

VERSAR INC
Form 4
April 12, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MARKELS MICHAEL JR

(Last) (First) (Middle)

6850 VERSAR CENTER

(Street)

SPRINGFIELD, VA 22151

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VERSAR INC [VSR]

3. Date of Earliest Transaction
(Month/Day/Year)
04/10/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			By
Common Stock	04/10/2006	04/10/2006	S ⁽¹⁾	1,500 D \$ 4.25	410,400	I	Immediate Family
Common Stock					376,031 ⁽²⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

William R. Krieble

Ronald K. Rich

28

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by, or paid to the chief executive officer, the chief financial officer and the three most highly compensated executive officers other than the chief executive officer and the chief financial officer (collectively, the “Named Executive Officers”) during the years ended December 31, 2018, 2017 and 2016.

Name and Principal Position	Year	Salary (\$)	Stock Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽²⁾ (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
Norman L. Lowery, Chief Executive Officer, First Financial Bank, N.A. and First Financial Corporation	2,018	679,730	427,031	340,988	353,300	122,230	1,923,279
	2,017	673,000	431,983	330,853	897,221	181,897	2,514,954
	2,016	654,300	389,223	329,717	—	136,177	1,509,417
Rodger A. McHargue, Chief Financial Officer, First Financial Bank, N.A. and First Financial Corporation	2,018	277,803	(5)105,494	106,416	111,876	25,806	627,395
	2,017	253,030	101,572	94,180	226,257	31,713	706,752
	2,016	232,500	85,892	80,482	54,872	25,082	478,828
Steven H. Holliday, Chief Credit Officer First Financial Bank, N.A. and First Financial Corporation	2,018	238,513	(6)97,978	87,534	—	35,802	459,827
	2,017	231,347	96,622	90,277	—	43,325	461,571
	2,016	221,400	85,364	84,259	—	40,246	431,269
Norman D. Lowery, Chief Operating Officer, First Financial Bank, N.A. and First Financial Corporation	2,018	297,132	112,600	112,654	97,975	29,644	650,005
	2,017	270,120	105,028	102,767	150,959	35,472	664,346
	2,016	240,400	85,364	83,833	—	25,579	435,176
Karen L. Milienu, Director of Branch Banking, First Financial Bank, N.A.	2,018	214,217	41,268	46,932	95,088	16,462	413,967
	2,017	194,743	38,247	40,726	173,488	18,807	466,011
	2,016	175,200	31,707	35,339	53,696	15,313	311,255

The amounts in this column represent the aggregate grant date fair values of the restricted stock awarded in 2018 based on prior years’ performance, determined pursuant to FASB ASC Topic 718. These amounts do not reflect (1) whether the recipient will realize a financial benefit from the awards (such as becoming vested over the three-year graded vesting period). The grant date fair values have been determined based on the assumptions and methodologies set forth in the Corporation’s 2018 Annual Report on Form 10-K (note [16]).

(2) The amounts in this column reflect amounts earned under the STIP.

The amounts in this column do not reflect amounts paid. The amounts reflect the actuarial increase in the present value of the named executive officers’ benefits under the Pension Plan and our nonqualified defined benefit plans (3) (“ESRP” and “2005 ESRP”), determined using interest rate and mortality rate assumptions consistent with those used in the Corporation’s financial statements.

Explanation of Responses:

For 2018, includes (i) the premiums paid by the Corporation pursuant to a life insurance program for named executive officers of \$31,738 for Norman L. Lowery, \$3,477 for Mr. McHargue, \$4,140 for Mr. Holliday, \$683 for Mr. Norman D. Lowery and \$600 for Ms. Milienu; (ii) amounts contributed by the Corporation under the 2005 non-qualified defined contribution plan ("2005 EDC"), which were \$52,278 for Norman L. Lowery, \$4,248 for Mr. McHargue, \$1,796 for Mr. Holliday and \$5,831 for Norman D. Lowery; (iii) dividends on restricted stock which were \$14,949 for Norman L. Lowery, \$3,563 for Mr. McHargue, \$3,400 for Mr. Holliday, \$3,686 for Mr. Norman D. Lowery and \$1,352 for Ms. Milienu; (iv) miscellaneous perquisites of less than \$10,000; and (v) ESOP account allocations as follows: \$13,750 for Mr. Norman L. Lowery; \$13,750 for Mr. McHargue; \$13,750 for Mr. Norman D. Lowery; \$8,250 for Mr. Holliday; and \$12,860 for Ms. Milienu. Also includes \$11,000 for Mr. Holliday for the 401(k) matching contribution.

(4) Includes \$4,800 for service as a director of Portfolio Management Specialist A (a subsidiary of the Bank), Portfolio Management Specialist B (an indirect subsidiary of the Bank) and Global Portfolio Limited Partnership (an indirect subsidiary of the Bank), and \$500 for service as a director of FFB Risk Management Company, Inc. (a subsidiary of the Corporation).

(5) Includes \$200 for service as a manager of First Financial Real Estate LLP (a real estate investment trust of the Bank).

Grants of Plan-Based Awards

The following table sets forth the plan-based grants during the fiscal year ended December 31, 2018, consisting of opportunities for cash awards under the 2011 Short-Term Incentive Compensation Plan (the “2011 STIP”) and equity grants under the 2011 Omnibus Equity Incentive Plan (the “2011 EIP”), which are discussed in more detail in the “Compensation Discussion and Analysis” section of this Proxy Statement.

