

Hillenbrand, Inc.
Form DEF 14A
January 08, 2013
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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 (Amendment No.)

Filed by the Registrant X

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Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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- Soliciting Material Pursuant to §240.14a-12

HILLENBRAND, INC.

(Name of Registrant as Specified In Its Charter)

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HILLENBRAND, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held February 27, 2013

The Annual Meeting of the shareholders of Hillenbrand, Inc. (the "Company") will be held at the Company's headquarters at One Batesville Boulevard, Batesville, Indiana 47006, on Wednesday, February 27, 2013, at 10:00 a.m. Eastern Standard Time, for the following purposes:

- (1) to elect two members to the Board of Directors;
- (2) to approve, by a non-binding advisory vote, the compensation paid by the Company to its Named Executive Officers;
- (3) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm;
and
- (4) to transact such other business as may properly come before the meeting and any postponement or adjournment of the meeting.

By Order of the Board of Directors,

John R. Zerkle
Secretary

January 8, 2013

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HILLENBRAND, INC.

PROXY STATEMENT

This proxy statement relates to the solicitation by the Board of Directors of Hillenbrand, Inc. (the Company or Hillenbrand) of proxies for use at the Annual Meeting of the Company's shareholders to be held at the Company's headquarters at One Batesville Boulevard, Batesville, Indiana 47006, telephone (812) 934-7500, on Wednesday, February 27, 2013, at 10:00 a.m. Eastern Standard Time, and at any postponements or adjournments of the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to Be Held on February 27, 2013

- **This proxy statement and our 2012 Annual Report to Shareholders are available on the Internet at www.hillenbrandinc.com.**

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

The following questions and answers will explain the purpose of this proxy statement and what you need to know in order to vote your shares. Throughout these questions and answers and the proxy statement, we sometimes refer to Hillenbrand and the Company in terms of we, us, or our.

Q: What is the purpose of this proxy statement?

A: The Board of Directors of Hillenbrand (the Board) is soliciting your proxy to vote at the 2013 Annual Meeting of the shareholders of Hillenbrand because you were a shareholder at the close of business on December 21, 2012, the record date for the 2013 Annual Meeting, and are entitled to vote at the Annual Meeting. The record date for the 2013 Annual Meeting was established by the Board in accordance with our Amended and Restated Code of By-laws (the By-laws) and Indiana law.

This proxy statement contains the matters that must be set out in a proxy statement according to the rules of the U.S. Securities and Exchange Commission (the SEC) and provides the information you need to know to vote at the Annual Meeting. You do not need to attend the Annual Meeting to vote your shares.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner ?

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A: If your shares are registered directly in your name with Hillenbrand's transfer agent, Computershare Investor Services, you are the shareholder of record with respect to those shares, and you tell us directly how your shares are to be voted.

If your shares are held in a stock brokerage account or by a bank or other nominee, then your nominee is the shareholder of record for your shares and you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, bank, or nominee how to vote your shares.

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Q: What am I being asked to vote on?

A: • Election of two directors: Mark C. DeLuzio and F. Joseph Loughrey;

• Approval, by a non-binding advisory vote, of the compensation paid to the Company's Named Executive Officers(1), as disclosed pursuant to SEC compensation disclosure rules in the Compensation Discussion and Analysis and Executive Compensation Tables sections of this proxy statement and in any related material herein (the Say on Pay Vote); and

• Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013.

The Board recommends a vote **FOR** each of the director nominees, **FOR** approval of the compensation paid to the Named Executive Officers of the Company pursuant to the Say on Pay Vote, and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for 2013.

Q: What are the voting requirements to elect the directors and to approve the other proposals being voted on?

A: Under Indiana law, corporate directors are elected by a plurality of the votes cast for the election of directors. A plurality means, in this case, that the two nominees receiving the most votes in their favor at the Annual Meeting will be elected to the Board.

While directors are elected by a plurality under Indiana law, the Company's Board of Directors has adopted Corporate Governance Standards that require any individual elected as a director with *less than a majority* of the votes cast in an uncontested election to offer his or her resignation to the Board for its consideration. Prior to the Board's determination of whether to accept or reject such a resignation, the Nominating/Corporate Governance Committee of the Board must consider the resignation offer and recommend to the Board the action to be taken, as it shall deem appropriate and in the best interests of the Company and its shareholders.

The adoption of each of the proposals to approve the compensation paid to the Named Executive Officers and to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm requires the affirmative vote of a majority of the votes cast for or against approval.

