LABARGE INC
Form DEF 14A
October 15, 2002

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934

Filed by the registrant [X]
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)).

[X] Definitive proxy statement.
[ ] Definitive additional materials.
[ ] Soliciting material pursuant to Rule 14A-12

LaBarge, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)
Payment of filing fee (check the appropriate box):
[X] 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:

[ ] 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:

[LA BARGE LOGO]

NOTICE OF
2002 ANNUAL MEETING
NOVEMBER 20, 2002
AND PROXY STATEMENT

[LA BARGE LOGO]

Notice of Annual Meeting of Stockholders
NOVEMBER 20, 2002

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders of LaBarge, Inc. will be held at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri, on November 20, 2002, at 4:00 P.M., CST.

At the Annual Meeting, Common Stockholders will be asked:

1. To elect three Class A Directors for a term ending in 2005, respectively;

2. To consider and act upon the ratification of the selection of KPMG LLP as Independent Auditors for fiscal 2003;

3. To transact such other business as may properly come before the meeting.

Only stockholders whose names appear of record at the Company's close of business on September 25, 2002 (the "Record Date") are entitled to receive notice of and to vote at the Annual Meeting or any adjournment thereof. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS NOTICE HAVE THE DEFINITIONS GIVEN TO THEM IN THE ATTACHED PROXY STATEMENT.

We encourage you to vote via Internet or telephone, or you may mail your proxy.

If you receive more than one proxy card because you own shares registered in different names or at different addresses, please vote each proxy as soon as possible by following the instructions on the proxy card regarding voting by Internet, telephone or mail.

By Order of the Board of Directors,

S/Donald H. Nonnenkamp
Donald H. Nonnenkamp
Vice President, Chief Financial Officer and Secretary

September 25, 2002

ALL STOCKHOLDERS ARE INVITED TO ATTEND THE ANNUAL MEETING. WHETHER OR NOT YOU INTEND TO BE PRESENT, PLEASE VOTE YOUR PROXY. STOCKHOLDERS CAN HELP THE COMPANY AVOID UNNECESSARY EXPENSE AND DELAY BY PROMPTLY VOTING THE ENCLOSED PROXY CARD. THE PRESENCE, IN PERSON OR BY PROPERLY EXECUTED PROXY, OF A MAJORITY OF THE COMMON STOCK OUTSTANDING ON THE RECORD DATE IS NECESSARY TO CONSTITUTE A QUORUM AT THE ANNUAL MEETING.

LaBarge, Inc.
9900A Clayton Road
St. Louis, Missouri 63124

PROXY STATEMENT
Annual Meeting of Stockholders
to be held on November 20, 2002

This Proxy Statement is being furnished to the Common Stockholders of LaBarge, Inc. (the "Company") on or about October 16, 2002, in connection with the solicitation of proxies on behalf of the Board of Directors of the Company for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on November 20, 2002 at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting, and at any adjournment or postponement of that meeting.

Holders of shares of Common Stock, par value $.01 per share (the "Common Stock"), of the Company at its close of business on September 25, 2002 (the "Record Date") will be entitled to receive notice of and vote at the Annual Meeting. On the Record Date, 15,021,116 shares of Common Stock were outstanding. Holders of Common Stock are entitled to one vote per each share of Common Stock held of record on the Record Date on each matter that may properly come before the Annual Meeting.

A plurality of votes of Common Stockholders cast at the Annual Meeting is required for the election of each Director. Ratification of the selection of independent auditors requires the affirmative vote of stockholders holding a majority of the shares of Common Stock voted at the Annual Meeting.

Management of the Company (the "Management"), together with members of the Board of Directors of the Company, in the aggregate directly or indirectly controlled approximately 23.7% of the Common Stock outstanding on the Record Date.

Stockholders of record on the Record Date are entitled to cast their votes in person or by properly executed proxy at the Annual Meeting. The presence, in person or by properly executed proxy, of a majority of the Common Stock outstanding on the Record Date is necessary to constitute a quorum at the Annual Meeting. If a quorum is not present at the time the Annual Meeting is convened, the Company may adjourn or postpone the Annual Meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions and broker non-votes are not counted for purposes of determining whether a proposal has been approved. Under applicable Delaware law, an abstention or broker non-vote will have no effect on the outcome of the election of directors.