Name	Grant Date	Plan Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽²⁾	Mean Market Price on Grant Date (\$/Sh)	Grant Date Fair Value of Stock Awards ⁽³⁾ (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)			
Norman L. Lowery	2/3/2018	2011 STIP	252,316	315,395	394,244			
		2011 EIP				9,375	45.55	427,031
Rodger A. McHargue	2/3/2018	2011 STIP	77,785	97,231	116,677			
		2011 EIP				2,316	45.55	105,494
Steven H. Holliday	2/3/2018	2011 STIP	66,728	83,410	100,092			
		2011 EIP				2,151	45.55	97,978
Norman D. Lowery	2/3/2018	2011 STIP	83,197	103,996	124,795			
		2011 EIP				2,472	45.55	112,600
Karen L. Milienu	2/3/2018	2011 STIP	42,843	53,554	58,909			
		2011 EIP				906	45.55	41,268

The amounts in these columns represent the threshold, target and maximum fiscal year 2018 awards available under the 2011 STIP. To receive a payout under the 2011 STIP, a participant must remain employed with the Corporation through the date payment is made, which is within 75 days of the end of the performance period,

(1) except in the case of death, disability, retirement, termination without cause or resignation for good reason, which terms are defined in the 2011 STIP. The amounts in these columns represent award opportunities; the actual amount of the award earned for 2018 for each named executive officer is included under the column “Non-Equity Incentive Plan Compensation” of the Summary Compensation Table.

The amounts in this column represent restricted stock awards granted in 2018 based on performance during 2017.

The shares vest in three substantially equal installments on December 31, 2018, 2019 and 2020. Vesting is contingent upon the executive officers remaining employed during the required service period, unless employment (2) terminates due to death, disability, termination, by the Corporation without cause, resignation for good reason, or retirement (each as defined in the 2011 EIP), in which case the restricted stock award vests in full. No automatic acceleration of vesting occurs upon a change in control. Award recipients are entitled to dividends on the restricted shares during the vesting period.

(3) The grant date fair value of the restricted stock awards reported in this column is the grant date value of the awards as determined under FASB ASC Topic 718.

Explanation of Responses:

Outstanding Equity Awards at Fiscal Year-End

Name	Stock Awards	
	Number of Shares of Stock That Have Not Vested ⁽¹⁾	Market Value of Shares of Stock That Have Not Vested ⁽²⁾
Norman L. Lowery	9,333	\$374,720
Rodger A. McHargue	2,269	91,100
Norman D. Lowery	2,397	96,240
Steven H. Holliday	2,123	85,238
Karen L. Milienu	877	35,212

(1) These shares represent restricted stock awards that vest in installments on December 31, 2019 and December 31, 2020, provided the executive is still employed on such date(s). In the event of involuntary termination due to death, disability, termination without cause or resignation for good reason, or upon retirement after age 65, the awards will vest in full. No automatic acceleration of vesting occurs upon a change in control.

(2) The market value is based on \$40.15 per share, the closing price for our stock on December 31, 2018.

Option Exercises and Stock Vested in 2018

Name	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
Norman L. Lowery	10,218	\$410,253
Rodger A. McHargue	2,382	95,637
Norman D. Lowery	2,453	98,488
Steven H. Holliday	2,286	91,783
Karen L. Milienu	901	36,175

Pension Benefits

The table below shows the present value of accumulated benefits payable to each of the named executive officers, including the number of years of service credited to each named executive officer, under the Pension Plan, the ESRP, and the 2005 ESRP. The present value was based upon the accrued benefit as of December 31, 2018 and determined using interest rate and mortality rate assumptions consistent with those used in the Corporation's financial statements. The amounts shown do not reflect amounts actually paid or payable to the named executive officer. Benefits are not payable as a lump sum but are generally paid as a monthly annuity for the life of the retiree.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit (\$) ⁽¹⁾	Payments During Last Fiscal Year
Norman L. Lowery	Qualified Pension Plan	23	1,861,004 ⁽²⁾	—
	ESRP	23	1,291,031 ⁽³⁾	—
	2005 ESRP	23	2,883,055 ⁽³⁾	—
Rodger A. McHargue	Qualified Pension Plan	25	1,015,823 ⁽²⁾⁽⁴⁾	—
	2005 ESRP	25	215,349 ⁽³⁾	—
Steven H. Holliday	Qualified Pension Plan	7	—	—
	2005 ESRP	7	—	—
Norman D. Lowery	Qualified Pension Plan	29	530,775 ⁽²⁾	—
	2005 ESRP	29	208,165 ⁽³⁾	—
Karen L. Milienu	Qualified Pension Plan	21	826,125 ⁽²⁾⁽⁴⁾	—

(1) The calculation of present value of accumulated benefit assumes a discount rate of 4.22% and mortality based on the RP-2014 Mortality Table projected generationally using Mortality Improvement Scale MP-2018.

(2) These amounts represent the amount that Messrs. Norman L. Lowery, McHargue, Norman D. Lowery, and Ms. Milienu's Pension Plan benefit exceeds their ESOP benefit pursuant to offset arrangements.

(3) This amount represents the amount by which Messrs. Norman L. Lowery, McHargue, and Norman D. Lowery's Executive Supplemental Retirement benefit exceeds his Executive Deferred Compensation benefit.

Mr. McHargue and Ms. Milienu were over 55 years of age and had more than five years of service as of (4) December 31, 2018, and would have qualified for early retirement benefits equal to approximately 57% and 60% respectively of the full retirement benefit if either had retired on December 31, 2018.

The benefits provided under the Pension Plan are based on the executive officers' years of credited service and final average compensation, and are targeted to provide an annual retirement annuity equal to approximately 66% of final average compensation for retirement at age 65 with 25 years of service. Actuarial adjustment is made for payments commencing before or after age 65. Final average compensation is based on the five consecutive years over the last

ten in which amount of base salary and bonus were the highest. The actual benefit payable under the Pension Plan is subject to offset (reduction) by the benefits provided under the ESOP.

