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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
- Soliciting Material Pursuant to §240.14a-12

Raven Industries, Inc.

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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SEC 1913 (02-02)

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205 E. 6<sup>th</sup> Street  
Sioux Falls, South Dakota  
Telephone 605-336-2750

April 18, 2003

**Dear Shareholder:**

You are cordially invited to join us for our Annual Meeting of Shareholders to be held on Wednesday, May 21, 2003, at 9:00 a.m. (Central Daylight Time) at the Ramkota Inn, Highway 38 and I-29, Sioux Falls, South Dakota.

The Notice of Annual Meeting of Shareholders and the Proxy Statement that follow describe the business to be conducted at the meeting. We will also report on matters of current interest to our shareholders.

**Your vote is important.** Whether you own a few shares or many, it is important that your shares are represented. If you cannot attend the meeting in person, you may vote your shares as described in the following materials by completing and signing the proxy card and promptly returning it in the enclosed envelope.

We look forward to seeing you at the meeting.

Sincerely,

/s/ Ronald M. Moquist

Ronald M. Moquist  
President and Chief Executive Officer

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**TABLE OF CONTENTS**

[NOTICE OF ANNUAL MEETING OF SHAREHOLDERS](#)

[PROXY STATEMENT](#)

[ELECTION OF DIRECTORS](#)

[BOARD OF DIRECTORS AND COMMITTEES](#)

[EXECUTIVE COMPENSATION](#)

[EMPLOYMENT AGREEMENTS AND CHANGE IN CONTROL AGREEMENTS](#)

[STOCK PERFORMANCE GRAPH](#)

[BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION](#)

[INDEPENDENT ACCOUNTANTS](#)

[AUDIT COMMITTEE REPORT](#)

[PROPOSALS OF SHAREHOLDERS](#)

[OTHER MATTERS](#)

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**RAVEN INDUSTRIES, INC.**

205 East 6th Street  
P.O. Box 5107  
Sioux Falls, South Dakota 57117-5107

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**MAY 21, 2003**

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**TO THE SHAREHOLDERS OF RAVEN INDUSTRIES, INC.**

PLEASE TAKE NOTICE that the Annual Meeting of Shareholders (the "Meeting") of Raven Industries, Inc. (the "Company") will be held, pursuant to due call by the Board of Directors of the Company, at the Ramkota Inn, Highway 38 and I-29, Sioux Falls, South Dakota, on Wednesday, May 21, 2003, at 9:00 a.m. (C.D.T.) or at any adjournments or postponements thereof, for the following purposes:

1. To elect seven directors; and
2. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Pursuant to due action of the Board of Directors, shareholders of record at the close of business on April 10, 2003, are entitled to notice of and to vote at the Meeting or any adjournments or postponements thereof.

**A Proxy for the Meeting is enclosed herewith. You are requested to fill in and sign the Proxy, which is solicited by the Board of Directors, and mail it promptly in the enclosed envelope.**

**If your shares are held in "street name," please check your proxy card or contact your broker or nominee to determine whether you will be able to vote by telephone or electronically.**

By Order of the Board of Directors

Raven Industries, Inc.

Thomas Iacarella  
Secretary

Approximate date of mailing of proxy material:  
April 18, 2003

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PROXY STATEMENT  
of  
**RAVEN INDUSTRIES, INC.**  
205 E. 6th Street  
P.O. Box 5107  
Sioux Falls, South Dakota 57117-5107

**Annual Meeting of Shareholders to be held  
May 21, 2003**

**GENERAL**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Raven Industries, Inc. (the "Company" or "Raven") to be used at the Annual Meeting (the "Meeting") of Shareholders of the Company, which is to be held on Wednesday, May 21, 2003, at 9:00 a.m. (C.D.T.) at the Ramkota Inn, Highway 38 and I-29, Sioux Falls, South Dakota, or at any adjournments or postponements thereof. The approximate date on which this Proxy Statement and accompanying proxy were first sent or given to shareholders was April 18, 2003. Each shareholder who signs and returns a proxy in the form enclosed with this Proxy Statement may revoke the same at any time prior to its use by giving notice of such revocation to the Company in writing or in open meeting or by such shareholder giving a valid proxy bearing a later date. Presence at the meeting by a shareholder who has signed a proxy does not alone revoke the proxy. Only shareholders of record at the close of business on April 10, 2003, (the "Record Date") will be entitled to vote at the Meeting or any adjournments or postponements thereof.

