VECTREN CORP
Form PREM14A
June 18, 2018
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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

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 §240.14a-12

Vectren Corporation

(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)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: Vectren Corporation common stock, no par value (Company common stock)

(2) Aggregate number of securities to which transaction applies: The maximum number of shares of Company common stock to which this transaction applies is estimated to be 83,649,066, which consists of: (a) 83,080,695 shares of Company common stock issued and outstanding as of June 13, 2018, (b) 28,947 shares of Company common stock issuable on the vesting of Company stock units outstanding as of June 13, 2018 and (c) 539,424 shares of Company common stock issuable on the vesting of Company performance units outstanding as of June 13, 2018.

(3) Per unit price or other underlying value of transaction computed pursuant to calculated Exchange Act Rule 0-11 (set forth the amount on which the filing fee is and state how it was determined): Solely for the purpose of calculating the filing fee, the maximum aggregate value of the transaction was calculated as the sum of: (a) 83,649,066 shares of outstanding Company common stock issued and outstanding as of June 13, 2018, multiplied by $72.00, (b) 28,947 shares of Company common stock issuable on the vesting of Company stock units outstanding as of June 13, 2018, multiplied by $72.00 and (c) 539,424 shares of Company common stock issuable on the vesting of Company performance units as of June 13, 2018, multiplied by $72.00.

(4) Proposed maximum aggregate value of transaction: $6,022,732,752.00

(5) Total fee paid: $749,830.23

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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY MATERIALS SUBJECT TO COMPLETION

DATED JUNE 15, 2018

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To Shareholders of Vectren Corporation:

You are invited to attend a special meeting (the special meeting) of the shareholders of Vectren Corporation (Vectren or the Company), on [ ], 2018 at [ ] (Central Daylight Time). The special meeting will be held at our corporate offices located at One Vectren Square, 211 N.W. Riverside Drive, Evansville, Indiana 44708. We are pleased to enclose the proxy statement relating to the merger of a wholly owned subsidiary of CenterPoint Energy, Inc. into the Company.

If the merger is completed, the Company will become a wholly owned subsidiary of CenterPoint Energy, Inc. and for each share of our common stock held, our shareholders will be entitled to receive $72.00 in cash, without interest, as described in more detail in the enclosed proxy statement under the heading The Merger Agreement Effects of the Merger; Merger Consideration. The consideration payable to our shareholders represents a premium of approximately 9.8 percent to the closing stock price of the Company on April 20, 2018, which was the last trading day before the proposed merger was announced.

We urge you to read the enclosed proxy statement, which includes information about the merger and the special meeting. For a discussion of the U.S. federal income tax consequences of the merger, see The Proposed Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 41 of the proxy statement.

Whether or not you plan to attend the special meeting, please take the time to vote by following the instructions on your proxy card. The board of directors of the Company unanimously recommends a vote **FOR** all of the proposals described in the proxy statement.

Your vote is very important regardless of the number of shares you own. We cannot complete the merger unless holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting vote in favor of the proposal to approve the merger agreement and the transactions contemplated thereby, including the merger. The failure to vote will have the same effect as a vote against the proposal to approve the merger agreement and the transactions contemplated thereby, including the merger.

Sincerely,

Carl L. Chapman
Chairman, President, and Chief Executive Officer

This proxy statement is dated [ ], 2018 and is first being mailed to our shareholders on or about [ ], 2018.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger described in the proxy statement or determined if the proxy statement is accurate or adequate. Any representation to the contrary is a criminal offense.

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NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS

Time and Date	[ ] [a.]/[p.]m. (Central Daylight Time), on [ ], 2018
Place	Vectren Corporation, One Vectren Square, 211 N.W. Riverside Drive, Evansville, Indiana 47708
Purpose	1. To consider and vote on the proposal to approve the Agreement and Plan of Merger, dated as of April 21, 2018 (the merger agreement), by and among the Company, CenterPoint Energy, Inc. (CenterPoint Energy) and Pacer Merger Sub, Inc., a wholly owned subsidiary of CenterPoint Energy (Merger Sub), and the transactions contemplated thereby, including the merger of Merger Sub with and into the Company (the Merger proposal). A copy of the merger agreement is attached as *Annex A* to the proxy statement accompanying this notice; 2. To consider and vote on a nonbinding, advisory proposal to approve compensation that will or may become payable by us to our named executive officers in connection with the merger (the Merger-Related Compensation proposal); 3. To approve any motion to adjourn the special meeting, if necessary (the Special Meeting Adjournment proposal); and 4. To transact any other business as may properly come before the special meeting or any adjournments of the special meeting. The board of directors of the Company is not aware of any other business to come before the special meeting.
Record Date	You may vote if you were a shareholder of record on [ ], 2018.
Proxy Voting	Your vote is very important. You may vote in one of four ways: by accessing the Internet using instructions on the proxy card; by calling the toll-free number on the proxy card;