Applicable IRS rules limit the amount of benefits that may be accrued under a qualified plan, such as the Pension Plan. The benefits provided under the ESRP and 2005 ESRP are intended to provide benefits that would be paid under the Pension Plan but for such limitations. These benefits are subject to offset by the benefits payable under the Executive Deferred Compensation Plan ("EDC") and the 2005 EDC described below.

31

Nonqualified Deferred Compensation for 2018

Pursuant to the 2005 EDC, we permit certain executive officers and highly compensated employees to defer a portion of their current compensation and also provide supplemental benefits to certain highly compensated employees to recompense the employees for benefits lost due to the imposition of Code limitations in the ESOP. The amounts shown below represent the accumulated benefit cost to the Corporation for these plans. The table also shows amounts which were earned and deferred under the 2001 LTIP and 2005 LTIP.

Name	Plan Name	Executive Contributions in last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$) ⁽¹⁾	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$)
Norman L. Lowery	EDC 2005	—	—	(5,729)	—	601,229
	EDC 2001	—	52,278	(95,006)	—	623,951
	LTIP 2005	—	—	62,508	140,228	862,115
	LTIP 2005	—	—	99,847	223,992	1,377,093
	EDC 2005	—	4,248	(702)	—	10,787
Rodger A. McHargue	EDC 2005	—	—	13,919	25,286	194,733
	LTIP 2005	—	1,796	(506)	—	6,708
Steven H. Holliday	EDC 2005	—	5,831	(1,073)	—	15,753
	EDC 2001	—	—	8,998	16,347	125,888
Norman D. Lowery	LTIP 2005	—	—	13,919	25,286	194,733
	LTIP 2001	—	—	8,998	16,347	125,888
Karen L. Milienu	LTIP 2005	—	—	13,919	25,286	194,733
	LTIP 2001	—	—	8,998	16,347	125,888

(1) These amounts are included in the named executive officer's compensation in the Summary Compensation Table. Employment Agreements

Employment Agreement with Norman L. Lowery. Norman L. Lowery has been party to a series of employment agreements with the Corporation and the Bank pursuant to which he is employed as President and Chief Executive Officer of the Corporation and the Bank. Our employment agreements with Mr. Lowery provide for a fixed term and do not automatically renew. The material terms of his current agreement, dated July 1, 2018, are summarized as follows:

Term: The agreement is effective as of July 1, 2018, and is for an initial period of 24 months. The term may be extended for one-year periods by the Compensation Committee. On February 5, 2019, the Committee extended the term to July 1, 2021.

•

Explanation of Responses:

Base Compensation: The agreement provides for an initial base salary of \$679,730, which may be increased from time to time. Prior to a change-in-control, base salary may be decreased if the Corporation's operating results are significantly less favorable than those for the fiscal year ended December 31, 2017, and the Corporation makes similar decreases in the base salaries of the other executive officers. Mr. Lowery is entitled to participate in other compensation programs and benefits as provided to other senior officers of the Corporation and as provided in the agreement.

Restrictive Covenants: To protect the Corporation and our business, the agreement obligates Mr. Lowery to comply with non-solicitation, non-competition, and non-disclosure requirements. In general, the non-solicitation and non-competition remain in effect for one year after termination of employment for any reason.

Termination for Cause, Death or Disability: If employment is terminated for "cause" (as defined in the agreement), death, or disability, Mr. Lowery (or his estate) is entitled only to his base salary, bonuses, vested rights, and other benefits due to him through his date of termination or, in the case of death, the last day of the month of death. Any benefits payable under insurance, health, retirement, bonus, incentive, performance or other plans as a result of his participation in such plans through the date of termination will be paid in accordance with those plans.

Termination Due to Retirement: Upon retirement, Mr. Lowery will receive life and disability coverage for himself and lifetime Medicare supplemental coverage for himself and his spouse. He is also entitled to receive a life insurance policy on his life in the amount established by the Bank's insurance program for executive officers and a life insurance policy insuring his life in the maximum amount established by the Company's group life insurance plan from time to time (currently \$350,000.00).

Termination by Corporation Without Just Cause or by Employee for Good Reason: If Mr. Lowery is terminated without “just cause,” or if he terminates his employment for “good reason” (as defined in the agreement), and such termination does not occur in connection with, or within 12 months after a “change in control” (as defined in the agreement), he will receive an amount equal to the sum of the following amounts he would have received through the expiration date of the agreement: (i) his base salary and bonuses (based on prior year bonus); (ii) premiums for full supplemental Medicare coverage, at no cost to him or his spouse, at the best level available, including prescription drug coverage for both him and his spouse; (iii) the cost of obtaining certain other benefits; (iv) the cost of professional and club dues, (v) the cost of continuing legal education; (vi) the cost of automobile benefits; (vii) benefits under the Pension Plan and ESRP based on the most recent year’s accruals; and (viii) benefits under the ESOP and 2005 EDC based on the most recent year’s contributions. The amounts provided in the prior sentence will be provided net of all income and payroll taxes that would not have been payable by Mr. Lowery had he continued participation in the benefit plan or program instead of receiving cash reimbursement.

