

**Layne Christensen Company**  
**Corporate Governance Guidelines**

Amended and restated by  
Board of Directors  
as of March 26, 2010

The Board of Directors (the "Board") of Layne Christensen Company (the "Company") has adopted these Corporate Governance Guidelines (these "Guidelines"), in order to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and the stockholders of the Company. These Guidelines should be interpreted in the context of all applicable laws and the Company's Certificate of Incorporation, Bylaws, and other corporate governance documents of the Company. These guidelines are not intended to, nor do they, replace the legal obligations of the Board, but are intended to facilitate the efficient execution of such obligations. The Guidelines are necessarily subject to review and modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company's stockholders, and as required by applicable laws and regulations.

**I. Role of the Board**

On behalf of and for the benefit of the stockholders of the Company, the role of the Board is to assure that the long term interests of the stockholders are served and maximized and to provide effective governance over the Company's affairs and oversight of the Company's business conducted by its employees, managers and officers under the direction of the Company's Chief Executive Officer. The Board serves as the ultimate decision-making body of the Company except for those matters reserved to the stockholders. The Board acts as an advisor and counselor to management and monitors its performance.

In addition to its general oversight of management, the Board also performs a number of specific functions, including:

- Selecting, evaluating and (upon recommendation by the Compensation Committee) compensating the Chief Executive Officer, overseeing the Chief Executive Officer's succession planning, and taking other appropriate actions in the event of an emergency or upon the retirement or, when warranted, removal of the Chief Executive Officer;
- Providing counsel and oversight regarding the selection, evaluation, development and (upon recommendation by the Compensation Committee) compensation of management;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Overseeing the Company's risk assessment and risk management guidelines, assessing major risks facing the Company, overseeing the Company's management of those risks, and reviewing options for their mitigation;
- Ensuring processes are in place for maintaining the integrity of the Company and its financial statements, compliance with law, high ethics and relationships with customers, suppliers, and stockholders; and

- Reviewing, and where appropriate, approving and evaluating policies for corporate conduct, including maintenance of disclosure controls and procedures, accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls.

## **II. Selection and Composition of the Board; Director Qualification Standards**

The Board will consist of a majority of directors who are independent as determined in accordance with The Nasdaq Stock Market LLC listing standards. The Nominating & Corporate Governance Committee will annually evaluate and make recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating & Corporate Governance Committee will identify potential director candidates and recommend for the Board's selection nominees for election as directors in accordance with the Nominating & Corporate Governance Committee charter.

Board members should act in a thorough and inquisitive manner, be objective and have practical wisdom and mature judgment. Board members must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, including advance review of meeting materials, and should be committed to serve on the Board and its committees for an extended period of time. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director. Board members should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities. The Board, and specifically the Nominating Committee & Corporate Governance Committee, would then evaluate whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new personal circumstances.

The Board values the contributions of directors whose years of service have given them insight into the Company and its operations and believes term limits are not necessary.

## **III. Meetings; Annual Meeting of Stockholders**

The Board has at least four scheduled meetings a year at which it reviews and discusses reports by management, Board committees, outside auditors and other consultants. Such reports address the performance of the Company, its business plans and long-term strategies, potential opportunities, as well as challenges facing the Company. The Board shall meet at such other times as determined appropriate by the Chairman of the Board or upon the request of a majority of the members of the Board.

Board members are expected to regularly attend Board and committee meetings, with the understanding that occasional absences may be unavoidable.

Board members are encouraged to attend the Company's annual meeting of stockholders.

## **IV. Board Leadership**

The Chairman of the Board will be appointed by the Board and preside at all Board meetings and, in his or her absence, the Chairman will designate another director to preside at such meeting.

The Chairman of the Board and Chief Executive Officer will set the agenda for Board meetings. Any director may request that an item be included on the agenda. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee.

The Chairman of the Board and Chief Executive Officer will ensure that directors receive Board materials sufficiently in advance of Board meetings to allow them to prepare for the meeting.

At the invitation of the Board, members of management recommended by the Chairman of the Board and Chief Executive Officer may attend Board meetings or portions thereof to participate in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations.

#### **V. Orientation; Access to Management and Advisors; Continuing Education**

The Company will provide, and new directors are expected to participate in, an orientation process for new directors that includes written materials, meetings with key management and visits to Company facilities.

Board members will have complete access to Company management.

The Board, as necessary and appropriate, may contact and retain independent advisors to assist in carrying out its duties and responsibilities. Any fees and expenses of any advisor shall be funded by the Company. Further, each director may participate in independent continuing director educational programs as are necessary in order to maintain the requisite level of expertise to perform his or her responsibilities as a director, including programs addressing legal, financial and regulatory issues.