All Common Stock represented at the Annual Meeting by properly executed proxies received prior to or at the Annual Meeting and not properly revoked will be voted at the Annual Meeting in accordance with the instructions indicated in such proxies. If no instructions are indicated, such proxies will be voted FOR election of the Board's nominees as directors, FOR the ratification of the recommended independent accountants, and, at the discretion of the named proxies, on any other matters that may properly come before the Annual Meeting. The Board of Directors of the Company does not know of any matters other than the matters described in the Notice of Annual Meeting attached to this Proxy Statement that will come before the Annual Meeting.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with the Secretary of the Company, at or before the Annual Meeting, a written notice of revocation bearing a date later than the date of the proxy, (ii) duly executing a subsequently dated proxy relating to the Common Stock and delivering it to the Secretary of the Company at or before the Annual Meeting, or (iii) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice revoking a proxy should be sent to: Corporate Secretary, LaBarge, Inc., 9900A Clayton Road, St. Louis, Missouri 63124.

The proxies are solicited by the Board of Directors of the Company. In addition to the use of the Internet, telephone and mail, proxies may be solicited personally or by facsimile transmission by Directors, officers or regular employees of the Company. The cost of solicitation of proxies will be borne by the Company.

A copy of the Company's Annual Report for the fiscal year ended June 30, 2002 is being mailed to each stockholder along with this Proxy Statement.

The date of this Proxy Statement is September 25, 2002.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors of the Company is divided into three classes designated Class A, Class B and Class C. Each Director is elected for a three-year term and the term of each Class expires in a different year.

The Board of Directors has nominated for election as Class A Directors: Messrs Craig E. LaBarge, James P. Shanahan, Jr. and Jack E. Thomas, Jr. Each of the nominees is currently serving as a Director of the Company and each has consented to continue to serve as a Director if elected. Unless proxy cards are marked to withhold authority to vote for any of the Director nominees, the proxies intend to vote all properly executed proxies FOR election of each of the Director nominees.

The following biographical information is furnished with respect to each nominee and each current Director whose term continues after the Annual Meeting:

	Term Expiration Date	Age	Direct or Since	Positions with the Company
Nominees Class A Directors				
Craig E. LaBarge	2002	51	1981	Chief Executive Officer, President and Director
James P. Shanahan, Jr.	2002	41	1987	Director

Jack E. Thomas, Jr.	2002	50	1997	Director
Continuing Class B Directors				
Robert G. Clark	2003	43	2001	Director
John G. Helmkamp, Jr.	2003	55	1998	Director
Lawrence J. LeGrand	2003	51	1998	Director
Continuing Class C Directors				
Robert H. Chapman	2004	57	1998	Director
Richard P. Conerly	2004	78	1975	Director

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE
FOR ELECTION OF ITS NOMINEES FOR DIRECTOR.

Executive Officers, Directors and Nominees for Director

The following table sets forth certain information, as of September 25, 2002, with respect to the executive officers, directors whose term of office will continue after the Annual Meeting, and nominees for directors of the Company:

Name	Age	Position(s)
Craig E. LaBarge	51	Chief Executive Officer, President and Director
Randy L. Buschling	42	Vice President and Chief Operating Officer
Donald H. Nonnenkamp	50	Vice President, Chief Financial Officer & Secretary
Vernon R. Anderson	54	Vice President - Operations
Harvey Baker	51	Vice President - Enterprise Systems
Thomas N. Hilleary	52	Vice President
Thomas L. Hubbard	49	Vice President
John R. Parmley	48	Vice President - Sales & Marketing
Robert H. Chapman	57	Director
Robert G. Clark	43	Director
Richard P. Conerly	78	Director
John G. Helmkamp, Jr.	55	Director
Lawrence J. LeGrand	51	Director
James P. Shanahan, Jr.	41	Director
Jack E. Thomas, Jr.	50	Director

Craig E. LaBarge has been a Director since 1981. He assumed the positions of Chief Executive Officer and President in 1991. Prior to that time, he was Vice President-Marketing of the Electronics Division of the Company (1975 to 1979), President of the Electronics Division of the Company (1979 to 1986), Vice President of the Company (1981 to 1986) and President and Chief Operating Officer of the Company (1986 to 1991). Mr. LaBarge is also a director and member of the Audit Committee of both TALX Corporation and Young Innovations, Inc.