Termination Following Change in Control: If there is a “change in control” (as defined in the agreement), and in connection with or within 12 months following the “change in control” Mr. Lowery’s employment is terminated for other than “just cause” or he resigns for “good reason,” then following such termination he would be entitled to an amount equal to the greater of the (i) amount he would receive if he was terminated by the Corporation without just cause as described above, or (ii) the product of 2.99 times the sum of (A) his base salary in effect as of the date of the change in control; (B) an amount equal to any annual discretionary or performance-based incentive bonus received by or payable to him in the calendar year prior to the year in which the change in control occurs; and (C) cash reimbursement in an amount equal to his cost of obtaining certain benefits which he was eligible to participate in or receive as of the date of termination. If, as a result of a change in control, Mr. Lowery becomes entitled to any payments which are determined to be payments subject to the Code Section 280G, then his benefit will be equal to the greater of his benefit under the agreement reduced to the maximum amount payable such that when it is aggregated with payments and benefits under all other plans and arrangements it will not result in an “excess parachute payment” under Code Section 280G, or his benefit under the agreement after taking into account the amount of the excise tax imposed under Code Section 280G due to the benefit payment. Mr. Lowery is not entitled to any excise tax “gross up” payments under the terms of the agreement.

To comply with Section 409A, certain payments to Mr. Lowery following termination of employment may be delayed until six months following his termination of employment.

Employment Agreements with Norman D. Lowery, Rodger A. McHargue, Steven H. Holliday and Karen L. Milienu.

We have entered into employment agreements with our other named executive officers, which became effective January 1, 2019. Each of Norman D. Lowery, Rodger A. McHargue and Steven H. Holliday has an employment agreement with the Corporation and the Bank and Karen L. Milienu has an employment agreement with the Bank.

The agreements have substantially similar terms, which are summarized as follows:

Term: Each agreement has an initial period of 12 months. The term may be extended for one-year periods by the Compensation Committee. The Compensation Committee has approved extensions of these agreements through December 31, 2018.

Base Compensation: The agreements set forth for the following base salaries for 2019 which may be increased from time to time: Norman D. Lowery - \$330,000, Rodger A. McHargue - \$287,000, Steven H. Holliday - \$250,228 and Karen L. Milienu - \$220,858. The executives’ salaries may be increased from time to time. Prior to a change-in-control, base salary may be decreased if the Corporation’s operating results are significantly less favorable than those for the fiscal year ended December 31, 2018, and the Corporation makes similar decreases in the base salaries of the other executive officers. The executives are entitled to participate in other compensation programs and benefits as provided to other senior officers of the Corporation and as provided in the employment agreements.

Restrictive Covenants: To protect the Corporation and our business, the agreements obligate the executives to comply with non-solicitation, non-competition, and non-disclosure requirements. In general, the non-solicitation and non-competition remain in effect for one year after termination of employment for any reason.

33

Termination for Death or Disability: If employment is terminated for death or disability, the executive (or his or her estate) is entitled only to his or her base salary, bonuses, vested rights, and other benefits due through the date of termination or, in the case of death, the last day of the month of death. Any benefits payable under insurance, health, retirement, bonus, incentive, performance or other plans as a result of his participation in such plans through the date of termination will be paid in accordance with those plans.

Termination by Corporation Without Just Cause or by Employee for Good Reason: If the executive is terminated without “just cause,” or if he or she terminates his or her employment for “good reason” (as defined in the agreements), and such termination does not occur in connection with, or within 12 months after a “change in control” (as defined in the agreements), the executive will receive an amount equal to the sum of the following amounts: (i) base salary and bonuses (based on bonus in the year prior to termination), (ii) the cost of obtaining certain benefits, (iii) the cost of professional and club dues and (iv) the cost of automobile benefits. The amounts provided in the prior sentence will be provided net of all income and payroll taxes that would not have been payable by the executive had he or she continued participation in the benefit plan or program instead of receiving cash reimbursement.

Termination Following Change in Control: If there is a “change in control” (as defined in the agreements), and in connection with or within 12 months following the “change in control” the executive’s employment is terminated for other than “just cause” or he resigns for “good reason,” then following such termination the executive would be entitled to an amount equal to the greater of the (i) amount he or she would receive if he or she was terminated by the Corporation without just cause as described above, or (ii) the product of one times the sum of (A) base salary in effect as of the date of the change in control; (B) an amount equal to any bonus received by or payable in the calendar year prior to the year in which the change in control occurs; and (C) cash reimbursement in an amount equal to his or her cost of obtaining certain benefits which he or she was eligible to participate in or receive as of the date of termination. If, as a result of a change in control, the executive becomes entitled to any payments that are determined to be payments subject to the Code Section 280G, then the benefit will be equal to the greater of his or her benefit under the agreement reduced to the maximum amount payable such that when it is aggregated with payments and benefits under all other plans and arrangements it will not result in an “excess parachute payment” under Code Section 280G, or his or her benefit under the agreement after taking into account the amount of the excise tax imposed under Code Section 280G due to the benefit payment. The executives are not entitled to any excise tax “gross up” payments under the terms of the agreements.

To comply with Section 409A, certain payments to the executives following termination of employment may be delayed until six months following termination of employment.

Potential Payments Upon Termination or Change in Control

The following table sets forth the incremental retirement, cash severance and stock awards payable to each named executive officer under the specifically described scenarios as if retirement, termination of employment or change in control-related termination occurred as of December 31, 2018. No amounts are shown for the occurrence of a change in control without termination of employment, because no automatic acceleration of outstanding stock awards or other amounts arise upon a change in control.

The amounts shown in the table do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment, such as accrued salary and vacation pay, or payments of vested amounts under the qualified and nonqualified pension plans and deferred compensation plans. Amounts attributable to the 2011 EIP are based upon the \$40.15 closing price for our common stock on December 31, 2018.

