

RAVEN INDUSTRIES INC

FORM 8-K (Current report filing)

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Address	205 E 6TH ST PO BOX 5107 SIOUX FALLS, SD 57117
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Sector	Basic Materials
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

**APRIL 20, 2012
DATE OF REPORT**
(Date of Earliest Event Reported)

RAVEN INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

South Dakota
(State of incorporation)

001-07982
(Commission
File No.)

46-0246171
(IRS Employer
Identification No.)

205 East 6th Street, P.O. Box 5107, Sioux Falls, SD 57117-5107
(Address of principal executive offices)

(605) 336-2750
(Registrant's telephone number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On April 20, 2012, Raven Industries, Inc. (the “Company”) entered into a new Employment Agreement and Change in Control Agreement (the “Agreements”) with Janet L. Matthiesen. Ms. Matthiesen was named Vice President-Administration by the Raven Board of Directors, effective April 20, 2012. As of April 20, 2012, Barbara K. Ohme has retired from the position of Vice President-Administration.

The Agreements equalized Ms. Matthiesen’s post retirement and Change In Control benefits with the other Division Vice Presidents of the Company.

The Employment Agreement provides for supplemental health care benefits that continue when Ms. Matthiesen retires, provided that the sum of her age and tenure with the Company exceeds 80.

The Change in Control Agreement entitles the employee to certain payments and benefits if (1) there is a Change in Control, and (2) within two years thereafter the Company terminates the employee’s employment without Cause (as defined in the Change in Control Agreement), except in the case of the employee’s death, or there is a Constructive Termination (certain adverse changes in the employee’s status or compensation). In this event, provided the employee signs a general release of legal claims and covenant not to sue, the employee is entitled to the following payments and benefits:

- (1) a lump sum payment of accrued base salary and other amounts accrued as of the date of termination, including accrued vacation time;
- (2) a lump sum payment, paid six months following the date of termination, equal to the product of (A) the sum of (i) the employee’s annual base salary then in effect and (ii) 60% of the maximum target or goal amount under the Management Incentive Plan for the year in which the date of termination occurs and (B) a multiple of 1.0; and
- (3) the employee will be vested under the applicable retirement benefits provided that the benefits (A) will not become payable until the employee reaches age 65 (unless the benefits are payable at the employee’s age at that time under the terms of the policy), and (B) will not be provided to the extent such benefits are provided by another employer at no cost to the employee.

“Change in Control” is defined in the Change in Control Agreement to include (a) the acquisition by any person, entity or group of beneficial ownership of 25% or more of the then outstanding shares of the Company’s common stock; (b) certain changes in a majority of the members of the Board of Directors of the Company, or (c) approval by the shareholders of the Company of a reorganization, merger or consolidation (with certain exceptions), or of a liquidation, dissolution or sale of all or substantially all of the assets of the Company.

The Change in Control Agreement does not affect or reduce any benefit to which the employee is otherwise entitled under the employee’s Employment Agreement, 2010 Stock Incentive Plan or any other plan, agreement or policy of or with the Company. The term of the Change in Control Agreement is one year from the date of the original Agreement, with automatic one year extensions unless the Company terminates the Change in Control Agreement at least sixty days prior to any anniversary. The Change in Control Agreement will continue in effect beyond its term if a Change in Control has occurred during the term.

Item 9.01. Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
(d)	Exhibits
10.1	Employment Agreement dated April 20, 2012 between Raven Industries, Inc. and Janet L. Matthiesen.
10.2	Schedule A to Employment Agreement between Raven Industries, Inc. and Janet L. Matthiesen.
10.3	Change in Control Agreement dated April 20, 2012 between Raven Industries, Inc. and Janet L. Matthiesen.

SIGNATURE

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 thereunto duly authorized.

RAVEN INDUSTRIES, INC.

/s/ Thomas Iacarella

Thomas Iacarella

Vice President and CFO, Secretary and Treasurer

(Principal Financial and Accounting Officer)

Date: April 20, 2012

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.2	Schedule A to Employment Agreement between Raven Industries, Inc. and Janet L. Matthiesen.
10.3	Change in Control Agreement dated April 20, 2012 between Raven Industries, Inc. and Janet L. Matthiesen.