by signing, dating and returning your proxy card in the enclosed envelope; or

in person by attending the special meeting.

Our board of directors unanimously recommends that you vote **FOR** all of these proposals. Your attention is directed to the accompanying proxy statement for a discussion of the merger and the merger agreement, as well as the matters that will be considered at the special meeting.

Your vote is very important. The conditions to the merger include that our shareholders approve the Merger proposal. Approval of the Merger proposal requires approval by holders of a majority of all of the outstanding shares of our common stock entitled to vote at the special meeting. Approval of the non-binding Merger-Related Compensation proposal and any Special Meeting Adjournment proposal is not a condition to

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completion of the merger. Approval of each of the non-binding Merger-Related Compensation proposal and any Special Meeting Adjournment proposal requires that votes cast by the holders of the outstanding shares of our common stock represented (in person or by proxy) at the special meeting and entitled to vote on the applicable proposal for approval must exceed votes cast against approval.

If your shares are held in street name by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares.

Please submit your proxy by accessing the Internet, by telephone or by completing, signing, dating and returning your signed proxy card(s) as soon as possible, so that your shares may be represented at the special meeting. You may revoke your proxy at any time before the vote at the special meeting by following the procedures outlined in the accompanying proxy statement.

By order of the Board of Directors,

VECTREN CORPORATION

By: RONALD E. CHRISTIAN

Executive Vice President, Chief Legal and External

Affairs Officer and Corporate Secretary

Evansville, Indiana

[ ], 2018

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers are intended to briefly address some commonly asked questions regarding the special meeting and the merger. These questions and answers may not address all the questions that may be important to you as a shareholder. You should read the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement, and the documents referred to or incorporated by reference in this proxy statement. You may obtain information incorporated by reference in this proxy statement without charge by following the instructions under Where You Can Find More Information on page 81.

Q1: Why am I receiving this document?

A: This document is being delivered to you because you are a shareholder of Vectren Corporation (the Company) and we are holding a special shareholders meeting in connection with the proposed merger of Pacer Merger Sub, Inc. (Merger Sub), a wholly-owned subsidiary of CenterPoint Energy, Inc. (CenterPoint Energy), with and into the Company, with the Company continuing as the surviving corporation and a wholly-owned subsidiary of CenterPoint Energy (the merger).

Company shareholders are being asked to consider and vote on the following matters at a special shareholders meeting:

- the proposal to approve the merger agreement and the transactions contemplated thereunder, including the merger (a copy of the merger agreement is attached as *Annex A* to this proxy statement) (the Merger proposal);
- a nonbinding, advisory proposal to approve compensation that will or may become payable by us to our named executive officers in connection with the merger (the Merger-Related Compensation proposal);
- the proposal to approve any motion to adjourn the special meeting, if necessary (a Special Meeting Adjournment proposal); and
- any other business as may properly come before the special meeting or any adjournments of the special meeting. The board of directors of the Company (the Board) is not aware of any other business to come before the special meeting.

The approval of the Merger proposal is a condition to completion of the merger, but neither approval of the Merger-Related Compensation proposal nor the approval of any Special Meeting Adjournment proposal is a condition to completion of the merger.

This document is serving as a proxy statement because it is being used by the Board to solicit proxies from our shareholders.

Q2: What do I need to do now?

A: After you carefully read this proxy statement, please respond by submitting your proxy by accessing the Internet, by telephone or by completing, signing, dating and returning your signed proxy card(s) in the enclosed prepaid return envelope(s), as soon as possible, so that your shares may be represented at the special meeting. In order to assure that your vote is recorded, please vote your shares by one of these methods even if you currently plan to attend the special meeting in person.