**VOTING SECURITIES AND PROXIES**

The Company has outstanding only one class of voting securities, Common Stock, \$1.00 par value, of which 9,048,810 shares were outstanding as of the close of business on the Record Date. Shareholders representing a majority of the shares of Common Stock outstanding and entitled to vote must be present in person or represented by proxy in order to constitute a quorum to conduct business at the Meeting. Each shareholder has cumulative voting rights in the election of directors and is, therefore, entitled to (i) give one nominee a number of votes equal to the number of directors to be elected (which is seven) multiplied by the number of votes to which such shareholder is entitled, or (ii) distribute the same number of votes among as many nominees as the shareholder deems advisable. Where cumulative voting is exercised, there shall be deemed elected the candidates receiving the most votes for the places to be filled by such election. If cumulative voting is exercised, shares of a shareholder who either abstains, votes to withhold authority to vote for the nominees named below or who does not otherwise vote in person or by proxy (including broker-nominees) will not be counted for the election of directors. If no shareholder exercises its right to cumulate votes, then directors will be elected by the affirmative vote of a majority of shares of Common Stock represented at the meeting and eligible to vote. For this purpose, a shareholder who abstains with respect to the election of a director is considered to be present and entitled to vote on the election of a director at the meeting, and is in effect casting a negative vote, but a shareholder (including a broker) who does not give authority to a proxy to vote, or withholds authority to vote, on the election of a director shall not be considered present and entitled to vote on the election of a director.

Discretionary authority to cumulate votes is being solicited by the Board of Directors. Unless otherwise directed by a shareholder, the proxies named in the accompanying proxy card may elect to cumulate votes cast

[Table of Contents](#)

pursuant to a proxy by casting all such votes for one nominee or by distributing such votes among as many nominees as they deem desirable. If a shareholder desires to restrict the proxies named in the accompanying proxy card in casting votes for certain nominees, the shareholder should give such direction on the proxy card. On all matters other than the election of directors, each share of Common Stock is entitled to one vote.

**OWNERSHIP OF COMMON STOCK**

The following table sets forth as of the Record Date certain information with respect to the beneficial ownership of the Company's Common Stock by (i) any person known by the Company to be the owner, of record or beneficially, of more than 5% of the Company's outstanding Common Stock, (ii) each of the executive officers, directors and nominees for election to the Company's Board of Directors, and (iii) all executive officers and directors as a group.

<b>Name of beneficial owner</b>	<b>Shares beneficially owned</b>	<b>Percent of class</b>
Anthony W. Bour	23,077	*
David A. Christensen	504,0631	5.6
Thomas S. Everist	6,100	*
Mark E. Griffin	100,990 <sup>2</sup>	1.1
Conrad J. Hoigaard	162,894	1.8
Thomas Iacarella	41,310 <sup>3</sup>	*
Cynthia H. Milligan	1,450	*
Ronald M. Moquist	413,8644	4.6
Dimensional Fund Advisors Inc. 1299 Ocean Avenue Santa Monica, CA 90401	622,300 <sup>5</sup>	6.9
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	1,192,500 <sup>6</sup>	13.2
All executive officers, directors and nominees as a group (8 persons)	1,253,748 <sup>7</sup>	13.9

\* Less than 1%

[Table of Contents](#)

<sup>1</sup>Includes 325,480 shares owned by his wife, as to which he disclaims beneficial ownership.

<sup>2</sup>Includes 84,998 shares held by John E. Griffin Trust of which Mark E. Griffin is co-trustee and 4,076 shares held as custodian for a minor child.

<sup>3</sup>Includes 13,410 shares that may be purchased within 60 days by exercise of outstanding options.

<sup>4</sup>Includes 48,000 shares that may be purchased within 60 days by exercise of outstanding options. Also includes 63,000 shares held by spouse.

<sup>5</sup>Data obtained from shareholder's most recent Schedule 13G as of December 31, 2002, filed with the Securities and Exchange Commission ("SEC") on February 3, 2003, and adjusted for the two-for-one stock split on January 15, 2003.

<sup>6</sup>Data obtained from shareholder's most recent Schedule 13G as of December 31, 2002, filed with the SEC on February 14, 2003, and adjusted for the two-for-one stock split on January 15, 2003. The shareholder stated in that filing that: "These securities are owned by various individual and institutional investors, including T. Rowe Price Small Capital Value Fund, Inc. (which owns 1,050,000 shares,....), which T. Rowe Price Associates, Inc. (Price Associates) serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities."

<sup>7</sup>Includes 61,410 shares that may be purchased within 60 days by exercise of outstanding options. Also includes 388,480 shares held by spouses of officers and directors, as to which beneficial ownership is disclaimed.