Mr. Buschling joined the Company in 1998. He is currently Vice President and Chief Operating Officer of the Company. He served as Senior Vice President of the Company's Manufacturing Services Group from 1999 to 2002 and as Vice President-Aerospace and Defense Business Unit from 1998 to 1999. Prior to joining the Company, Mr. Buschling was General Manager of Watlow Electric Manufacturing Company's Systems Division for more than five years.

Mr. Nonnenkamp joined the Company in 1999 and currently serves as Vice President, Chief Financial Officer and Secretary. Previously, he was Vice President and Treasurer for Esco Electronics Corporation from 1993 to 1999. Prior to joining Esco, Mr. Nonnenkamp served as Vice President and Chief Financial Officer for Clark Oil and Refining Corporation.

Mr. Anderson joined the Company in 1978 and became Vice President-Operations in 2002. Mr. Anderson previously served as Divisional General Manager (2001-2002) and General Manager of the Joplin, Missouri, facility for more than five years.

Mr. Baker joined the Company in 1996 and became Vice President-Enterprise Systems in 2002. He served previously as Vice President-Operations. Prior to joining the Company, Mr. Baker was Vice President of Manufacturing and Customer Service for the Broadcast Division of Harris Corporation for more than five years.

Mr. Hilleary joined the Company in 1998 with the acquisition of Open Cellular Systems, Inc. He is Vice President of LaBarge, Inc. and oversees the Company's Network Technologies Group. Prior to joining the Company, he was President of Open Cellular Systems, Inc. from 1997 to 1998, and Vice President-Engineering of Distribution Control Systems, Inc. from 1992 to 1997.

Mr. Hubbard joined the Company in 1980. He is Vice President of LaBarge, Inc. and works with the Company's Network Technologies Group. He was Vice President-Telecommunications Business Unit from 1996 to 1999. Prior to that time, he was Sales Manager for the Company's Joplin, Missouri, facility for more than five years.

Mr. Parmley joined the Company in 1997 and became Vice President-Sales and Marketing for the Manufacturing Services Group in 1999. He was Account Manager-Aerospace and Defense Business Unit from 1997 to 1999. Previously, Mr. Parmley was employed by Eagle-Picher Industries, Inc., where he served in various sales and management positions from 1991 to 1997.

Mr. Chapman became a Director in 1998 and serves as a member of the Audit Committee of the Board of Directors. Since 1975, he has served as Chairman of the Board and Chief Executive Officer of Barry-Wehmiller Companies, Inc., a leading provider of packaging automation equipment, and serves as Director on the Board of Midwest Bank Centre, Inc.

Mr. Clark became a Director in 2001 and serves as a member of the Human Resources Committee of the Board of Directors. Since 1984, he has served as Chairman of the Board and Chief Executive Officer of Clayco Construction Company, a national firm doing business across the United States and Canada.

Mr. Conerly became a director in 1975 and serves as a member of the Audit Committee of the Board of Directors. He was formerly Chairman and Chief Executive Officer of Orion Capital Inc. from 1987 to 1994; President of Pott Industries Inc., a marine services company, from 1969 to 1987; and Vice Chairman of Coal Marine, Houston Natural Gas Corporation, parent company of Pott Industries Inc., from 1979 to 1985. He is also a director of Young Innovations, Inc.

Mr. Helmkamp became a Director in 1998 and serves as a member of the Audit Committee of the Board of Directors. He retired from the positions of Chairman of the Board and Chief Executive Officer of Illinois State Bank and Trust in 1996, where he served in those capacities for more than five years. Mr. Helmkamp also serves on the Board of Directors of the United Way of Greater St. Louis.

Mr. LeGrand became a Director in 1998 and serves as Chairman of the Audit Committee of the Board of Directors. He has been Executive Vice President of Plancorp, Inc. since 2001. He served as Executive Vice President of LMI Aerospace from 1998 to 2001. Prior to that time, Mr. LeGrand was a partner of KPMG LLP for more than 20 years.

Mr. Shanahan became a Director in 1987 and serves as a member of the Human Resources Committee of the Board of Directors. He has been Executive Vice President, General Counsel and Director of Pacholder Associates, Inc., an investment advisory firm, since 1986.