Q3: Why is my vote important?

A: If you do not submit your proxy by accessing the Internet or telephone or return your signed proxy card(s) by mail or vote in person at the special meeting, it will be more difficult for us to obtain the necessary

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quorum to hold the special meeting and to obtain the shareholder approval necessary for the completion of the merger. The presence, in person or by proxy, of holders of a majority of the outstanding shares entitled to vote at the special meeting constitutes a quorum for the transaction of business. If a quorum is not present at the special meeting, the shareholders will not be able to take action on any of the proposals at the meeting.

For the Merger proposal, a majority of the outstanding shares entitled to vote on such matter must approve such proposal; thus a failure to vote will have the same effect as a vote AGAINST the Merger proposal.

Your vote is very important. We cannot complete the merger unless our shareholders approve the Merger proposal.

Q4: As a shareholder, what will I receive in the merger?

A: If the merger is completed, you will be entitled to receive $72.00 in cash, without interest, for each share of Company common stock that you owned immediately prior to the effective time of the merger. In addition, while it is not part of the merger consideration, you will continue to be entitled to receive any dividends declared by us prior to the completion of the merger, including a stub period dividend with respect to the period between the last quarterly dividend paid by us and the effective time of the merger.

Q5: When do you expect the merger to be completed?

A: We seek to complete the merger as soon as reasonably practicable, subject to receipt of necessary or advisable regulatory approvals and shareholder approval of the Merger proposal by our shareholders (the Company shareholder approval). We expect the transaction to be completed no later than the first quarter of 2019. However, we cannot predict when regulatory review will be completed, whether regulatory or Company shareholder approval will be received or the potential terms and conditions of any regulatory approval that is received. In addition, the satisfaction of certain other conditions to the merger, some of which are outside of our control, could require the companies to complete the merger later than expected or not to complete it at all. For a discussion of the conditions to the completion of the merger and of the risks associated with obtaining regulatory approvals in connection with the merger, see The Merger Agreement Conditions to the Merger beginning on page 66 and The Proposed Merger Regulatory Matters Relating to the Merger beginning on page 43.

Q6: How will my proxy be voted?

A: If you vote by accessing the Internet, by telephone or by completing, signing, dating and returning your signed proxy card(s), your proxy will be voted in accordance with your instructions. If other matters are properly brought before the special meeting, or any adjournment of the special meeting, your proxy includes discretionary authority on the part of the individuals appointed to vote your shares to act on those matters according to their best judgment.

If you are a shareholder of record and submit your proxy but do not indicate how you want to vote, your shares will be voted **FOR** the Merger proposal, **FOR** the Merger-Related Compensation proposal and **FOR** any Special Meeting Adjournment proposal.

Q7: May I vote in person?

A: Yes. If you are a shareholder of record of our common stock as of [ ], 2018, you may attend the special meeting and vote your shares in person. However, we highly recommend that you vote in advance by accessing the Internet, by telephone or by returning your signed proxy card(s) even if you plan to attend the special meeting.

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Q8: What are the votes required to approve the proposals?

A: The affirmative vote of the holders of a majority of all of the outstanding shares of our common stock entitled to vote at the special meeting is required to approve the Merger proposal.

Votes cast by the holders of the outstanding shares of our common stock represented (in person or by proxy) at the special meeting and entitled to vote on such proposal for approval must exceed votes cast against approval in order to approve the Merger-Related Compensation proposal. Because the vote on the Merger-Related Compensation proposal is advisory only, it will not be binding on us. Accordingly, if the Merger proposal is approved and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of our shareholders on the Merger-Related Compensation proposal.

Votes cast by the holders of the outstanding shares of our common stock represented (in person or by proxy) at the special meeting and entitled to vote on such proposal for approval must exceed votes cast against approval in order to approve any Special Meeting Adjournment proposal.

Q9: If I am a record holder of my shares, what happens if I abstain from voting or I don t submit a proxy or attend the special meeting to vote in person?

A:

For the Merger proposal, an abstention or a failure to vote will have the same effect as a vote AGAINST such proposal.

For the Merger-Related Compensation proposal, an abstention or failure to vote will have no effect on the vote on such proposal.

For a Special Meeting Adjournment proposal, if necessary, an abstention or failure to vote will have no effect on the vote on such proposal.