**ELECTION OF DIRECTORS  
Proposal No. 1**

Seven directors are to be elected at the Meeting, each director to hold the office until the next Annual Meeting of Shareholders, or until his successor is elected and qualified. All of the nominees listed below are now serving as directors and all of the nominees have consented, if elected, to serve as directors. The Board of Directors has nominated the following persons for election as directors:

<b>Name of Nominee (Age)</b>	<b>Principal Occupation, Business Experience Past Five Years and Directorships in Public Companies</b>	<b>Director Since</b>
Anthony W. Bour (65)	President and Chief Executive Officer of Showplace Wood Products, Harrisburg, SD since 1999. Broker Associate Commercial Real Estate, Hegg Companies, Sioux Falls, SD. Director of U.S. Bank of South Dakota, Sioux Falls, SD.	1995
David A. Christensen (68)	Former President and Chief Executive Officer of the Company from April 1971 to July 2000. Director of Xcel Energy, Inc., Minneapolis, MN; Medcomp Software, Inc., Colorado Springs, CO; and Wells Fargo and Co., San Francisco, CA.	1971
Thomas S. Everist (53)	President and Chief Executive Officer of The Everist Company, Sioux Falls, SD; Former President and Chief Executive Officer, L.G. Everist, Inc. Sioux Falls, SD, 1987-2002. Director of MDU Resources, Bismarck, ND; SEH, Inc., Minneapolis, MN and Showplace Wood Products, Harrisburg, SD.	1996
Mark E. Griffin (52)	President and Chief Executive Officer of Lewis Drugs, Inc., Sioux Falls, SD, since 1986. President and CEO of Griffson Realty Company, Fredin Assoc. and G.E.F. Assoc., Sioux Falls, SD.	1987
Conrad J. Hoigaard (66)	Chairman of the Board of the Company. President and Chairman of the Board of Hoigaard's Inc., Minneapolis, MN since 1972.	1976
Cynthia H. Milligan (56)	Dean of the College of Business Administration University of Nebraska-Lincoln since 1998. President of Cynthia Milligan and Associates (1991-1998). Director of Wells Fargo and Co., San Francisco, CA; Gallup Organization, Lincoln, NE; W.K. Kellogg Foundation, Battle Creek, MI and Calvert Funds, Bethesda, MD.	2001
Ronald M. Moquist (57)	President and Chief Executive Officer of the Company since 2000. Executive Vice President, Raven Industries, Inc., 1985 - 2000, Joined Raven Industries, Inc. in 1975 as Sales and Marketing Manager.	1999

All shares represented by proxies will be voted for the election of the foregoing nominees; provided, however, that if any such nominee should withdraw or otherwise become unavailable for reasons not presently known, such shares may be voted for another person in place of such nominee in accordance with the best judgment of the persons named in the proxies.

## [Table of Contents](#)

The affirmative vote of the holders of the greater of (a) a majority of the outstanding shares of common stock of the Company present and entitled to vote for the election of directors or (b) a majority of the voting power of the minimum number of shares entitled to vote that would constitute a quorum for transaction of business at the meeting, is required for the election of directors. A shareholder who abstains with respect to the election of directors is considered to be present and entitled to vote on the election of directors at the meeting, and is in effect casting a negative vote, but a shareholder (including a broker) who does not give authority to a Proxy to vote, or withholds authority to vote, on the election of directors, shall not be considered present and entitled to vote on the election of directors.

All shares represented by proxies will be voted **FOR** all the previously named nominees unless a contrary choice is specified.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE **FOR** ALL NOMINEES.

## **BOARD OF DIRECTORS AND COMMITTEES**

**Director Compensation.** The Board of Directors held four meetings during the last fiscal year. The Company has an Audit Committee, a Personnel and Compensation Committee and a Governance Committee. For the year ended January 31, 2003, directors who were not full-time employees of the Company were paid a retainer fee of \$4,500 on February 1, 2002, and \$6,000 on August 1, 2002, a fee of \$1,200 per meeting (other than telephonic meetings) and \$600 per telephonic meeting. Committee members received \$600 per meeting attended. The annual retainer fee was increased to \$12,000 beginning with the August 1, 2002 retainer. The Chairman of the Board receives compensation at the rate of \$1,000 per month in addition to the annual retainer fee of \$12,000.