Mr. Thomas became a Director in 1997 and serves as Chairman of the Human Resources Committee of the Board of Directors. Since 1982, he has been President, Chief Executive Officer and Chairman of the Board of Coin Acceptors, Inc., a world leader in the design and manufacture of coin mechanisms, bill validators, control systems, and vending machines. Mr. Thomas serves on the Board of Directors of U.S. Bancorp, is Chairman of Royal Vendors, Inc. and is also Chairman and Chief Executive Officer of Money Controls, Ltd.

Meetings of the Board of Directors

The Board of Directors of the Company held seven meetings in fiscal 2002. The Company has a standing Audit Committee of its Board of Directors, which held four meetings in fiscal 2002. This Committee is governed by a Charter, that specifies its responsibilities, the accountability of the outside auditors to the Board of Directors and the Audit Committee, and the Audit Committee's responsibility to ensure independence of the outside auditors. The Audit Committee reviews the adequacy of its Charter annually. The Company also has a standing Human Resources Committee of its Board of Directors, which held one meeting in fiscal 2002. This Committee performs the principal function of acting as a compensation committee. The Company has no standing nominating committee or any committee that performs similar functions. Each Director attended at least 75% of the meetings of the Board and its Committees on which he served in fiscal 2002.

Directors' Fees

Members of the Board of Directors who are not employees of the Company receive $1,500 for each Board meeting attended, $750 for each committee meeting attended and $500 for attendance at the Company's Annual Meeting. Directors are reimbursed for expenses incurred in attending meetings of the Board of Directors and Committees.

Summary Compensation Table

The following table sets forth information concerning the compensation of the Chief Executive Officer and the four other most highly compensated executives who served in such capacities as of June 30, 2002, for the fiscal years indicated.

Annual
Compensation(1)

Name and Principal Position	Fiscal Year	($) Salary	($) Bonus (2)
Craig E. LaBarge	2002	394,469	125,000
Chief Executive Officer	2001	372,245	219,300
and President	2000	352,508	184,000
Randy L. Buschling	2002	224,847	78,000
Vice President and	2001	221,128	134,000
Chief Operating Officer	2000	238,577	91,000
Donald H. Nonnenkamp (3)	2002	220,735	65,000
Vice President, Chief	2001	210,750	80,000
Financial	2000	146,923	64,000
Officer and Secretary			
Harvey Baker	2002	185,267	28,260
Vice President	2001	181,217	97,250
	2000	172,000	74,000
John R. Parmley	2002	179,865	62,993
Vice President	2001	156,481	103,518
	2000	121,500	87,000

	Long-Term Compensation		
	Awards	Payouts	
Name and Principal Position	(#) Options	($) LTIP (2) Payouts (4)	($) All Other Compensation (5)
Craig E. LaBarge	109,675	0	62,445
Chief Executive Officer	135,294	72,300	50,722
and President	294,118	75,000	47,066
Randy L. Buschling	69,550	0	26,075
Vice President and	63,636	0	26,160
Chief Operating Officer	68,632	0	25,536
Donald H. Nonnenkamp (3)	34,085	0	33,492
Vice President, Chief	36,364	0	34,916
Financial	59,221	0	15,008
Officer and Secretary			
Harvey Baker	23,260	0	41,577
Vice President	31,818	0	42,190
	34,309	0	41,716
John R. Parmley	43,260	0	29,866
Vice President	31,818	0	9,972
	34,309	0	7,272

(1) Includes compensation amounts earned during the fiscal years shown but

deferred pursuant to individual deferred compensation agreements with the Company.
(2) Bonus amounts and Long-Term Incentive Plan (LTIP) payouts are earned in the fiscal year shown and paid in the subsequent fiscal year.
(3) Mr. Nonnenkamp became an officer of the Company on November 8, 1999.
(4) Under the terms of the Company's LTIP, awards to the Chief Executive Officer are paid 50% in cash and 50% in non-qualified stock options. Payouts to all other participants are in non-qualified stock options.
(5) Includes the following by individual for the fiscal year ended June 30, 2002:

Name	Split Dollar Life Premium ($) (a)	Company Match on 401(k) Deferrals ($)	Use of Auto ($)
Craig E. LaBarge	50,500	2,695	12,250
Randy L. Buschling	13,954	2,356	9,765
Donald H. Nonnenkamp	21,923	2,496	9,073
Harvey Baker	31,900	2,427	7,250
John R. Parmley	19,297	2,819	7,750

(a) By agreement, these "split dollar life" premiums will be substantially recovered upon the surrender of the policy or death of the executive.