Q10: What if my shares are held in street name ?

A: If some or all of your shares are held in street name by your broker, nominee, fiduciary or other custodian (for simplicity, referred to collectively as broker), you should receive instructions from your broker on how to vote your shares.

Under the listing requirements of the New York Stock Exchange (the NYSE), brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE determines to be non-routine. Accordingly, a broker non-vote occurs when the broker is not permitted to vote on an item without instruction from the beneficial owner of shares of common stock and the beneficial owner gives no instruction as to voting of the shares.

Under NYSE rules, your broker or bank does not have discretionary authority to vote your shares on any of the proposals described in this proxy statement. Therefore, if you do not instruct your broker on how to vote your shares:

your broker may not vote your shares on the Merger proposal, which broker non-votes will have the same effect as a vote AGAINST such proposal;

your broker may not vote your shares on the Merger-Related Compensation proposal, which broker non-votes will have no effect on the vote on such proposal; and

your broker may not vote your shares on a Special Meeting Adjournment proposal, which broker non-votes will have no effect on the vote on such proposal.

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See Information About the Special Meeting and Voting Broker Non-Votes beginning on page 12 for more detail on the impact of a broker non-vote.

As a result of the foregoing, please be sure to provide your broker with instructions on how to vote your shares as soon as possible. Please check the voting form used by your broker to see if it offers Internet or telephone submission of proxies.

Q11: Who will count the votes?

A: EQ Shareowner Services will serve as inspector of elections, count all of the proxies or ballots submitted and report the votes at the special meeting. Whether you vote your shares by accessing the Internet, telephone or mail, your vote will be received directly by EQ Shareowner Services.

Q12: What does it mean if I receive more than one set of materials?

A: This means you own shares that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker or you may own shares through more than one broker. In these situations, you may receive multiple sets of proxy materials. It is necessary for you to vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own prepaid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope which accompanied that proxy card.

Q13: How do I vote if my shares are held in the Company 401(k) plan?

A: If your shares are held in the Vectren Corporation Retirement Savings Plan, the same voting instructions apply, and you will receive a set of proxy materials. Please follow the instructions on your proxy card.

Q14: Can I revoke my proxy and change my vote?

A: Yes. You have the right to revoke your proxy at any time prior to the time your shares are voted at the special meeting. If you are a shareholder of record, your proxy can be revoked in several ways:

- by entering a new vote by accessing the Internet or by telephone;
- by delivering a written revocation to our Corporate Secretary prior to the special meeting;
- by submitting another valid proxy bearing a later date than the first proxy and that is received prior to the special meeting; or
- by attending the special meeting and voting your shares in person.

However, if your shares are held in street name , you must check with your broker to determine how to revoke your proxy.

Q15: When and where is the special meeting?

A: The special meeting will take place on [ ], 2018 at [ ] [a.]/[p.]m. (Central Daylight Time), at Vectren Corporation, One Vectren Square, 211 N.W. Riverside Drive, Evansville, Indiana 47708.

Q16: What must I bring to attend the special meeting?

A: Shareholders whose shares are held in street name should bring with them a legal proxy or a recent brokerage statement or letter from the street name holder confirming their beneficial ownership of shares,

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together with a valid picture identification. If your shares are registered in your name on the books kept by our transfer agent or your shares are held as a 401(k) plan share, you should bring your proxy card. Attendance at the special meeting will be limited to shareholders of record as of the record date and one guest per shareholder, and to guests of the Company.

Q17: Should I send in my stock certificates now?

A: No. After the merger is completed, CenterPoint Energy will send former Company shareholders written instructions for exchanging their stock certificates for the merger consideration.

Q18: Who can answer any questions I may have about the special meeting or the merger?

A: Our shareholders may call D. F. King & Company (D. F. King), our proxy solicitor for the special meeting, toll-free at (877) 732-3619.

Q19: Will I have to pay taxes on the merger consideration I receive?

A: If you are a U.S. holder (as defined below in Material U.S. Federal Income Tax Consequences of the Merger), the receipt of cash in exchange for shares of Company common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder of our common stock who receives cash in the merger generally will recognize gain or loss in an amount equal to the difference, if any, between (1) the amount of cash received and (2) such U.S. holder s adjusted tax basis in the shares of our common stock exchanged therefor. Such gain or loss generally will constitute capital gain or loss and will constitute long-term capital gain or loss if the U.S. holder s holding period for our common stock exchanged is more than one year as of the closing date of the merger. You should consult your own tax advisors regarding the particular tax consequences to you of the exchange of shares of our common stock for cash pursuant to the merger in light of your particular circumstances (including the application and effect of any federal, state, local, or foreign tax laws).