RAVEN INDUSTRIES, INC.
EMPLOYMENT AGREEMENT FOR
SENIOR MANAGEMENT

AGREEMENT dated as of April 20, 2012, between RAVEN INDUSTRIES, INC., a South Dakota corporation (the "Company"), and JANET L. MATTHIESEN, (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that Executive's contribution to the growth and success of the Company and its subsidiaries has been substantial; and

WHEREAS, the Board has determined that it is appropriate to memorialize in writing the terms and conditions of Executive's employment and Executive's entitlement to certain benefits upon his retirement;

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained and in further consideration of services performed and to be performed by Executive for the Company, the parties agree as follows:

1. Employment. Executive shall continue in the employ of the Company in an executive capacity, with such duties, powers and authority as are assigned to Executive from time to time by the Board.

2. Term. This Agreement shall commence on the date first above written and, except as otherwise provided in paragraph 7, shall continue in effect until terminated by either the Company or Executive on 30 days' advance written notice, either with or without any reason. Except for such 30-day notice requirement, nothing contained in this Agreement shall affect the Company's ability to terminate Executive's employment with or without any reason notwithstanding the preceding. Termination of this Agreement shall not terminate Executive's benefits or the Executive's right to benefits under paragraph 4 or 5 if, at the date of termination, Executive has either (i) attained age 65 or (ii) the sum of Executive's age (as of his nearest birthday) and years of service with the company (to the nearest whole year) equal 80 or more.

3. Compensation. As full compensation for his services under this Agreement, Executive shall receive such Compensation as determined by the Board, and Executive shall be eligible for such fringe benefits as are provided generally to all Senior Managers of the Company. The fringe benefits provided at the date of this Agreement are listed on Schedule A, attached hereto and made a part hereof. The Company may change or terminate any fringe benefit from time to time while Executive is employed, so long as the change affects all Senior Managers.

4. Benefits on Termination in Certain Cases. If at the date Executive terminates employment with the Company, Executive has either (i) attained age 65 or (ii) the sum of Executive's age (as of his nearest birthday) and years of service with the Company (to the nearest whole year) equal 80 or more, Executive shall be entitled, at the Company's expense, to the following benefits in addition to any retirement benefits to which Executive may be entitled under any qualified or non-qualified retirement plan maintained by the Company:

(a) Until the later to die of Executive or his spouse, continuation of coverage under the Company's group hospital, medical and dental plans ("Medical Plan") for himself, his spouse and eligible dependents ("Covered Group"); provided that if Executive and his spouse are divorced, the benefits for such spouse shall be discontinued; and further provided that if such spouse remarries after the death of Executive, such coverage shall continue for such spouse after the date of remarriage only if the spouse pays to the Company the group premium for such coverage. Prior to a member of the Covered Group becoming eligible for Medicare, the benefits to which that member of the Covered Group is entitled shall be at least equal to the benefits to which that member of the Covered Group would have been entitled under the Medical Plan if Executive's had not separated from service. Upon eligibility of a member of the Covered Group for Medicare, coverage provided by Medicare shall be primary and the Medical Plan shall provide additional benefits such that the total benefits (*i.e.* , Medicare and the Medical Plan) are at least equal to the benefits that members of the Covered Group would have been entitled under the Medical Plan at Executive's separation from service.

(b) Until the death of the last to die of Executive or his spouse, payment of uninsured medical expenses (including, but not limited to any deductibles and coinsurance) for Executive, his spouse and his eligible dependents up to an annual limit of 3.5% of Executive's highest annual compensation (salary and bonus) during any one of his last five calendar years of employment; provided that if Executive and his spouse are divorced, or if such spouse remarries after the death of Executive, such coverage shall be discontinued for such spouse. The medical expenses to be covered and the timing of payment of such medical expenses shall be based on the terms of the Raven Industries, Inc. Executive Supplemental Medical Plan as in effect at the date of Executive's separation from service. If such plan is not in effect at the date of Executive's separation from service and has not been replaced by a similar plan, medical expenses reimbursed shall be those expenses that would be deductible under Section 213 of the Internal Revenue Code of 1986 as in effect at the date of this Agreement (without regard to any provisions making such expenses deductible only to the extent they exceed a percentage of adjusted gross income), and all such expenses shall be paid or reimbursed within 15 days after presentation of invoices.

5. Limitation on Amendment or Termination. If for any reason after the date of Executive's retirement, Executive is not permitted to participate in any of the plans or programs referred to in paragraph 4, or if any such plans or programs are amended to provide lesser benefits or are terminated, the Company, at its sole expense, shall arrange to provide Executive with benefits substantially similar to those to which Executive would otherwise have been entitled but for such amendment or termination.