Name	Plan Name	Termination Due to Retirement (\$) ⁽¹⁾	Termination by Corporation Without Cause or by Executive for Good Reason (\$) ⁽²⁾	Termination by Corporation Without Cause or by Executive for Good Reason Within 12 Months After Change in Control (\$) ⁽³⁾
Norman L. Lowery	2011 EIP	374,720	—	—
	Employment Agreement	217,938	3,004,746 ⁽⁴⁾	5,874,162 ⁽⁵⁾
Rodger A. McHargue	2011 EIP	—	91,100	91,100
	Employment Agreement	—	516,460 ⁽⁶⁾	516,460 ⁽⁶⁾
Steven H. Holliday	2011 EIP	—	85,238	85,238
	Employment Agreement	—	361,347 ⁽⁷⁾	361,347 ⁽⁷⁾
Norman D. Lowery	2011 EIP	—	96,240	96,240
	Employment Agreement	—	525,483 ⁽⁸⁾	525,483 ⁽⁸⁾
Karen L. Milienu	2011 EIP	—	35,212	35,212
	Employment Agreement	—	395,122 ⁽⁹⁾	395,122 ⁽⁹⁾

As of December 31, 2018, only Mr. Norman L. Lowery had attained retirement age. The amounts shown in this column for the 2011 EIP reflect the value of outstanding restricted stock awards which would vest upon retirement, and for the Employment Agreement include the value of continuation of Medicare supplemental coverage and life insurance benefits.

Amounts in this column reflect the severance benefits and the value of accelerated vesting of restricted stock that would become payable upon termination without cause or resignation for good reason. For Mr. Norman L. Lowery, the amounts shown in this column are in addition to the amounts to which he would be entitled upon retirement described in footnote (1) above. For the other NEOs, the 2011 EIP amount reflects the value of outstanding restricted stock awards which would vest in full upon termination without cause or resignation for good reason.

Amounts in this column reflect the severance benefits and the value of accelerated vesting of restricted stock that would become payable if the termination without cause or resignation for good reason was in connection with a change in control. For Mr. Norman L. Lowery, the amounts shown in this column are in addition to the amounts to which he would be entitled upon retirement described in footnote (1) above. For the other NEOs, the 2011 EIP amount reflects the value of outstanding restricted stock awards which would vest in full upon termination without cause or resignation for good reason.

This cash severance amount consists of (a) 1.5 times (i) 2018 annual base salary of \$679,730 and 2017 STIP bonus of \$330,853, (ii) annual amounts paid for dues and professional associations, automobile allowance and continuing education of \$13,568, and (iii) annual ESOP and EDC contributions of \$98,690, plus (b) pension accruals of \$1,252,085. Also includes \$124,530 to reimburse taxes due on payments for benefits that would not be taxable if provided in connection with continuing employment.

This cash severance amount consists of (a) 2.99 times (i) 2018 annual base salary of \$679,730 and 2017 STIP bonus of \$330,853, (ii) annual amounts paid for dues and professional associations, automobile allowance and (5) continuing education of \$27,044, and (iii) annual ESOP and EDC contributions of \$196,721, plus (b) pension accruals of \$2,495,822. Also includes \$132,932 to reimburse taxes due on payments for benefits that would not be taxable if provided in connection with continuing employment.

(6) This cash severance amount consists of (a) 2018 annual base salary of \$272,503 and 2017 STIP bonus of \$94,180, (b) annual ESOP and EDC contributions of \$17,998, plus (c) pension accruals of \$131,779.

This cash severance amount consists of (a) 2018 annual base salary of \$238,313 and 2017 STIP bonus of \$90,277, (7)(b) annual amounts paid for dues and professional associations, automobile allowance and continuing education of \$7,214, and (c) annual ESOP and EDC contributions of \$10,046, plus (d) 401K match of \$11,000.

This cash severance amount consists of (a) 2018 annual base salary of \$297,132 and 2017 STIP bonus of \$102,767, (8)(b) annual amounts paid for dues and professional associations, automobile allowance and continuing education of \$4,485, and (c) annual ESOP and EDC contributions of \$19,581, plus (d) pension accruals of \$98,722.

This cash severance amount consists of (a) 2018 annual base salary of \$214,217 and 2017 STIP bonus of \$40,726, (9)(b) annual amounts paid for dues and professional associations, automobile allowance and continuing education of \$1,651, and (c) annual ESOP contribution of \$12,860, plus (d) pension accruals of \$124,639.

CEO PAY RATIO

As required by the Dodd-Frank Act of 2010, we disclose in this proxy statement the ratio of our CEO's compensation to that of our median employee. The pay ratio set forth below represents a reasonable estimate calculated in a manner consistent with the SEC's rules.

For purposes of calculating the pay ratio, the SEC's rules permit companies to use the employee identified as the median employee in 2017 as the median employee used for 2018 if there have been no changes in our employee population or employee compensation arrangements that we reasonably believe would result in a significant change in our pay ratio disclosure and no changes to the 2017 median employee's circumstances that would no longer make it appropriate to use that employee. There were no changes to our employee population or compensation program which we reasonably believe would result in a significant change in this pay ratio disclosure; however, our median employee had a change in circumstances in 2018. As permitted by the SEC's rules, we identified our median employee for 2018 as an employee whose compensation was substantially similar to the compensation of the 2017 median employee based upon the compensation measure we used to identify the 2017 median employee.

For our median employee, we combined all of the elements of such employee's compensation for 2018 in accordance with the SEC's rules, resulting in annual total compensation for our median employee of \$36,588. This amount includes the estimated value of such employee's health care benefits (estimated for the median employee at \$5,964). The annual total compensation of our CEO was \$1,923,279, which reflects the amount reported in the "Total" column of our 2018 Summary Compensation Table on page 28 and the value of the CEO's health care benefits (which are not included in the summary compensation table). As a result, our CEO to median employee pay ratio for 2018 was 53:1.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of February 25, 2019, there were 12,290,212 shares of our common stock issued and outstanding. The following table shows, as of February 25, 2019, the number and percentage of our common stock held by each person known to us to own beneficially more than five percent of the issued and outstanding common stock, by the executive officers named in the beneficial ownership table below and our directors, and by our executive officers and directors as a group. Unless otherwise specified, the address of each person listed is: One First Financial Plaza, P.O. Box 540, Terre Haute, Indiana 47808, and each person has sole voting and investment control of the shares specified.