Q20: How does the Board recommend that I vote?

A: The Board unanimously recommends a vote **FOR** the Merger proposal, **FOR** the Merger-Related Compensation proposal and **FOR** any Special Meeting Adjournment proposal, if necessary or appropriate.

For a discussion of the factors that the Board considered in resolving to recommend that our shareholders vote to approve the Merger proposal and the Merger-Related Compensation proposal, please see the section of this proxy statement entitled The Proposed Merger Recommendation of the Company s Board of Directors and its Reasons for the Merger beginning on page 28.

Q21: What happens if I sell my shares of Company common stock before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting. If you own shares of Company common stock on the record date, but transfer your shares after the record date but before the effective time of the merger, you will retain your right to vote such shares at the special meeting, but you will no longer have the right to receive the merger consideration with respect to such shares.

Q22: Am I entitled to exercise dissenters rights instead of receiving the merger consideration for my shares of Company common stock?

A: No. Under Indiana law, the Company s shareholders are not entitled to dissenters rights in connection with the merger.

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Q23: What happens if the merger is not completed?

A: In the event that the Merger proposal does not receive the required approval from our shareholders, or if the merger is not completed for any other reason, our shareholders will not receive any payment for their shares of Company common stock in connection with the merger. Instead, we will remain an independent public company, the Company common stock will continue to be listed and traded on the NYSE, the Company common stock will continue to be registered under the Exchange Act and shareholders will continue to own their shares of Company common stock.

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SUMMARY

The Companies Involved in the Merger (see page 11)

Vectren Corporation

One Vectren Square

211 N.W. Riverside Drive

Evansville, Indiana 47708

(812) 491-4000

The Company, an Indiana corporation, is an energy holding company headquartered in Evansville, Indiana. Our wholly owned subsidiary, Vectren Utility Holdings, Inc. (VUHI), serves as the intermediate holding company for three public utilities: Indiana Gas Company, Inc. (Indiana Gas), Southern Indiana Gas and Electric Company (SIGECO), and Vectren Energy Delivery of Ohio, Inc. (VEDO). VUHI also has other assets that provide information technology and other services to the three utilities. VUHI s consolidated operations are collectively referred to as the Utility Group. Both the Company and VUHI are holding companies as defined by the Energy Policy Act of 2005. The Company was incorporated under the laws of Indiana on June 10, 1999.

Indiana Gas provides energy delivery services to approximately 603,000 natural gas customers located in central and southern Indiana. SIGECO provides energy delivery services to approximately 146,000 electric customers and approximately 112,000 gas customers located near Evansville in southwestern Indiana. SIGECO also owns and operates electric generation assets to serve its electric customers and optimizes those assets in the wholesale power market. Indiana Gas and SIGECO generally do business as Vectren Energy Delivery of Indiana. VEDO provides energy delivery services to approximately 323,000 natural gas customers located near Dayton in west-central Ohio.

The Company, through Vectren Enterprises, Inc. (Enterprises), is involved in nonutility activities in two primary business areas: Infrastructure Services and Energy Services. Infrastructure Services provides underground pipeline construction and repair services. Energy Services provides energy performance contracting and sustainable infrastructure, such as renewables, distributed generation, and combined heat and power projects. Enterprises also has other legacy businesses that have investments in energy-related opportunities and services and other investments. All of the above is collectively referred to as the Nonutility Group. Enterprises supports our regulated utilities by providing infrastructure services.

Additional information about us and our subsidiaries is included in documents incorporated by reference in this proxy statement. See Where You Can Find More Information beginning on page 81.

CenterPoint Energy, Inc.

1111 Louisiana

Houston, Texas 77002

(713) 207-1111

CenterPoint Energy, a Texas corporation, is a public utility holding company. CenterPoint Energy s operating subsidiaries own and operate electric transmission and distribution and natural gas distribution facilities, supply natural gas to commercial and industrial customers and electric and natural gas utilities and own interests in Enable Midstream Partners, LP (Enable).