Option Grants in Last Fiscal Year

The following table sets forth all stock options granted to the named executives during the fiscal year ended June 30, 2002.

	Individual Grants			
Name	Number of Securities Underlying Options Granted (#) (a)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/sh)	Expiration Date (a)
Craig E. LaBarge	92,900	27.6	2.85	8/22/11
	16,775 (b)	5.0	7.24	8/22/06
Randy L. Buschling	69,550	20.7	2.85	8/22/11
Donald H. Nonnenkamp	34,085	10.1	2.85	8/22/11
Harvey Baker	23,260	6.9	2.85	8/22/11
John R. Parmley	43,260	12.9	2.85	8/22/11

Name	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term 5% ($)	10% ($)
Craig E. LaBarge	174,076	434,015
	0	0
Randy L. Buschling	130,322	324,927
Donald H. Nonnenkamp	63,868	159,240
Harvey Baker	43,584	108,667
John R. Parmley	81,060	202,104

(a) The options granted in fiscal 2002 vest in five equal installments, on each of the first five anniversaries of the date of the grant or immediately after a change in control.
(b) Options awarded under this grant to Mr. LaBarge will become exercisable on August 22, 2003.

Aggregate Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth all stock options exercised by the named executives during the fiscal year ended June 30, 2002, and the number and value of unexercised options held by such executives at fiscal year-end.

Name	Shares Acquired on Exercise (#)	Value Realized ($) (b)	Number of Securities Underlying Unexercised Options at Fiscal Year End (#) Exercisable	Unexercisable
Craig E. LaBarge	0	0	180,219	399,379
Randy L. Buschling	0	0	40,179	161,636
Donald H. Nonnenkamp	0	0	42,960	86,705
Harvey Baker	0	0	56,585	69,295
John R. Parmley	0	0	20,085	89,295

Name	Value of Unexercised "In the Money" Options at Fiscal Year End ($) (a) Exercisable	Unexercisable
Craig E. LaBarge	207,137	518,525
Randy L. Buschling	58,260	227,373
Donald H. Nonnenkamp	62,292	125,665

Harvey Baker	35,423	100,477
John R. Parmley	19,896	122,477

(a) Options are "in the money" if the market value of the shares covered thereby is greater than the option exercise price.
Market value of a share at June 30, 2002 was $3.95.
(b) Value realized is the difference between the market value of a share on the exercise date and the exercise price per share, times the number of shares exercised.

Human Resources Committee
Report on Executive Compensation

LaBarge, Inc. has had an independent Human Resources Committee (the "Committee") since 1981. The Committee is made up of three outside directors appointed annually by the Board of Directors (the "Board"). The principal responsibilities of the Committee include the following:

Review and recommend to the Board the annual salary, incentive compensation, including performance awards under the 1999 Non-Qualified Stock Option Plan, and other benefits of the chief executive officer and other members of executive management.

The Company's compensation practices are designed to achieve certain fundamental objectives, including:

To attract and retain talented key executives;
To set competitive compensation levels;
To provide incentives which focus performance on the achievement of Company objectives;
To align executive compensation, including the award of stock options, with the interest of the stockholders.

To assist the Committee, the Company has, for more than 10 years, contracted with an independent compensation and benefits consulting firm. This firm periodically evaluates each of the key management positions within the Company. The evaluation is based upon such criteria as the size and scope of the job, specific technical and managerial skills required, and the impact of the specific job on Company results.

Using the evaluations of each job and data on the compensation practices of over 500 industrial companies in the U.S., the consultants recommend ranges for both base salary and bonus opportunity. The range for base salary is wide (plus or minus 20% from a mid-point) to accommodate a variety of individual criteria, including competitive factors and specific job performance over time. The recommended range for bonus opportunity is also wide, plus or minus 50% from a mid-point. The Committee believes that executives should be paid a base salary that is within the recommended range. Actual bonus payments may range from zero to the recommended high point or greater.