**Audit Committee.** The Company's Audit Committee, which consists of Mr. Everist, Mr. Bour and Mrs. Milligan, had two meetings during the fiscal year ended January 31, 2003. The Audit Committee reviewed the independent accountants' audit plan, the independence of the independent auditors and engaged the independent accountants to audit the company's financial statements. The Committee reviewed the results of the audit engagement, including any findings regarding the company's financial reporting process, related internal and disclosure controls and compliance with applicable law.

**Compensation Committee Interlocks and Insider Participation on Compensation Decisions.** The Personnel and Compensation Committee ("Compensation Committee"), which consists of Mr. Christensen, Mr. Griffin and Mr. Hoigaard, had two meetings during the fiscal year ended January 31, 2003. The Compensation Committee reviewed the Company's remuneration policies and practices, and made recommendations to the Board in connection with all compensation matters affecting the Company.

Mr. Christensen is the former President and Chief Executive Officer of the Company and joined the Compensation Committee after his retirement. He abstained from any matter coming before the Compensation Committee where there was a conflict of interest. No other member of the Compensation Committee of the Board of Directors was an officer, former officer or associate of the Company or its subsidiaries during fiscal 2003. No executive officer of the Company served as a member of the Compensation Committee or Board of Directors of another entity in which one of whose executive officers served on the Company's Compensation Committee or Board of Directors during fiscal 2003.

**Governance Committee.** The Governance Committee was formed in November 2002. It is composed of all non-management directors and will review corporate by-laws, corporate governance standards and assess the Board's effectiveness.

**Certain Relationships and Related Transactions.** Mr. Christensen and Mrs. Milligan are on the Board of Directors of Wells Fargo and Co. which provides borrowings to the Company, the terms of which management considers competitive with other sources generally available to the Company. The largest amount of such borrowings outstanding during the year ended January 31, 2003, was \$575,000, of which none remained outstanding at January 31, 2003.

**EXECUTIVE COMPENSATION**

The following table (“Summary Compensation Table”) sets forth the cash and non-cash compensation earned for each of the last three fiscal years by the President and Chief Executive Officer and the Vice President and Chief Financial Officer:

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	ANNUAL COMPENSATION			Long-Term Compensation Awards	All Other Compensation <sup>(2)</sup> (\$)
		Salary (\$)	Bonus (\$)	Other Annual <sup>(1)</sup> Compensation (\$)	Securities Underlying Options Granted (#)	
Ronald M. Moquist President and Chief Executive Officer	2003	262,500	150,570	104,700	20,000	12,944
	2002	250,000	150,000	100,570	24,000	9,058
	2001	225,000	37,121	25,091	84,000	6,563
Thomas Iacarella Vice President and Chief Financial Officer	2003	135,000	58,077	57,410	10,000	6,377
	2002	129,000	58,050	37,484	12,000	4,849
	2001	120,000	20,045	20,748	10,500	3,787

<sup>(1)</sup> Other Annual Compensation

	2003	2002	2001
Ronald M. Moquist			
Tax reimbursement on stock based compensation	\$ 66,281	\$ 69,125	
Life insurance premiums	10,582	10,582	\$10,582
Company provided automobile	8,952	3,594	
Other taxable fringe benefits	7,763	6,664	5,748
Tax reimbursement on taxable fringe benefits	11,122	10,605	8,761
	<u>\$104,700</u>	<u>\$100,570</u>	<u>\$25,091</u>
Thomas Iacarella			
Tax reimbursement on stock based compensation	\$ 27,169	\$ 11,025	
Life insurance premiums	4,130	4,130	\$ 4,130
Other taxable fringe benefits	15,537	13,008	10,285
Tax reimbursement on taxable fringe benefits	10,574	9,321	6,333
	<u>\$ 57,410</u>	<u>\$ 37,484</u>	<u>\$20,748</u>

<sup>(2)</sup> Represents the Company’s contribution related to the individual’s participation in the Company’s Profit Sharing and 401(k) Plans.

**STOCK OPTIONS GRANTED FISCAL YEAR ENDED JANUARY 31, 2003**

The following table sets forth the information regarding the stock options that were granted during fiscal 2003 to the executive officers named in the Summary Compensation Table and the potential realizable value of such options if the value of the Company's Common Stock appreciated during the term of such option at assumed rates of growth:

Name	Securities Underlying Options Granted(#) <sup>1</sup>	% of Total Options Granted to Employees in FY	Exercise price (\$/sh)	Expiration Date	Potential realizable value at Assumed rates of stock price Appreciation for option term <sup>2</sup>	
					5% (\$)	10%(\$)
Ronald M. Moquist	20,000	26.2	14.00	11-18-07	77,359	170,943
Thomas Iacarella	10,000	13.1	14.00	11-18-07	38,679	85,471