Five Percent Shareholders, Directors, Nominee and Certain Executive Officers	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares
Directors and Named Executive Officers:		
W. Curtis Brighton	15,000	*
B. Guille Cox, Jr.	79,349 ⁽¹⁾	*
Thomas T. Dinkel	17,018	*
Anton H. George	3,868	*
Gregory L. Gibson	96,738	*
Steven H. Holliday	13,588 ⁽²⁾⁽¹⁰⁾	*
William R. Krieble	4,922	*
Norman D. Lowery	32,478 ⁽³⁾⁽¹⁰⁾	*
Norman L. Lowery	86,558 ⁽⁴⁾⁽¹⁰⁾	*
Rodger A. McHargue	19,295 ⁽⁵⁾⁽¹⁰⁾	*
Karen L. Milienu	9,378 ⁽⁶⁾⁽¹⁰⁾	*
Ronald K. Rich	4,050	*
William J. Voges	73,728 ⁽⁷⁾	*
All Executive Officers and Directors as a Group (14 persons)	458,541	3.73%
Five Percent Shareholders:		
BlackRock, Inc.	925,511 ⁽⁸⁾	7.53%
Princeton Mining Company, Inc.	1,179,074 ⁽⁹⁾	9.59%

*Less than 1%.

(1) Mr. Cox, as trustee, has the power to vote an additional 117,986 shares. These shares are not reflected in the number of shares or percent of class attributed to him in the above table.

(2) Includes 954 shares held for Mr. Holliday's account in the ESOP.

(3) Includes 7,363 shares held for Mr. Norman D. Lowery's account in the ESOP.

(4) Includes 10,046 shares held for Mr. Norman L. Lowery's account in the ESOP.

(5) Includes 5,514 shares held for Mr. McHargue's account in the ESOP.

(6) Includes 4,526 shares held for Ms. Milienu's account in the ESOP.

(7) Includes 53,421 shares held in trust. Mr. Voges, as Trustee, has the power to vote these shares.

Based solely on information provided by BlackRock, Inc. in a Schedule 13G/A filed with the SEC on February 4, (8) 2019. The Schedule 13G/A indicates that the reporting person has sole power to vote and/or dispose of all shares beneficially owned. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(9) Based solely on information provided by Princeton Mining Company, Inc. in a Schedule 13G filed with the SEC on February 7, 2019. The Corporation has been advised that the shares held by Princeton Mining Company, Inc. are voted by James O. McDonald, the Chairman of Princeton Mining Company, Inc., at the direction of its board of directors. The board of directors of Princeton Mining Company, Inc. is comprised of eight individuals: James O. McDonald; John Klotz; Norman L. Lowery, the Vice Chairman, President and Chief Executive Officer of the

Corporation; Rebecca Rozina; Diana Bell; Norman D. Lowery, the Chief Operating Officer of the Corporation; Sarah J. Lowery, the wife of Norman L. Lowery, who is the Vice Chairman, Chief Executive Officer and President of the Corporation; and Richard Shagley. The address of Princeton Mining Company, Inc. is State Road 46 South, Terre Haute, Indiana 47803.

Includes shares of restricted common stock of the Corporation issued to our named executive officers as award (10) opportunities under our 2011 EIP as follows: Mr. Norman L. Lowery, 19,771 shares; Mr. McHargue, 5,090 shares; Mr. Holliday, 4,543 shares;

Mr. Norman D. Lowery, 5,414 shares; and Ms. Milienu, 1,964 shares. Upon issuance, shares of restricted stock vest annually in one-third increments over a three-year period.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities and Exchange Act of 1934 requires the Corporation's directors and executive officers, and persons who beneficially own more than ten percent of a registered class of the Corporation's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Corporation common stock and other equity securities of the Corporation. Officers, directors and greater than ten percent shareholders are required by SEC regulations to furnish the Corporation with copies of all Section 16(a) reports they file. To the best knowledge of the Corporation, all executive officers, directors and greater than ten percent beneficial owners of the Corporation timely filed all statements of beneficial ownership required to be filed with the SEC in 2018, except for Forms 4 filed on November 5, 2018 with respect to transactions in shares by Mr. Voges in his capacity as trustee and Mr. N.D. Lowery to report a sale of shares of the Corporation on June 18, 2018. In making the foregoing disclosure, the Corporation has relied solely upon written representations of our directors and executive officers and copies of reports that directors, executive officers, and greater than 10% beneficial owners have filed with the SEC and provided to us.

PROPOSAL 2: NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION PAID TO NAMED EXECUTIVE OFFICERS

Our executive compensation philosophy seeks to provide a competitive compensation program that encourages current year performance and the creation of long-term shareholder value without exposing the Corporation to unreasonable risks, including credit, interest rate, liquidity, reputation, compliance and transition risk. Through our executive compensation program, we seek to:

- Attract, motivate and retain highly-qualified, talented executives who are focused on the long-term best interest of our shareholders;
- Drive performance relative to our financial goals, balancing short-term operational objectives with long-term strategic goals;
- Link the interest of our executives with those of our shareholders;
- Establish Corporate, Departmental and individual goals consistent with our strategic plan and budget that provide the basis for the annual and long-term award metrics used to measure our performance;
- Reward our executives for both company and individual performance;
- Align compensation and variable incentives with measurable, objective business results and appropriate risk management;
- Allow flexibility in responding to changing laws, accounting standards and business needs as well as the constraints and dynamic conditions in the markets in which we do business; and
- Implement and operate our executive compensation program to reinforce our philosophy of aligning compensation with our short-term and long-term goals and to minimize risk to our shareholders.

