

GRANITE CONSTRUCTION INC

Form DEFA14A

April 19, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

**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 Under Rule 14a-12

GRANITE CONSTRUCTION INCORPORATED

(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):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

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

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The following memo was mailed to shareholders of the Registrant beginning April 19, 2004. The memo may be deemed soliciting materials within the meaning of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder.

Memorandum

To: *All Granite Shareholder Employees*

Form: *Bill Dorey*

Date: *April 19, 2004*

Subject: *Proxy Proposal: Urge to Vote No*

Within the next few weeks, shareholders of Granite Construction Incorporated will be receiving proxies which allow shareholders to vote for Board Members, to ratify our auditors, and to vote on other shareholder matters. I would like to draw your attention to one of those other shareholder matters that will be included in this year's proxy.

A relatively small institutional investor is challenging the Company and its Board to require that, in the future, an independent director who has not served as CEO of Granite shall serve as our Chairman of the Board. The effect of this proposal would be that the *CEO* and the *Chairman of the Board* could never be the same person.

If passed, our Board would not have the option to ever re-combine the positions of CEO and Chairman, even though, in the Board's judgment, it might be in Granite's and its shareholders' best interests to do so. Most importantly, because Dave Watts has held the position of CEO, he would no longer be able to serve as the Chairman of the Board for Granite Construction Incorporated.

I believe this shareholder proposal is ill-conceived. Forcing Dave Watts to step down as our Chairman would be bad for Granite and I am urging all Granite shareholders to vote no on this proposal.

One of the strengths of our Company has been the consistent succession of our leadership. Dave's insight, familiarity and experience are needed at Granite and I am hopeful that you will join me in defeating this proposal.

WGD/sk

From the desk of...

William G. Dorey
President
Chief Executive Officer
P.O. Box 50085
Watsonville, CA 95077
(831) 761-4706
Fax: (831) 761-4712