<sup>1</sup>All options granted expire after five years and may be exercised at the rate of 25% per year after one year from the date of grant. Upon a change in control, vesting of options is accelerated. The option price may be paid in cash or by the delivery of shares of the Company's common stock, held by the option holder for at least six months, valued at the market price on the date of the option exercise. Option grants of less than \$100,000, as defined by the Internal Revenue Code of 1986, were incentive stock options and no income tax is payable by the executives unless shares are sold. The remaining options are considered to be non-qualified. In connection with the exercise of non-qualified stock options issued prior to fiscal 2000, the Company pays a reimbursement cash bonus of 35% of the exercise price of the option to assist in payment of income taxes payable by the employee as a result of the option exercise. The plan also allows for the payment of withholding taxes on the exercise of non-qualified stock options through the surrender of shares of the Company's common stock at market value.

<sup>2</sup>Amounts for the executives shown in these columns have been derived by multiplying the exercise price by the annual appreciation rate shown (compounded for the term of the options), multiplying the result by the number of shares covered by the options and subtracting the aggregate exercise price of the options. The dollar amounts set forth under this heading are the result of calculations at the 5% and 10% rates set by the SEC and therefore are not intended to forecast possible future appreciation, if any, of the Company's stock price.

**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUE**

The following table shows the stock options (adjusted to reflect the January 15, 2003, two-for-one stock split) that were exercised during fiscal 2003 by the executive officers named in the Summary Compensation Table, the value realized by them as a result of exercising options, the number of unexercised options at the end of fiscal 2003 and the value of unexercised in-the-money options at the end of fiscal 2003:

Name	Shares acquired on exercise (#)	Value realized (\$)	Number of unexercised options at FY end		Value of unexercised in-the-money options at FY end (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Ronald M. Moquist	42,750	344,365	48,000	83,750	482,428	644,859
Thomas Iacarella	15,090	150,465	13,410	26,500	133,266	161,554

## EMPLOYMENT AGREEMENTS AND CHANGE IN CONTROL AGREEMENTS

Each of Messrs. Moquist and Iacarella (the "Executives") has entered into an employment agreement with the Company (collectively, the "Employment Agreements"). These Employment Agreements can be terminated by the Company or the Executive upon 30 days notice. The Employment Agreements provide that the Executives are entitled to participate in all employee benefit plans and fringe benefit programs maintained by the Company for its executive officers. In the event of death or other termination of employment without "cause" (as defined in the Employment Agreements) during the term of the Employment Agreements, each Executive who has reached specified retirement criteria is entitled to continuation of certain benefits. These benefits will be "grossed-up" to cover anticipated income taxes payable by the Executive on the benefits.

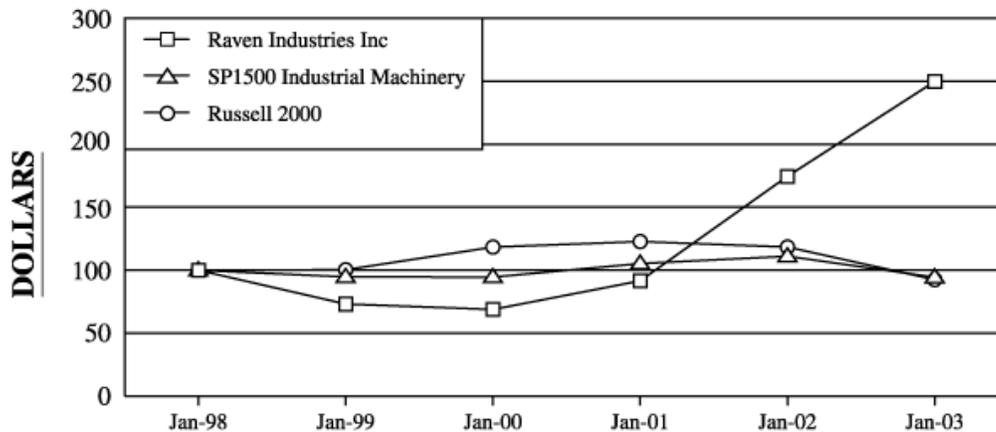
Each Executive has also entered into a Change in Control Agreement with the Company (collectively, the "Control Agreements"). The Control Agreements contain provisions designed to encourage the Executives to carry out their employment duties in the event of a change of control (as defined below). Such provisions state that, if the Executive's employment is terminated by the Company or the Executive within two years after the change in control, the Executive will receive a severance payment in an amount of twice his annual salary and incentive payment, and certain other benefits. These payments will be "grossed-up" to cover anticipated income and excise taxes.