Each year, the CEO makes recommendations to the Committee regarding proposed salary changes and bonus payments, if any. The recommendations, and the Committee's evaluation of them, are based upon a variety of criteria including profit performance to plan, cash flow, debt reduction, customer development, the accomplishment of specific important objectives and many subjective factors.

All of these factors were considered in determining the salaries and bonuses for 2002. These factors are also considered in establishing the compensation of the Chief Executive Officer.

Committee members: Jack E. Thomas, Jr., Chairman
Robert G. Clark
James P. Shanahan, Jr.

Employment Agreement with Named Executive Officer

In 1999, the Company entered into an Executive Severance Agreement ("Agreement") with Donald H. Nonnenkamp, Vice President, Chief Financial Officer and Secretary of the Company. The Agreement provides that, following a Change of Control (as defined by the Agreement), the Company will continue to employ Mr. Nonnenkamp for a period not less than one year at his place of employment immediately prior to the Change of Control or within 50 miles thereof. During that period, Mr. Nonnenkamp would be entitled to a base salary in the amount not less than the annualized base salary paid or payable to him during the month immediately preceding the month in which the Change of Control occurs. He would also be entitled to an annual bonus equal to the same percentage of his base salary as the average bonuses paid to Mr. Nonnenkamp in each of the five fiscal years most recently ended were to his base salary in those years, after disregarding the highest and lowest of such percentages. Mr. Nonnenkamp would also be entitled, during such one-year period, to all pension, welfare and other employee benefits, fringe benefits and perquisites in amounts and on terms no less favorable than those to which he was entitled on the date of the Change of Control. The Agreement also provides that, in the event of termination of Mr. Nonnenkamp's employment during such one-year period for reasons other than death, disability, or Cause (as defined by the Agreement) or voluntarily by Mr. Nonnenkamp without Good Reason (as defined by the Agreement), Mr. Nonnenkamp would be entitled to a lump sum payment from the Company equal to the sum of: (i) his salary and other compensation not yet paid by the Company through the date of termination; (ii) a bonus prorated for the portion of the year through the date of termination; (iii) the product of three times the sum of (x) Mr. Nonnenkamp's salary plus (y) the bonus to which he would have been entitled for the full fiscal year; plus (iv) vacation pay. The Company would also be required to provide to Mr. Nonnenkamp for three years after termination all medical, hospitalization, disability and certain other benefits in amounts and on terms not less favorable than those to which he was entitled at the time of termination. If the foregoing amounts were not paid when due, they would bear interest at the rate of 15% per annum. The Agreement provides for appropriate adjustments of such payments if they would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended.

Report of the Audit Committee

The primary role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The independent auditors are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent auditors the Company's audited financial statements. The Audit Committee also has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received from the independent auditors the written disclosures and letter required by Independence Standards Board Standard

No. 1 relating to independence discussions with audit committees and has considered whether the independent auditor's provision of non-audit services to the Company is compatible with maintaining the auditor's independence.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their audit. The Audit Committee meets with the independent auditors to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved that the Company's audited financial statements be included in the Company's 2002 Annual Report to Shareholders and Annual Report on Form 10-K for the year ended June 30, 2002 for filing with the Securities and Exchange Commission.

In addition, the Board of Directors has determined that all of the members of the Audit Committee are "independent," as defined by the rules of the American Stock Exchange.

Committee members: Lawrence J. LeGrand, Chairman
Robert H. Chapman
Richard P. Conerly
John G. Helmkamp, Jr.

Voting Securities and Ownership Thereof By Management and Certain Beneficial Owners

Set forth below is information as of September 25, 2002, concerning all persons known to the Company to be beneficial owners of more than 5% of the Common Stock outstanding on the Record Date, and beneficial ownership of Common Stock by each Director and nominee for Director of the Company, each Executive Officer of the Company named in the compensation table and all Executive Officers and Directors as a group (unless otherwise indicated, such ownership represents sole voting and sole investment power).