We currently maintain the following pay practices, which we believe enhance our pay-for-performance philosophy and further align our executives' interest with those of our shareholders.

WE HAVE THESE PRACTICES:

- Significant emphasis on performance based "at-risk" compensation;
- Incentive award metrics that are objective and tied to key company performance metrics;
- Equity awards granted based on performance and which vest over three years to promote retention;
- Incentive plans with threshold performance and associated payout levels, below which no incentive awards are paid. Threshold payouts for both the STIP and LTIP are 80% of target;
- Incentive plans with capped maximum payouts (125% of target for the STIP for the CEO, 120% of target for the STIP for the other NEOs and 150% of target for the LTIP for the CEO, 125% of target for the LTIP for the other NEOs);
- Maintain target total cash compensation for our Named Executive Officers which, in aggregate, is aligned with market-competitive levels;
- Share ownership guidelines (for executives and directors); and
- Compensation recoupment "claw-back" policy.

WE ALSO FOLLOW THESE PRACTICES:

- NO non-performance based incentive awards;
- NO hedging transactions by executive officers or directors;
- NO excise tax gross-ups in our named executive officers' employment agreements;
- NO automatic renewal ("evergreen") provisions in our named executive officers' employment agreements; and
- NO "single trigger" change in control severance.

The Compensation Committee believes our executive compensation program has achieved its intended results. The Compensation Committee believes our compensation is competitive with the pay practices of other financial institutions of comparable size and performance and has allowed us to attract and retain executives who make substantial contributions to our success. We believe the program aligns our executives' interest with those of our shareholders by providing a strong link between higher compensation and the attainment of pre-established objective

performance goals.

We urge our shareholders to read the Compensation Discussion and Analysis section of this proxy statement for a detailed discussion of our executive compensation programs and how they reflect our philosophy and our link to corporate performance.

39

We recognize executive compensation is important to our shareholders and we value their opinions on our compensation philosophy and programs. We are asking our shareholders to vote on an advisory basis to approve the compensation of our named executive officers as described in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our executive officers and the philosophy, policies and practices described in this proxy statement. This proposal, which is required by Section 14A of the Securities Exchange Act, is commonly known as a “Say-On-Pay” proposal and gives our shareholders the opportunity to express their views on our named executive officers’ compensation to the following resolution: RESOLVED, that the shareholders approve the 2018 compensation of the named executive officers, as disclosed in this proxy statement, pursuant to Item 402 of Regulation S-K of the Securities and Exchange Commission (including the Compensation Discussion and Analysis, the compensation tables and other narrative executive compensation disclosures).

The vote on this proposal is advisory, and therefore not binding on the Corporation, the Compensation Committee or our Board. To the extent there is any significant vote against the executive officer compensation proposal, however, we will consider our shareholders’ concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

In keeping with the preference expressed by our shareholders at the 2018 Annual Meeting of Shareholders, we will continue to hold the Say-on-Pay vote annually, and will hold the next Say-On-Pay vote at the 2020 Annual Meeting of Shareholders. Our shareholders will next have the opportunity to indicate their preference on the frequency of holding the Say-On-Pay vote at the 2023 Annual Meeting of Shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

PROPOSAL 3: RATIFICATION OF APPOINTMENT OF CROWE LLP AS THE CORPORATION'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At its March 5, 2019 meeting, the Audit Committee of the Board recommended and approved the appointment of Crowe LLP as the Corporation's independent registered public accounting firm to audit the books, records and accounts of the Corporation for 2019. The Corporation is seeking ratification of such action. Crowe LLP has been our independent registered public accounting firm since fiscal year 1999. Representatives of Crowe LLP are expected to be in attendance at the annual meeting and will be provided an opportunity to make a statement should they desire to do so and to respond to appropriate inquiries from the shareholders.

The Audit Committee is responsible for the appointment and oversight of the Company's independent registered public accounting firm. If shareholders do not ratify the selection of Crowe LLP as our independent registered public accounting firm, then the Audit Committee will reconsider the selection of Crowe LLP but may, nevertheless, continue to retain Crowe LLP. Even if the selection is ratified, the Audit Committee has the discretion to appoint a different registered public accounting firm at any time during the year if the Audit Committee determines that such change would be appropriate.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF CROWE LLP AS THE CORPORATION'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

MATTERS RELATING TO INDEPENDENT PUBLIC ACCOUNTING FIRM

Fees Paid to Crowe LLP

The following table sets forth the aggregate fees billed by Crowe for audit services rendered in connection with the consolidated financial statements and reports for fiscal year 2018 and fiscal year 2017 and for other services rendered during fiscal year 2018 and fiscal year 2017 on behalf of the Corporation and its subsidiaries, as well as all out-of-pocket costs incurred in connection with these services, which have been billed to the Corporation:

	2,018	2,017
Audit Fees	\$430,000	\$410,000
Audit-Related Fees	3,500	3,500
Tax Fees	98,940	113,900
All Other Fees	—	72,165
Total	\$532,440	\$599,565

Audit Fees. Consists of fees billed for professional services rendered for (i) the audit of the Corporation's consolidated financial statements, (ii) the integrated audit over internal controls as required under Section 404 of the Sarbanes-Oxley Act, (iii) the review of the interim condensed consolidated financial statements included in quarterly reports, (iv) the audit of the Captive Insurance Agency, (v) the services that are normally provided by Crowe in connection with statutory and regulatory filings or engagements, and (vi) attest services, except those not required by statute or regulation.

Audit-Related Fees. Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not reported under "Audit Fees." These services include accounting consultations for 2018 and 2017.