6. Termination For Cause . Notwithstanding paragraphs 2, 4 and 5, if the Company discharges Executive “For Cause”(as defined below) the Company shall not be required to provide 30 days’ advance written notice of termination and the Company may elect, in its discretion, not to pay the benefits provided under paragraphs 4 and 5. A discharge shall be considered “For Cause” if Executive is terminated from employment for willful misconduct that materially injures or causes a material loss to the Company and a material benefit to Executive or third parties, as for example, by embezzlement, appropriation of corporate opportunity, conversion of tangible or intangible corporate property or the making of agreements with third parties in which Executive or anyone related to or associated with him has a direct or indirect interest. The term “For Cause” does not include a termination occasioned by ill-advised good faith judgment or negligence in connection with the Company’s business.

7. Confidentiality . So long as Executive is employed and thereafter so long as Executive is entitled to and is receiving the benefits to which he is entitled under paragraphs 4 and 5, he may not either directly or indirectly, except in the course of carrying out the business of the Company or as authorized in writing on behalf of the Company, disclose or communicate to any person, individual, firm or corporation, any information of any kind concerning any matters affecting or relating to the business of the Company or any of its subsidiaries, including without limitation, any of the customers, prices, sales, manner of operation, plans, trade secrets, processes, financial or other data of the Company or any of its subsidiaries, without regard to whether any or all of such information would otherwise be deemed confidential or material.

8. Non-Competition . So long as Executive is employed and thereafter so long as Executive is entitled to and is receiving the benefits to which he is entitled under paragraphs 4 and 5, he may not engage or participate directly or indirectly, either as principal, agent, employee, employer, consultant, stockholder, director, co-partner, or any other individual or representative capacity, in the conduct or management of, or own any stock or other proprietary interest in, any business that competes with the business of the Company or any subsidiary of the Company unless he has obtained prior written consent of the Board, except that Executive shall be free without such consent to make investments in any publicly-owned company so long as he does not become a controlling party in such company.

9. Consequences of Violation of Confidentiality of Non-Compete Provision . If the Company, in good faith, determines that Executive has violated paragraph 7 or 8 of this Agreement, then in addition to any remedy the Company may be entitled at law or in equity, it may discontinue payments under paragraphs 4 and 5 upon written notice to Executive of the violation of paragraph 7 or 8.

10. No Affect on Other Contractual Rights . The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive’s existing rights, or rights that would accrue solely as a result of the passage of time, under any benefit plan, change in control agreement or other contract, plan or arrangement.

11. Successors to the Corporation. The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. As used in this Agreement, "Company" means Raven Industries, Inc. and any subsidiary or successor or assign to its business or assets that otherwise becomes bound by the terms and provisions of this Agreement by operation of law. In such event, the Company shall pay or shall cause such employer to pay any amounts owed to Executive pursuant to this Agreement.

12. Agreement Binding. This Agreement shall inure to the benefit of and be enforceable by Executive's spouse, personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive dies while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's spouse, devisee, legatee, or other designee or, if there is no such designee, to Executive's estate.

13. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or when mailed by United States registered mail, return receipt requested, postage prepaid, as follows:

If to the Company :

Raven Industries, Inc.
P.O. Box 5107
Sioux Falls, SD 57117-5107
Attention: President

If to Executive:

Address on file with payroll department.

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provision or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement have been made by either party that are not set forth expressly in this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of South Dakota.

15. Validity. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

17. Fees and Expenses. The Company shall pay all fees and expenses (including reasonable attorney's fees and costs) that Executive may incur as a result of the Company's contesting the validity, enforceability or Executive's interpretation of, or determinations under, this Agreement, regardless of whether the Company is successful in such contest.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

RAVEN INDUSTRIES, INC.