A "change in control" is deemed to occur when and if (i) any person becomes the "beneficial owner" of at least 30% of the Company's stock or (ii) a majority of the Board of Directors become individuals other than "Incumbent Members" (as defined in the Control Agreements).

## STOCK PERFORMANCE GRAPH

The graph below compares the cumulative total shareholder return on the Company's Common Stock over the last five years with the total return of the Russell 2000 and the S&P Industrial Machinery Group.

Total Return on \$100 Investment Assuming Reinvestment of Dividends



## BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Decisions on compensation of the Company's executives have been made by the Personnel and Compensation Committee of the Board of Directors ("Compensation Committee" or "Committee"). Each member of the Compensation Committee is a non-employee director. All decisions by this Committee relating to the compensation of the Company's executive officers are reviewed by the full Board of Directors. Pursuant to rules designed to enhance disclosure of Companies' policies toward executive compensation, set forth is a report prepared by the Compensation Committee addressing the Company's compensation policies for the fiscal year ended January 31, 2003, as they affected the Company's executive officers.

The Compensation Committee's executive compensation policies are designed to provide competitive levels of compensation that integrate pay with the Company's annual goals, reward above average corporate performance, recognize individual initiative and achievements, and assist the Company in attracting and retaining qualified executives.

The Committee compares the entire compensation program with companies of comparable size in similar industries. Although the Committee believes that the Company's program fell within the low to medium range for each individual executive, the Committee believes that the Company's compensation program is sufficiently competitive to retain competent personnel. Comparisons were made with companies which are not necessarily included in the performance graph. The graph is based on broad industry averages while the compensation program was compared to a relatively limited number of specific companies to which the Company relates in size or industry type.

There are three elements in the Company's executive compensation program, all determined by individual and corporate performance.

- Base salary compensation
- Annual incentive compensation
- Stock options

Base salary compensation, while largely subjective, is determined by the potential impact the individual has on the Company, the skills and experience required by the job, and the performance and potential of the incumbent in the job.

The Company has a policy of granting incentive bonuses to its executive officers, which are based on the Company achieving certain net income and expense targets during a fiscal year. The net income targets are generally established as a range, such that no incentive bonus is paid until the Company has achieved at least the bottom of the target range and the maximum bonus paid if the Company achieved the high end of the target range would, in the case of Mr. Moquist, be 48% of his base salary. Mr. Moquist is also entitled to bonus compensation of up to 12% of his base salary if the Company meets certain expense control targets.

Under the plan Mr. Iacarella could have earned up to 36% and 9% of base salary based on the same criteria as Mr. Moquist for net income and expense control, respectively.

The Committee has not made any adjustment to predetermined formulas, nor has it made any provision for discretionary adjustment or awards of compensation. The criteria and basis for incentive compensation described above is similar to that used in each of the three years for which executive compensation is disclosed.

## [Table of Contents](#)

Awards of stock options under the Stock Option Plan are designed to promote the identity of long-term interests between the Company's executives and its shareholders and assist in the retention of executives. The Stock Option Plan also permits the Committee to grant stock options to key personnel. Options become exercisable based upon criteria established by the Compensation Committee. Awards of options are generally granted on the same criteria as base salaries are determined.

Based on recommendations of the Compensation Committee, the Board of Directors in fiscal 2003 granted stock options to officers and key employees. While the value realizable from exercisable options is dependent upon the extent to which the Company's performance is reflected in the market price of the Company's common stock at any particular point in time, the decision as to whether such value will be realized in any particular year is primarily determined by each individual executive and not by the Compensation Committee.

The annual base cash compensation of Mr. Moquist in fiscal 2003 was \$262,500. Mr. Moquist received a \$150,570 incentive based on partially achieving the net income and expense control targets described above. No subjective factors are used in determining annual incentive payments for Mr. Moquist or other executives. Mr. Moquist was granted 20,000 stock options (adjusted for the January 15, 2003, two-for-one stock split) as part of the Committee's annual stock option grant recommendation.

Submitted by the Personnel and Compensation Committee of the Company's Board of Directors:

David A. Christensen      Mark E. Griffin      Conrad J. Hoigaard

## **INDEPENDENT ACCOUNTANTS**

**Independent Accountants.** The Audit Committee of the Board of Directors selected the firm of PricewaterhouseCoopers LLP as independent accountants for the year ended January 31, 2003. PricewaterhouseCoopers LLP, have audited the Company's financial statements for the past 42 years. No representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting of shareholders.