Tax Fees. Consists of tax compliance/preparation and other tax services. Tax compliance/preparation consists of fees billed for professional services related to federal and state tax compliance, and assistance with tax audits and appeals for the company and the captive insurance agency. Other tax services consist of fees billed for other miscellaneous tax consulting, planning, and required filings.

All Other Fees. All other fees for 2017 include SOX 404 and internal audit software licensing fees, as well as non-audit related consulting services related to an AML Model Validation Project.

41

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Public Accounting Firm

All of the fees and services described above under “audit fees,” “audit-related fees,” “tax fees” and “all other fees” were pre-approved by the Audit Committee. The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent public accounting firm. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent public accounting firm. Under the policy, pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. For each proposed service, the independent public accounting firm is required to provide detailed back-up documentation at the time of approval. The Audit Committee may delegate pre-approval authority to one or more of its members. Such member must report any decisions to the Audit Committee at the next scheduled meeting.

SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

Shareholders desiring to make a director nomination or a proposal for any business or matter to be presented at any annual meeting of shareholders of the Corporation must comply with the advance notice procedures provided in our by-laws. Those procedures are summarized below. Failure to comply with our by-law procedures and deadlines may preclude presentation of your proposal at an annual meeting. A complete copy of our by-laws was included as an exhibit to the Corporation's Form 8-K filed on August 24, 2012 and is available on the SEC's website at www.sec.gov.

Notice Deadline

Nominations for the election as directors and proposals for any business or matter to be presented at any annual meeting of shareholders may be made by any of our shareholders of record entitled to vote in the election of directors or on the business or matter to be presented, as the case may be. In order for a shareholder to make such a nomination or proposal, the Corporation's Secretary must receive notice thereof in writing not less than 120 days prior to the date of the annual meeting; provided, however, that in the event that less than 130 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders (which notice or public disclosure shall include the date of the annual meeting specified in our by-laws, if the annual meeting is held on such date), notice by the shareholder to be timely must be received by us no later than the close of the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

Inclusion in Our Proxy Materials

A shareholder who desires to include a proposal in our proxy soliciting materials relating to our 2020 annual meeting of shareholders must send the proposal in writing to Mr. Rodger A. McHargue, our Secretary, such that we receive it at our principal executive office at One First Financial Plaza, Terre Haute, Indiana 47808 no later than November 14, 2019. Any such proposal must be made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934.

Shareholder Nominations of Director Candidates

Each notice given by a shareholder with respect to a nomination for election as a director must set forth for each nominee: (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of the Corporation which are beneficially owned by such person, and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies for the election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected). The shareholder making the nomination must provide his or her name and record address and the class and number of shares of our stock beneficially owned by the shareholder, and will be asked to provide any other information relating to his or her nominee as may be reasonably requested by us.

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE 2019 ANNUAL MEETING

The SEC's e-proxy rules require companies to post their proxy materials on the internet and permit them to provide only a Notice of Internet Availability of Proxy Materials to shareholders. For this proxy statement, we have chosen to follow the SEC's "full set" delivery option, and therefore, although we are posting a full set of our proxy materials (this proxy statement and our Annual Report to Shareholders for the fiscal year ended December 31, 2018) online, we are also mailing a full set of our proxy materials to our shareholders. The Corporation's Proxy Statement for the 2019 Annual Meeting of Shareholders, Proxy Card and Annual Report to Shareholders for the fiscal year ended December 31, 2018, are available at www.first-online.com/proxy.

We are mailing a full set of our printed proxy materials to shareholders on or about March 13, 2019. On this date, all shareholders of record and beneficial owners will have the ability to access all of the proxy materials on the website referred to above. These proxy materials will be available free of charge.

HOUSEHOLDING

To reduce the expense of delivering duplicate proxy materials to our shareholders, we are relying on SEC rules that permit us to deliver only one proxy statement to multiple shareholders who share an address unless we receive contrary instructions from any shareholder at that address. This practice, known as “householding,” reduces duplicate mailings, saves printing and postage costs as well as natural resources and will not affect dividend check mailings. If you wish to receive a separate copy of the annual report or proxy statement, or if you wish to receive separate copies of future annual reports or proxy statements, please contact Rodger McHargue by phone at (812) 238-6000 or by mail at First Financial Corporation, One First Financial Plaza, P.O. Box 540, Terre Haute, Indiana 47808. We will deliver the requested documents promptly upon your request. If you and other shareholders of record with whom you share an address currently receive multiple copies of annual reports or proxy statements, or if you hold our stock in more than one account and, in either case, you wish to receive only a single copy of the annual report or proxy statement, please contact Rodger McHargue by phone at (812) 238-6000 or by mail at First Financial Corporation, One First Financial Plaza, P.O. Box 540, Terre Haute, Indiana 47808, with the names in which all accounts are registered and the name of the account for which you wish to receive mailings.

ADDITIONAL INFORMATION

Upon written request, the Corporation will provide without charge to each requesting shareholder a copy of the Corporation’s 2018 Annual Report on Form 10-K, which is required to be filed with the SEC. Address all requests to: Rodger A. McHargue, Chief Financial Officer and Secretary
First Financial Corporation
One First Financial Plaza
P.O. BOX 540
Terre Haute, Indiana 47808

OTHER MATTERS

As of the date of this Proxy Statement, the Corporation knows of no business that will be presented for consideration at the annual meeting other than the items referred to above. If any other matter is properly brought before the meeting for action by shareholders, proxies in the enclosed form returned to the Corporation will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the best judgment of the proxy holder.

By Order of the Board of Directors

/s/ Rodger A. McHargue
Chief Financial Officer and Secretary
March 13, 2019