Name and Address of Beneficial Owners (1)	Shares Beneficially Owned	Percent of Class
Harvey Baker	77,717 - (2)	*
Randy L. Buschling	76,532 - (2)	*
Robert H. Chapman	2,600	*
Robert G. Clark	6,700	*
Richard P. Conerly	51,704	*
John G. Helmkamp, Jr.	507,196 - (3)	3.4%
Craig E. LaBarge	2,236,679 - (2)(4)(5)(6)(7)(8)	14.9%
Lawrence J. LeGrand	341,203 - (9)	2.3%
Donald H. Nonnenkamp	1,154,114 - (2)(4)(10)	7.7%
John R. Parmley	45,465 - (2)(11)	*
James P. Shanahan, Jr.	84,000	*
Jack E. Thomas, Jr.	2,000	*
All executive officers and directors as a group (15 persons)	3,560,423	23.7%

* Less than 1%.

Name and Address of Certain Beneficial Owner (1)	Shares Beneficially Owned	Percent of Class
Pierre L. LaBarge, Jr.	1,686,322 - (12)(13)(14)	11.2%

(1) The address of each Executive Officer, Director and Beneficial Owner is c/o LaBarge, Inc., 9900A Clayton Road, St. Louis, Missouri 63124.
(2) Includes options exercisable within 60 days for the following number of shares under the 1993 and 1995 Incentive Stock Option Plans and the 1999 Non-Qualified Stock Option Plan: Harvey Baker - 74,961; Randy L. Buschling - 76,532; Craig E. LaBarge - 304,681; Donald H. Nonnenkamp -64,893; John R. Parmley - 37,961. All executive officers and directors as a group - 559,028 shares.
(3) Includes 3,800 shares held by Mr. Helmkamp's spouse in her name, 5,911 shares in her IRA and 35,000 shares held in a trust, of which she acts as trustee. Also includes 57,900 shares held in three trusts for the benefit of Mr. Helmkamp's children and 65,000 shares held in a charitable remainder trust; Mr. Helmkamp is trustee of the aforesaid trusts. Mr. Helmkamp disclaims beneficial ownership of all of these shares.
(4) Includes 1,088,221 shares held in the Benefit Plan as to which the two members of the Benefit Plan administrative committee have shared voting power; comprising an aggregate of 240,832 shares which are held in accounts of executive officers of the Company and an aggregate of 847,389 shares which are held in accounts of other employees of the Company.
(5) Includes 19,754 shares held by three trusts for the benefit of two nephews and one niece, of which trusts Craig E. LaBarge is a co-trustee and in which shares Mr. LaBarge disclaims beneficial ownership.
(6) Includes 70,548 shares held by Craig E. LaBarge's spouse in her name, 34,000 shares held in her IRA, and 10,842 shares as custodian for their two minor children. Mr. LaBarge disclaims beneficial ownership of these shares.
(7) Includes 18,172 shares held by a trust for two minor children of Craig E. LaBarge. Mr. LaBarge is a co-trustee and disclaims beneficial ownership.
(8) Includes 667,711 shares owned in Craig E. LaBarge's individual capacity, 2,750 shares owned jointly with his spouse and 20,000 shares held in his IRA.
(9) Represents 336,203 shares held in a grantor trust, of which trust Mr. LeGrand is trustee.
(10) Includes 1,000 shares owned in Mr. Nonnenkamp's individual capacity.
(11) Includes 7,504 shares owned in Mr. Parmley's individual capacity.
(12) Includes 689,222 shares owned in Pierre L. LaBarge, Jr.'s individual capacity.
(13) Includes 987,100 shares held in Pierre L. LaBarge, Jr.'s revocable living trust.
(14) Includes 10,000 shares held by Pierre L. LaBarge, Jr.'s spouse. Mr. LaBarge disclaims beneficial ownership of these shares.

Section 16(a) Beneficial Ownership Compliance

To the Company's knowledge, based solely on review of copies of such reports furnished to the Company and written representations that no other reports were required, all Section 16(a) filing requirements were met during fiscal 2002.

Performance Graphs

Five-Year Total Return. The following graph compares the cumulative total stockholder return (stock price appreciation plus dividends) on the Company's Common Stock with the cumulative total return of the American Stock Exchange market value and a peer group.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN*
AMONG LA BARGE, INC., AND AMEX MARKET VALUE INDEX AND A PEER GROUP
[CHART]

LABARGE, INC.	100.00	53.06	33.67	33.68	50.61	64.49
AMEX COMPOSITE	100.00	115.86	128.17	150.33	147.42	143.44
PEER GROUP	100.00	75.92	68.55	104.18	72.89	95.14

The peer group consists of the following companies selected on the basis of their market capitalization and similarity of businesses: Cubic Corporation, EDO Corporation, Miltope Group, Inc., Esterline Technologies Corporation and Sparton Corporation.