**Audit Fees.** The aggregate fees and expenses of PricewaterhouseCoopers LLP for professional services provided for (i) the audit of the consolidated financial statements for the fiscal year ended January 31, 2003 incorporated by reference in the Company's Annual Report on Form 10-K and (ii) the reviews of the interim consolidated financial information included in the Company's Quarterly Reports on Form 10-Q were \$148,000, of which \$70,000 had been billed as of January 31, 2003.

**Financial Information Systems Design And Implementation Fees.** PricewaterhouseCoopers LLP did not render any professional services related to financial information systems design and implementation for the most recent fiscal year.

**All Other Fees.** The aggregate fees and expenses billed by PricewaterhouseCoopers LLP for all other services provided to the Company for the year ended January 31, 2003, were \$38,000, of which \$29,000 had been billed as of January 31, 2003. These include primarily fees and expenses related to services in connection with business acquisitions and certain tax work and audit of the company's 401(k) plan.

The Audit Committee has considered whether the provisions of the services covered by the two immediately preceding paragraphs is compatible with maintaining the independence of PricewaterhouseCoopers LLP and has determined that such services did not impair their independence.

## AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors of Raven Industries, Inc. is composed of three independent directors and operates under a written charter. A copy of this charter is included as Exhibit A of this Proxy Statement. The Audit Committee selected the Company's independent accountants. The Company's Board of Directors has determined that the members of the Audit Committee are "independent" as that term is defined by the marketplace rules of the Nasdaq Stock Market.

Management is responsible for the Company's internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The Company's independent accountants are responsible for performing an independent audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and for issuing their report. The Audit Committee is responsible to monitor and oversee these processes.

In this context, the Audit Committee has met and held discussions with management and the independent accountants. Management represented to the Audit Committee that the consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent accountants. The Audit Committee also discussed with the independent accountants matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communications with Audit Committees).

The Company's independent accountants also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent accountants that firm's independence.

The Audit Committee has also reviewed the services provided by the independent accountants (as disclosed under the caption "Independent Public Accountants") when considering their independence.

Based upon the Audit Committee's discussion with management and the independent accountants and the Audit Committee's review of the representation of management and the report of the independent accountants to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended January 31, 2003 filed with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Company's Board of Directors:

Thomas S. Everist      Anthony W. Bour      Cynthia H. Milligan

## PROPOSALS OF SHAREHOLDERS

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, any shareholder who desires to submit a proposal for action by the shareholders at the company's 2004 annual meeting must submit such proposal in writing to Ronald M. Moquist, President and CEO, Raven Industries, Inc., P.O. Box 5107, Sioux Falls, South Dakota 57117-5107, by December 20, 2003. Shareholder proposals received after December 20, 2003, will not be included in the Company's proxy statement relating to the 2004 annual meeting. Additionally, if the Company receives notice of a shareholder proposal after March 4, 2004, such proposal will be considered untimely under Rules 14a-4 and 14a-5(e), and the persons named in the proxies solicited by the Board of Directors for the Company's 2004 Annual Meeting may exercise discretionary voting power with respect to such proposal. Due to the complexity of the respective rights of the shareholders and the Company in this area, any shareholder desiring to propose such an action is advised to consult with his or her legal counsel with respect to such rights. It is suggested that any such proposal be submitted by certified mail, return receipt requested.

**OTHER MATTERS**

**Compliance with Section 16(a) of the Securities Exchange Act of 1934.** Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and Nasdaq. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. Based solely on review of the copies of such forms furnished to the Company, the Company believes that during the year ended January 31, 2003, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten-percent beneficial owners were complied with.

**Solicitation.** The Company will bear the cost of preparing, assembling and mailing the proxy, Proxy Statement, Annual Report and other material which may be sent to the shareholders in connection with this solicitation. Brokerage houses and other custodians, nominees and fiduciaries may be requested to forward soliciting material to the beneficial owners of stock, in which case they will be reimbursed by the Company for their expenses in doing so. Proxies are being solicited primarily by mail, but, in addition, officers and regular employees of the Company, without extra compensation, may solicit proxies personally, by telephone, by telegram or by special letter.

The Board of Directors does not intend to present to the meeting any other matter not referred to above and does not presently know of any matter that may be presented to the meeting by others. However, if other matters come before the meeting, it is the intention of the persons named in the enclosed proxies to vote the proxy in accordance with their best judgment.

