procedures and practices used for succession planning for executive officer positions, including the Chief Executive Officer. The Committee establishes contingency plans for the departure, death or disability of the Chief Executive Officer. The Chief Executive Officer provides the Committee with his contingency plans for the departure, death or disability of the other executive officers.

The Board shall evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer shall provide the Board with recommendations and evaluations of potential successors.

The Chief Executive Officer shall provide the Board an annual report on succession planning and development for all other executive officers of the Company.

STOCK OWNERSHIP BY OFFICERS

Stock ownership guidelines for the Company's officers are determined as a multiple of the executive's base salary, as follows:

Level	Multiple of Base Salary
Chief Executive Officer	3x
Executive vice presidents and the presidents of the Company's operating segments	3x
All Other Officers	1x

Officers will have five years from adoption of these stock ownership guidelines or five years from the date of hiring or promotion to acquire the shares needed to meet the stock ownership guidelines. The Company's Secretary will evaluate compliance on an annual basis, as of April 30 of each year, and not on a running basis. If an officer achieves compliance with these stock ownership guidelines as of April 30 of any year, the officer will not be deemed to have failed to comply with these guidelines as of April 30 of any future year as a result of a decline in the Company's stock price if the officer has not sold any shares. The Secretary will provide a compliance report to the Nominating & Governance Committee prior to the annual election of executive officers.

The following are used in determining stock ownership for purposes of these guidelines:

- » shares owned separately by the officer or owned either jointly with, or separately by, his or her immediate family members residing in the same household;
- » shares held in trust for the benefit of the officer or his immediate family members;
- » shares purchased on the open market;

- » shares purchased or awarded through the Company's Long-term Retention Plan;
- » vested and unvested time-based restricted stock or restricted stock units; and
- » dividend equivalent shares.

ANNUAL SAY-ON-PAY VOTE

The Company values feedback from our stockholders and provides them with an annual opportunity to participate in an advisory vote on the compensation for our Named Executive Officers.

CLAWBACK POLICY

To the extent permitted by law, if the Board, with the recommendation of the Compensation Committee, determines that any bonus, equity award, equity equivalent award or other incentive compensation has been awarded or received by an executive officer of the Company, and that:

- a. such compensation was based on the achievement of certain financial results that were subsequently the subject of a material restatement of the Company's financial statements filed with the SEC,
- b. the executive officer engaged in grossly negligent or intentional misconduct that caused or substantially caused the need for the material restatement, and
- c. the amount or vesting of the bonus, equity award, equity equivalent or other incentive compensation would have been less had the financial statements been correct, then the Board shall recover from the executive officer such compensation (in whole or in part) as it deems appropriate under the circumstances.

HEDGING POLICY

The Company prohibits executive officers from entering into speculative transactions in PRIM stock, including engaging in short sales of PRIM stock, trading in publicly traded options, puts, calls or other

IX. CODE OF CONDUCT

The Company has a Code of Conduct that complies with the rules and regulations adopted by the SEC and NASDAQ listing standards. The Code is applicable to all our Directors, officers and employees. Annually, all Primoris officers and employees are required to sign a copy of the Code, confirming their commitment to abide by the Code - The Code is available on Primoris' investor relations website as well as Primoris' internal intranet. The Audit Committee of the Board shall resolve any violation of the Code involving the CEO or any other executive officer. Violation of the Code by other Primoris' employees shall be resolved by the employee's supervisor or senior management, depending on the nature of the violation.

Among other matters, this Code of Conduct is designed to promote:

- » Honest and ethical conduct;
- » Avoidance of conflicts of interest;
- » Full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in our other public communications;
- » Compliance with applicable governmental laws and regulations and stock exchange rules;

- » Prompt internal reporting of violations of the Code of Conduct to an appropriate person or persons identified in the Code of Conduct; and
- » Accountability for adherence to the Code of Conduct.

A supplement to the Code outlines additional policies that are applicable to the Chief Executive Officer, the Chief Financial Officer and all senior financial officers of the Company. We intend to post amendments to, or waivers, if any, from our Code of Conduct (to the extent applicable to our Directors or Chief Executive Officer, Principal Financial Officer, or Principal Accounting Officer) on the Investor Relations/ Governance section of our website at www.prim.com.

X. OVERSIGHT OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MATTERS

The Nominating and Corporate Governance Committee shall have oversight of matters relating to Environmental, Social, and Governance (“ESG”). This includes a review of ESG policies, documents created in support of transparent ESG disclosure, as well as violations of ESG policies.