By: /s/ Daniel A. Rykhus

Daniel A. Rykhus
President and Chief Executive Officer

EXECUTIVE:

/s/ Janet L. Matthiesen
Janet L. Matthiesen

POLICIES AND PROCEDURES**DATE: 1 FEBRUARY, 2009 (revised)****SUBJECT: SENIOR MANAGEMENT BENEFITS**

Schedule A

In addition to all of the fringe benefits provided to salaried employees, Division Vice Presidents/General Managers, Vice President—Administration and Subsidiary Presidents (the “Senior Managers”) will have the following additional benefits:

1. Insurance premiums will be one-half the amount paid by regular salaried employees with equal seniority for all individual and family health coverage. Life, disability and dental insurance coverage will be paid in full.
2. Supplemental health insurance benefits for the Senior Managers and dependents up to 4% of the total of the current base salary.
3. Health Club membership or equivalent in home exercise equipment.
4. Life insurance and A.D. & D. at 2.0 times annualized base salary on February 1st each year.
5. Full pay for sick leave up to a point where disability insurance coverage begins. Disability insurance is 60% of base salary, non-integrated with Social Security. Provisions of the actual policy will govern the exact amount of payments.
6. Two additional weeks of paid vacation in addition to the regular established vacation policy.
7. Physical examination provided by the Company will be given on a biennial basis to age 60 on individuals who are asymptomatic, annually if symptomatic. Above age 60 examinations will be annually.
8. Senior Manager’s annual base salary will be grossed up at the end of the calendar year to compensate for the additional payroll and income tax burden created by the treatment of benefits under Numbers 1, 2, 4 and 7, above, as additional income.
9. Retirement Benefits :

This section applies only to Senior Managers retiring after February 1, 2009. Benefits to Senior Managers retiring before that date will be governed by the policy in effect at retirement.

Upon retirement, the following benefits will be available to Raven Senior Managers who retire between the ages of 65 and 70, or who choose early retirement. Early retirement is defined as the first day of any month after the Senior Manager’s years of service, plus attained age, equals or exceeds the sum of 80, or any date between then and age 65.

- (A) Continued group hospital, medical, and dental coverage for the Senior Manager, spouse and eligible dependents until the Senior Manager attains the eligibility age for Medicare (presently age 65 or disabled). Premiums will be at the same rate available to active Senior Managers.

DATE: 1 FEBRUARY, 2009 (revised)**SUBJECT: SENIOR MANAGEMENT BENEFITS**

- (B) Upon Medicare eligibility, the Senior Manager and spouse will be provided supplemental hospital and medical coverage to Medicare which would result in the same coverage that is provided to full-time active Senior Managers of the company. This coverage, as well as group dental coverage, will continue for the rest of the Senior Manager's and spouses' life.
- (C) Upon retirement, supplemental health insurance benefits for the Senior Manager and dependents will be provided annually for the rest of the Senior Manager's life at an amount of up to 3.5% of the highest total annual compensation (salary and bonus) during the last five years of employment with the company.

The spouse's coverage will be discontinued in the event the Senior Manager's spouse remarries after the death of a Senior Manager. However, the spouse would then be provided the option of continued coverage by paying the Raven group premium for such coverage.

CHANGE IN CONTROL AGREEMENT

AGREEMENT dated as of APRIL 20, 2012, between RAVEN INDUSTRIES, INC., a South Dakota corporation (the "Company"), and JANET L. MATTHIESEN (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that the Executive's contribution to the growth and success of the Company and its subsidiaries has been substantial.

WHEREAS, the Board has determined that it is appropriate and in the best interests of the Company and its stockholders to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties.

WHEREAS, this Agreement sets forth the severance compensation which the Company agrees it will pay to the Executive if the Executive's employment with the Company or a Subsidiary of the Company, as defined in Section 5(a), terminates under one of the circumstances described herein following a Change in Control (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained and in further consideration of services performed and to be performed by the Executive for the Company, the parties hereto agree as follows:

1. Certain Definitions . For purposes of this Agreement, the following terms have the meanings indicated:

(a) **Cause**. "Cause" shall mean termination of the Executive by the Company for any of the following reasons:

(i) Executive is terminated from employment for willful misconduct that materially injures or causes a material loss to the Company and a material benefit to Executive or third parties, as for example, by embezzlement, appropriation of corporate opportunity, conversion of tangible or intangible corporate property or the making of agreements with third parties in which Executive or anyone related to or associated with him has a direct or indirect interest; the term "Cause" does not include a termination occasioned by ill-advised good faith judgment or negligence in connection with the Company's business; or

(ii) The determination by the Company in good faith that Executive has violated paragraph 7 (Confidentiality) or 8 (Non-Competition) of the Employment Agreement for Senior Management.