#### **VI. Meetings of Independent Directors**

The Company's independent directors will meet in executive sessions on a regular basis (at least twice a year) to discuss any matters they deem appropriate. The Chairman of the Board will act as the chair at meetings of independent directors unless the Chairman is not an independent director in which case the Board will appoint a presiding director for such purpose. Following each meeting, the Chairman of the Board or presiding director will report the results of deliberations and any recommendations to the full Board.

#### **VII. Function of Committees**

It is the general policy of the Company that all major decisions be considered by the Board as a whole, except as otherwise required by Securities and Exchange Commission rules and regulations. Accordingly, the committee structure of the Board is limited to those committees considered to be basic to or required for the operation of a public company. Currently these committees are the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee. The Board may add new committees or remove existing committees, as it deems advisable for purposes of fulfilling its primary responsibilities.

Each of the Audit Committee, the Compensation Committee and Nominating & Corporate Governance Committee consists solely of independent directors. The Nominating & Corporate Governance Committee will make recommendations to the full Board on committee membership and committee chairs.

The committee chairs, in consultation with committee members and appropriate members of management, will determine the frequency, length and agenda of committee meetings. The meeting schedule will allow sufficient time to consider the agenda items. Committee materials will be delivered to members sufficiently in advance of the meeting to allow them to prepare for the meeting.

The committee chairs will report to the full Board regarding meetings and any significant actions taken.

### **VIII. Code of Business Conduct and Ethics**

The Board believes that the Company should maintain a code of business conduct and ethics that is applicable to all directors, officers and employees (the "Business Conduct Policy") to focus on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability.

The Business Conduct Policy must comply with the definition of a "code of ethics" set forth in Section 406(c) of the Sarbanes-Oxley Act and any regulations thereunder. In addition, the Business Conduct Policy must provide (a) an enforcement mechanism that ensures prompt and consistent enforcement of the Business Conduct Policy, (b) protection for persons reporting questionable behavior, (c) clear and objective standards for compliance, and (d) a fair process by which to determine violations.

The Board shall resolve any conflict of interest question involving a director, the Chief Executive Officer or any executive officer, and the Chief Executive Officer and, as appropriate, the Chairman of the Board of Directors, shall resolve any conflict of interest issue involving any other officer or employee of the Company and will advise the Board of Directors, as appropriate. Any "related party transactions" shall be reviewed and approved by the Audit Committee as provided in the Audit Committee's charter.

### **IX. Communications From Stockholders**

Stockholders of the Company may send communications to the Board. The executive officers of the Company shall establish procedures pursuant to which stockholders may communicate with the Board or an individual director. Such procedures may require stockholders to send communications by one or all of the following:

- mailing a letter to the attention of the Board or a specific director (c/o the General Counsel or other officer as designated by the Company) at Layne Christensen Company, 1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205;
- sending a message through the Company's website at <http://www.laynechristensen.com/contactus.html>, completing the form and indicating in the message box that the message is for the Board or a specific director; or
- other means as disclosed to stockholders in accordance with proxy disclosure requirements.

Upon receipt of a communication for the Board or an individual director, the General Counsel or other designated officer will promptly forward any such communication to all the members of the Board or the individual director, as appropriate. If a communication to an individual director deals with a matter regarding the Company, the General Counsel or appropriate officer will forward the communication to the entire Board, as well as the individual director.

Neither the Board nor a specific director is required to respond to a stockholder communication and when responding will do so only in compliance with these Corporate Governance Guidelines. To avoid selective disclosure, the Board or the individual directors may respond to a stockholder's communication only if the communication and the response involve information which is not material or which is already public. In which case, the Board, as a whole, or the individual director may respond:

- directly, following consultation with the General Counsel or other advisors, as the Board determines appropriate;
- through the office of the General Counsel or other designated officer, following consultation with the General Counsel or other advisors, as the Board determines appropriate;
- directly, without additional consultation;
- through the office of the General Counsel or other designated officer, without additional consultation; or
- pursuant to such other means as the Board determines appropriate from time to time.

If the communication or the response involves material non-public information, the Board or individual director will not provide a response to the stockholder. The Company may, however, publicly provide information responsive to such communication if (following consultation with the General Counsel or other advisors, as the Board determines appropriate) the Board determines disclosure is appropriate. In which case, the responsive information will be provided in compliance with Regulation FD and other applicable laws and regulations.

#### **X. Periodic Review and Evaluation**

The Board and/or the Nominating & Corporate Governance Committee will review these Guidelines from time to time.