PROPOSAL 2: SELECTION OF INDEPENDENT ACCOUNTANTS

KPMG LLP ("KPMG") has been appointed as independent accountants for the Company for the fiscal year ending June 29, 2003 by the Board of Directors with the approval of the Audit Committee. KPMG has been the Company's independent accountants since 1980. Although the appointment of independent accountants does not require the approval of Common Stockholders, the Board of Directors believes Common Stockholders should participate in the appointment through ratification. A representative of KPMG is expected to be present at the Annual Meeting of Stockholders with the opportunity to make a statement, if he so desires, and he is expected to be available to respond to appropriate questions raised orally at the meeting.

Audit Fees. The aggregate fees billed by KPMG in connection with the audit of the Company's consolidated financial statements for the fiscal year ended June 30, 2002, the review of quarterly financial statements included in the Company's Forms 10-Q and audits of employee benefit plans were approximately $233,000.

Financial Information Systems Design and Implementation Fees. KPMG did not provide any financial information systems design and implementation services to the Company during the fiscal year ended June 30, 2002.

All Other Fees. The aggregate fees billed by KPMG for professional services (primarily tax services), other than services related to the audit of the annual financial statements or the review of the quarterly financial statements, rendered during the year ended June 30, 2002 were approximately $220,000.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock casting a vote at the Annual Meeting is necessary for the ratification of the selection of the independent accountants.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE SELECTION OF KPMG LLP AS INDEPENDENT ACCOUNTANTS FOR FISCAL 2003.

STOCKHOLDER PROPOSALS

Any stockholder proposal to be presented at the next Annual Meeting, which is expected to be held in November 2003, must be received by the Company at its principal office at the address listed on page 2 hereof no later than May 16, 2003.

By Order of the Board of Directors,

S/Donald H. Nonnenkamp

DONALD H. NONNENKAMP
Vice President, Chief Financial Officer and Secretary

St. Louis, Missouri
September 25, 2002

[LaBarge Logo]

LaBarge, Inc.
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS
NOVEMBER 20, 2002

The undersigned hereby appoints Craig E. LaBarge and Donald H. Nonnenkamp, or either of them acting in the absence of the other, proxies for the undersigned, with full power of substitution, to vote all shares of the undersigned at the Annual Meeting of Stockholders of LaBarge, Inc. to be held at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri, on November 20, 2002, at 4:00 P.M. St. Louis time, and at any adjournments thereof, in accordance with the instructions noted below, and with discretionary authority with respect to such other matters not known or determined at the time of the solicitation of this proxy, as may properly come before said meeting or any adjournments thereof.

YOUR VOTE IS IMPORTANT TO US!

We encourage voting on the Internet or by telephone.
(Please Refer to the Accompanying Voting Instruction Sheet.)

(Detach Proxy Form Here)

The undersigned hereby revokes any proxies heretofore given in connection with the Annual Meeting and directs said persons to use this proxy to act or vote as follows:

1. Election of Directors: Class A- 01 - Craig E. LaBarge
02 - James P. Shanahan, Jr.
03 - Jack E. Thomas, Jr.

[ ] FOR all nominees listed	[ ] FOR all nominees EXCEPT for nominees written in space below	[ ] WITHHOLD AUTHORITY to vote for all nominees

2. Proposal to ratify the selection of KPMG LLP as independent auditors for the fiscal year ending June 29, 2003.

[ ] FOR KPMG LLP as Independent Auditors	[ ] AGAINST KPMG LLP for Independent Auditors	[ ] ABSTAIN

(See Reverse Side)

(Detach Proxy Form Here)

THANK YOU FOR YOUR VOTE
IF YOU ARE NOT VOTING BY INTERNET OR BY TELEPHONE, DETACH PROXY CARD AND MAIL IN ENVELOPE PROVIDED

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.
UNLESS OTHERWISE INDICATED, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2.

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

DATE: __________________

____
SIGNATURE(S)

____
SIGNATURE(S)