CenterPoint Energy s reportable business segments are Electric Transmission & Distribution, Natural Gas Distribution, Energy Services, Midstream Investments and Other Operations. CenterPoint Energy serves more

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than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas, with more than 8,000 employees. CenterPoint Energy and its predecessor company have been in business for more than 150 years.

Pacer Merger Sub, Inc.

10 West Market Street

2700 Market Tower

Indianapolis, Indiana 46204

(713) 207-1111

Merger Sub is an Indiana corporation and wholly owned subsidiary of CenterPoint Energy. Pursuant to the merger agreement, subject to the satisfaction or waiver of certain conditions, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation in the merger and a wholly owned subsidiary of CenterPoint Energy. Merger Sub has not carried on any activities to date, except for activities incidental to its incorporation and activities undertaken in connection with the merger.

The Proposed Merger (see page 16)

Under the terms of the merger agreement, Merger Sub, a wholly-owned subsidiary of CenterPoint Energy, will merge with and into the Company with the Company continuing as the surviving corporation in the merger and becoming a wholly owned subsidiary of CenterPoint Energy. The merger will be completed only after the satisfaction or waiver, if applicable, of the conditions to the completion of the merger discussed below.

The merger agreement is attached as *Annex A* to this proxy statement. We encourage you to read the merger agreement carefully and fully, as it is the legal document that governs the merger.

Effects of the Merger; Merger Consideration (see page 16)

On and subject to the terms and conditions set forth in the merger agreement, at the effective time of the merger, each share of common stock, no par value, of the Company (Company common stock) issued and outstanding immediately prior to the effective time shall be cancelled and converted into the right to receive $72.00 in cash, without interest (the merger consideration). At or immediately prior to the effective time, each stock unit payable in Company common stock or whose value is determined with reference to the value of Company common stock, whether vested or unvested, will be cancelled at the effective time with cash consideration paid therefor in accordance with the terms of the merger agreement. In addition, while it is not part of the merger consideration, you will continue to be entitled to receive any dividends declared by us prior to the completion of the merger, including a stub period dividend with respect to the period between the last quarterly dividend paid by us and the effective time of the merger.

Material U.S. Federal Income Tax Consequences of the Merger (see page 41)

If you are a U.S. holder (as defined in Material U.S. Federal Income Tax Consequences of the Merger), the receipt of cash in exchange for shares of Company common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder of Company common stock who receives cash in the merger generally will recognize gain or loss in an amount equal to the difference, if any, between (1) the amount of cash received and

(2) such U.S. holder s adjusted tax basis in the shares of Company common stock exchanged therefor. Such gain or loss generally will constitute capital gain or loss and will constitute long-term capital gain or loss if the U.S. holder s holding period for the Company common stock exchanged is more than one year as of the closing date of the merger.

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You should consult your own tax advisors regarding the particular tax consequences to you of the exchange of shares of Company common stock for cash pursuant to the merger in light of your particular circumstances (including the application and effect of any federal, state, local, or foreign tax laws).

No Dissenters Rights (see page 13)

Under Indiana law, our shareholders are not entitled to dissenters rights in connection with the merger.

Treatment of Company Equity Awards (see page 53)

Each stock unit of the Company subject to time-based vesting under our stock plan that is outstanding immediately prior to the effective time of the merger (other than the stock units granted in May 2018 or the 2019 fiscal year, as described below) will vest in full and be cancelled and exchanged for a cash payment in an amount equal to the cash consideration payable pursuant to the merger *plus* the amount of any unpaid dividend equivalents associated with such stock units as of the effective time of the merger, *less* withholding with respect to applicable taxes.

Each performance unit of the Company for which the applicable performance period has ended prior to the effective time of the merger that is outstanding and unpaid prior to the effective time (unpaid performance units) will be cancelled and exchanged for a cash payment in an amount equal to the cash consideration payable pursuant to the merger, with the number of vested unpaid performance units of the Company as of the effective time of the merger to equal the number determined in accordance with the performance criteria and adjusted for dividends as provided in the applicable award agreement, *less* withholding with respect to applicable taxes.