(b) Change in Control. A “Change in Control” shall mean:

(i) The acquisition (other than from the Company directly) by any person, entity or “group”, within the meaning of Section 13(d) or 14(d) of the ‘34 Act, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the ‘34 Act) of 25% or more of the then outstanding shares of the Company’s common stock; or

(ii) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, under Rule 14a-12(c) of Regulation 14A promulgated under the ‘34 Act) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(iii) Approval by the shareholders of the Company of (A) a reorganization, merger or consolidation, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the combined voting power of the reorganized, merged or consolidated company’s then outstanding voting securities entitled to vote generally in the election of directors of the reorganized, merged or consolidated company, or (B) a liquidation or dissolution of the Company or (C) the sale of all or substantially all of the assets of the Company. If Executive is employed by a Subsidiary, a sale of the assets, stock or business of the Subsidiary will not, in and of itself, be considered a “Change in Control” with respect to Raven Industries, Inc.

(c) Code. “Code” shall mean the Internal Revenue Code of 1986, as amended.

(d) Constructive Termination.

(i) “Constructive Termination” shall mean:

(a) a material, adverse change of Executive’s responsibilities, authority, status, position, offices, titles, or duties; *provided*, that (1) the fact that the Company is a subsidiary of an acquirer or a division of an acquirer, or (2) a change in Executive’s employment from a Subsidiary to the Company or another Subsidiary shall in either event not, in and of itself, be considered a material change to the Employee’s responsibilities, authority, status, position, offices, titles or duties, and any appropriate change in title related to such events shall not, in and of itself, be considered a material change to the Employee’s responsibilities, authority, status, position, offices, titles or duties;

(b) an adverse change in Executive’s annual compensation or benefits;

(c) a requirement to relocate in excess of fifty (50) miles from Executive’s then current place of employment without Executive’s consent; or

(d) the breach by the Company of any material provision of this Agreement or failure to fulfill any other material contractual duties owed to the Executive.

For the purposes of this definition, Executive’s responsibilities, authority, status, position, offices, titles and duties are to be determined as of the date of this Agreement.

(ii) Notwithstanding the provisions of subsection (i) above, no termination by the Executive will constitute a Constructive Termination unless the Executive shall have provided written notice to the Company within 90 days of an occurrence as described in paragraphs 1.(d)(i)(a) – 1.(d)(i)(d) above. The notice will describe his intention to so terminate this Agreement, which sets forth in reasonable detail the conduct that the Executive believes to be the basis for the Constructive Termination, and the Company will thereafter have failed to correct such conduct (or commence action to correct such conduct and diligently pursue such correction to completion) within 30 days following the Company’s receipt of such notice.

(e) Date of Termination.

“Date of Termination” shall mean:

(i) if the Executive voluntarily terminates his employment with the Company, the date on which the Executive delivers a Notice of Termination to the Company; or

(ii) if the Executive’s employment is terminated by the Company, the date on which the Company delivers a Notice of Termination to the Executive.

(f) Notice of Termination. A “Notice of Termination” shall mean a written notice which shall indicate those specific termination provisions in this Agreement that are being relied upon. Any termination by the Company or the Executive shall be communicated by a Notice of Termination.

(g) ‘34 Act. “‘34 Act” shall mean the Securities Exchange Act of 1934, as amended.

2. Term . This Agreement shall commence on the date first above written and shall continue in effect until January 31, 2013. Commencing on January 31, 2013, and each January 31 thereafter, the term of this Agreement shall automatically be extended for one additional year to January 31, and each January 31, thereafter, unless at least sixty days immediately preceding such January 31, the Company shall have given the Executive written notice that the Company does not wish to extend this Agreement; provided that this Agreement shall continue in effect beyond the term provided herein if a Change in Control shall have occurred during such term or if any obligation of the Company hereunder remains unpaid as of such time.

3. Severance Compensation upon a Change in Control and Termination of Employment . If (a) a Change in Control of the Company shall have occurred while the Executive is an employee of the Company, and (b) within two (2) years after the date of such Change in Control (i) the Company, except in the case of the Executive’s death, terminates the Executive’s employment without Cause, or (ii) there is a Constructive Termination, then

(a) the Company shall pay the Executive any earned and accrued but unpaid installment of base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given and all other unpaid amounts to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, including, without limitation, all accrued vacation time; such payments to be made in a lump sum on or before the fifth day following the Date of Termination;

(b) in lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay to the Executive an amount equal to the product of (A) the sum of (i) the Executive’s annual base salary in effect as of the Date of Termination and (ii) 60% of the maximum target or goal amount under the Management Incentive Plan for the year in which such Date of Termination occurs and (B) the number **1.0**; such payment to be made in a lump sum six months following the Date of Termination;