By Order of the Board of Directors

Raven Industries, Inc.  
Thomas Iacarella, Secretary

**EXHIBIT A**  
**RAVEN INDUSTRIES, INC.**  
**AUDIT COMMITTEE CHARTER**

**November 18, 2002**

**Purpose**

The primary purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process, including by overseeing the financial reports and other financial information provided by the Company to any governmental or regulatory body, the public or other users thereof, the Company's systems of internal accounting and financial controls, and the annual independent audit of the Company's financial statements.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or other experts for this purpose. The Board and the Committee are in place to represent the Company's shareholders; accordingly, the outside auditor is ultimately accountable to the Committee.

The Committee shall review the adequacy of this Charter on an annual basis.

**Membership**

The Committee shall be comprised of not less than three members of the Board, and the Committee's composition will meet the requirements of the Audit Committee Policy of the Nasdaq Stock Market.

Accordingly, all of the members will be directors:

1. Who have no relationship to the Company that may interfere with the exercise of their independence from management and the Company; and
2. Who are financially literate or who become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least one member of the Committee will have accounting or related financial management expertise.

**Key Responsibilities**

The Committee's job is one of oversight and it recognizes that the Company's management is responsible for preparing the Company's financial statements and that the outside auditors are responsible for auditing those financial statements.

Additionally, the Committee recognizes that financial management, as well as the outside auditors, have more time, knowledge and more detailed information on the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the outside auditor's work.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

## Table of Contents

- The Committee shall review with management and the outside auditors the audited financial statements to be included in the Company's Annual Report on Form 10-K and review and consider with the outside auditors the matters required to be discussed by Statements of Auditing Standards ("SAS") No. 61, as amended.
- As a whole, or through the Committee chair, the Committee shall review with the outside auditors the Company's interim financial results to be included in the Company's quarterly reports to be filed with the Securities and Exchange Commission and the matters required to be discussed by SAS No. 61, as amended, this review will occur prior to the Company's filing of the Form 10-Q.
- The Committee shall discuss with management and the outside auditors the quality and adequacy of the Company's internal controls.
- The Committee shall:
  - request from the outside auditors annually, a formal written statement delineating all relationships between the auditor and the Company consistent with Independence Standards Board Standard Number 1.
  - discuss with the outside auditors any such disclosed relationships and their impact on the outside auditor's independence; and
  - take appropriate action to oversee the independence of the outside auditor including approval in advance of non-audit services.
- The Committee shall have the ultimate authority and responsibility to select, evaluate, compensate and, where appropriate, replace the outside auditor.



RAVEN INDUSTRIES, INC.  
ANNUAL MEETING OF SHAREHOLDERS

Wednesday, May 21, 2003  
9:00 a.m.

Ramkota Inn  
38E and I-29  
Sioux Falls, SD 57104

 Raven Industries, Inc.  
Box 5107, Sioux Falls, SD 57117-5107

proxy

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**This proxy is solicited on behalf of the Board of Directors.**

The shares of stock you hold in your account or in a dividend reinvestment account will be voted as you specify on the reverse side of this form.

**If no choice is specified, the proxy will be voted "FOR" Item 1.**

By signing the proxy, you hereby appoint Conrad J. Hoigaard and Ronald M. Moquist, or either of them, each with the power to appoint his substitute, to represent and to vote all the shares of common stock of RAVEN INDUSTRIES, INC. held by you on April 10, 2003, at the ANNUAL MEETING OF SHAREHOLDERS to be held on May 21, 2003 and at any adjournments or postponements thereof.

NOTE: The proxies named above may choose to exercise cumulative voting in the manner described in the accompanying Proxy Statement.

*See reverse for voting instructions.*

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- Please detach here -

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**The Board of Directors Recommends a Vote FOR Item 1.**

1. Election of directors:
- |                         |                        |  |  |
|-------------------------|------------------------|--|--|
| 01 Anthony W. Bour      | 05 Conrad J. Hoigaard  | <input type="checkbox"/> Vote FOR all nominees (Except as indicated below) | <input type="checkbox"/> Vote WITHHELD from all nominees |
| 02 David A. Christensen | 06 Cynthia H. Milligan |  |  |
| 03 Thomas S. Everist    | 07 Ronald M. Moquist   |  |  |
| 04 Mark E. Griffin      |                        |  |  |

**(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)**

If you wish to cumulate votes, please indicate your votes in the space that follows:

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2. Upon such other business as may properly come before the meeting.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR EACH PROPOSAL.**

Address Change? Mark Box  Indicate changes below:

Date \_\_\_\_\_

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Signature(s) in Box  
Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.