Each performance unit of the Company, other than unpaid performance units or any performance units that may be granted in the 2019 fiscal year, granted pursuant to our stock plan, that is outstanding and unvested immediately prior to the effective time of the merger will vest in full and be cancelled and exchanged for a cash payment in an amount equal to the cash consideration payable pursuant to the merger, with the number of vested performance units as of the effective time of the merger to equal the greater of the target award and the number determined in accordance with the performance criteria provided in the applicable award agreement as if the performance period ended on the last business day immediately preceding the closing date and adjusted for dividends as provided in the applicable award agreement, *less* withholding with respect to applicable taxes.

Each outstanding stock unit granted in May 2018 (May 2018 stock units) or in the 2019 fiscal year (2019 stock units, and together with the May 2018 stock units, May 2018 or 2019 stock units) will be cancelled immediately prior to the effective time and exchanged for a cash payment in an amount equal to the cash consideration payable pursuant to the merger, with the number of vested May 2018 or 2019 stock units to be based on the target award pro-rated based upon the closing date and adjusted for dividends as provided in the applicable award agreement (with any unvested portion cancelled), *less* withholding with respect to applicable taxes.

Each contractual right to receive the value of a share of our common stock under our nonqualified deferred compensation plan that is outstanding immediately prior to the effective time of the merger will be cancelled and exchanged for a cash payment in an amount equal to the cash consideration payable pursuant to the merger, *less* withholding with respect to applicable taxes; provided, however, that payment will occur on the date that it would otherwise occur under our nonqualified deferred compensation plan.

After the effective time of the merger, our stock plan will be terminated and no further awards will be granted pursuant to such plan.

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Dividends (see page 72)

We declared a dividend for the three months ended March 31, 2018 of $0.45 per share of common stock, reflecting an annualized dividend of $1.80 per share. We declared quarterly dividends of $0.42 per share of common stock for each of the first three quarters of 2017 and declared a quarterly dividend of $0.45 per share of common stock for the last quarter of 2017.

Under the terms of the merger agreement, we have agreed not to declare dividends, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property or any combination thereof) in respect of, any of our capital stock, other equity interests or voting securities, except for (1) quarterly cash dividends payable by us in respect of shares of Company common stock on a schedule consistent with our past practices at the current payment rate of $0.45 for quarterly dividends declared before October 31, 2018 and at the increased payment rate of $0.48 for quarterly dividends declared on or after October 31, 2018, (2) dividend equivalents accrued or payable by us in respect of Company stock units payable in shares of Company common stock or whose value is determined with reference to the value of shares of Company common stock granted under the Company stock plan, (3) dividends and distributions by a direct or indirect Company subsidiary to us or a wholly-owned Company subsidiary and (4) a stub period dividend to holders of record of Company common stock as of immediately prior to the effective time of the merger equal to the product of (x) the number of days from the record date for payment of the last quarterly dividend paid by us prior to the effective time of the merger, multiplied by (y) a daily dividend rate determined by dividing the amount of the last quarterly dividend prior to the effective time of the merger by ninety-one.

Accounting Treatment (see page 41)

The merger will be accounted for following the acquisition method of accounting under Accounting Standards Codification Topic 805, *Business Combinations*.

Approvals Required by Shareholders in Connection with the Proposals (see page 13)

The holders of the outstanding shares of our common stock are entitled to one vote for each share held of record on each matter presented to a vote at the special meeting. However, unless the holder personally appears and votes at the special meeting, shares for which no proxy is returned (whether registered in the name of the actual holder or in the name of a bank, broker or nominee) will not be voted. Only shareholders of record at the close of business on [ ], 2018 will be entitled to vote at the special meeting or at any adjournment of the special meeting.

The following approvals are required by our shareholders in order to approve the proposals at the special meeting in connection with the merger:

The affirmative vote of the holders of a majority of all of the outstanding shares of our common stock entitled to vote at the special meeting is required to approve the merger agreement and the transactions contemplated thereunder, including the merger;

Votes cast by the holders of the outstanding shares of our common stock represented (in person or by proxy) at the special meeting and entitled to vote on such proposal for approval must exceed votes cast against approval in order to approve the proposal on compensation that will or may become payable by us to our named executive officers (NEOs) in connection with the merger (the Merger-Related Compensation

proposal). Because the vote on the Merger-Related Compensation proposal is advisory only, it will not be binding on us. Accordingly, if the Merger proposal is adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of our shareholders; and

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