(c) the Executive shall, effective on the Date of Termination, be deemed a “Participant” and vested in all respects under the Company’s Senior Executive or Senior Management Retirement Benefits Policy, regardless of whether the Executive otherwise then satisfies the requirements for eligibility under such Policy; provided that the benefits specified under this Subsection 3(c) shall (A) not become payable until when the Executive reaches age 65 unless such benefits are payable at Executive’s age at that time under the terms of the Policy, and (B) not be provided to the extent such benefits are provided to the Executive by another employer at no cost to the Executive;

(d) in the event a Change in Control of the Company shall have occurred while the Executive is an employee of the Company and, within two (2) years after the date of such Change in Control the Executive shall die while still an employee of the Company, the amount specified in Subsection 3(a) shall be paid by the Company to such Executive's estate, and such deceased Executive's spouse and eligible dependents shall be entitled to all of the benefits specified in the Company's Senior Executive or Senior Management Retirement Benefits Policy as if such deceased Executive had delivered a Notice of Termination to the Company immediately prior to such death;

(e) the Company's obligations to provide the payments and benefits in this Section 2 are conditioned on Executive signing a general release of legal claims and covenant not to sue in form and content satisfactory to the Company.

4. No Obligation to Mitigate Damages; No Effect on Other Contractual Rights.

(a) The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer after the Date of Termination.

(b) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, including post-retirement benefits or any other rights which would accrue solely as a result of the passage of time, under any benefit plan, employment agreement or other contract, Company policy, plan or arrangement.

5. Successor to the Company.

(a) The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 5 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. If at any time during the term of this Agreement the Executive is employed by any corporation a majority of the voting securities of which is then owned by the Company (a "Subsidiary"), (1) "Company" as used in this Agreement shall in addition include such Subsidiary, (2) the Company agrees that it shall pay or shall cause such Subsidiary to pay any amounts owed to the Executive pursuant to Section 3 hereof and (3) a transfer of Executive between the Subsidiary and the Company or another Subsidiary shall not be deemed a termination of employment.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

6. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or when mailed by United States registered mail, return receipt requested, postage prepaid, as follows:

If to the Company:

Raven Industries, Inc.
205 East 6th Street
P.O. Box 5107
Sioux Falls, South Dakota 57117
Attention: President

If to the Executive:

(Address currently on file with the Company)

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provision or conditions at the same or at any prior or subsequent time. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings between the parties with respect to benefits payable upon a change in control, *provided*, that this Agreement shall not affect or reduce any benefit to which Executive shall be otherwise entitled under the 2000 Stock Plan, 2010 Stock Incentive Plan, Employment Agreement dated, February 1, 2012, or any other plan, agreement or policy of or with the Company. No modification, termination or attempted waiver of this Agreement shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

9. Validity. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Fees and Expenses. The Company shall pay all fees and expenses (including attorney's fees) which the Executive may incur as a result of the Company's contesting the validity, enforceability or the Executive's interpretation of, or determinations under, this Agreement, regardless of whether the Company is successful in such contest.

12. Confidentiality. The Executive shall retain in confidence any and all confidential information known to the Executive concerning the Company and its business so long as such information is not otherwise publicly disclosed.

13. Company's Right to Terminate. Notwithstanding anything contained in this Agreement to the contrary, the Company may terminate the Executive's employment at any time, for any reason or no reason, and no provision contained herein shall affect the Company's ability to terminate the Executive's employment at any time, with or without cause. Nothing in this Agreement shall in any way require the Company to provide any of the benefits specified in this Agreement prior to a Change in Control, nor shall this Agreement be construed in any way to establish any policies or other benefits for the Executive or any other employee of the Company whose employment with the Company is terminated prior to a Change in Control.

[Signature Page Follows]

[Signature Page to Change In Control Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

ATTEST:

RAVEN INDUSTRIES, INC.

By: /s/ Karen M. Iversen
Karen M. Iversen
Finance Administrative Assistant

By: /s/ Daniel A. Rykhus
Daniel A. Rykhus
President & CEO

ATTEST:

EXECUTIVE:

By: /s/ Karen M. Iversen
Karen M. Iversen
Finance Administrative Assistant

/s/ Janet L. Matthiesen
Janet L. Matthiesen