If you are present or represented by proxy at the Annual Meeting and you affirmatively elect to abstain, your abstention, as well as any broker non-votes, will not be counted as votes cast on any matter to which they relate. See How will my shares be voted? below for more information about broker non-votes.

(1) Our Named Executive Officers are those officers specified by Item 402(a)(3) of the SEC's Regulation S-K. See Our Named Executive Officers under the Compensation Discussion and Analysis section of this proxy statement for more information regarding Named Executive Officers.

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Q: How many votes do I have?

A: You are entitled to one vote for each share of Hillenbrand common stock that you held as of the record date.

Q: How do I vote?

A: The different ways that you (if you are a shareholder of record) or your nominee (if you are a beneficial owner) can tell us how to vote your shares depend on how you received your proxy statement this year.

For shareholders of record, many of you were not mailed a hard copy of proxy materials, including this proxy statement, a proxy card, and our 2012 Annual Report to Shareholders. Instead, commencing on or about January 8, 2013, we sent you a Notice of Internet Availability of Proxy Materials (Notice) telling you that proxy materials are available at the web site indicated in that Notice, www.proxyvote.com, and giving you instructions for voting your shares at that web site. We also told you in that Notice (and on the web site) how you could request us to mail proxy materials to you. If you subsequently do receive proxy materials by mail, you can vote in any of the ways described below. If not, you must vote via the Internet (and we encourage you to do so) at www.proxyvote.com or in person at the Annual Meeting as explained below.

With respect to shareholders of record who received proxy materials by mail, we commenced mailing on or about January 8, 2013. You can vote using any of the following methods:

- **Proxy card or voting instruction card.** Be sure to complete, sign, and date the card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote **FOR** the election of each of the two nominees named above as directors of the Company, **FOR** the approval of the compensation paid to the Named Executive Officers, and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013.
- **By telephone or the Internet.** The telephone and Internet voting procedures established by Hillenbrand for shareholders of record are explained in detail on your proxy card and in the Notice many shareholders receive. These procedures are designed to authenticate your identity, to allow you to give your voting instructions, and to confirm that these instructions have been properly recorded.
- **In person at the Annual Meeting.** You may vote in person at the Annual Meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares and want to attend the meeting and vote in person, you must obtain a legal proxy from your broker, bank, or nominee and present it to the inspectors of election with your ballot when you vote at the meeting.

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With respect to the beneficial owners of shares held by nominees, the methods by which you can access proxy materials and give voting instructions to your nominee may vary,

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depending on the nominee. Accordingly, if you are a beneficial owner, you should follow the instructions provided by your nominee.

Q: How will my shares be voted?

A: For shareholders of record, all shares represented by the proxies mailed to shareholders will be voted at the Annual Meeting in accordance with instructions given by the shareholders. Where no instructions are given, the shares will be voted: (1) in favor of the election of the Board of Directors nominees for two directors; (2) for approval of the compensation paid to the Named Executive Officers pursuant to the Say on Pay Vote; (3) in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company; and (4) in the discretion of the proxy holders upon such other business as may properly come before the Annual Meeting.

For beneficial owners, the brokers, banks, or nominees holding shares for beneficial owners must vote those shares as instructed. If the broker, bank, or nominee has not received instructions from the beneficial owner, the broker, bank, or nominee generally has discretionary voting power only with respect to the ratification of the appointment of the independent registered public accounting firm, and in any case may elect not to vote the shares on that proposal (referred to as a broker non-vote). **A broker, bank, or nominee does not have discretion to vote for or against the election of directors, or to approve the compensation of the Named Executive Officers pursuant to the Say on Pay Vote. In order to avoid a broker non-vote of your shares on the election of directors or the Say on Pay Vote proposal, you must send voting instructions to your bank, broker, or nominee.**

Q: What can I do if I change my mind after I vote my shares prior to the Annual Meeting?

A: If you are a shareholder of record, you may revoke your proxy at any time before it is voted at the Annual Meeting by:

- sending written notice of revocation to the Secretary of Hillenbrand at One Batesville Boulevard, Batesville, Indiana 47006;
- submitting a revised proxy by telephone, Internet, or paper ballot after the date of the revoked proxy; or
- attending the Annual Meeting and voting in person.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank, or nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described under How do I vote? above.

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Q: Who will count the votes?

A: Representatives of Broadridge Investor Communication Solutions, Inc. (Broadridge) will tabulate the votes and act as inspectors of election.

Q: What constitutes a quorum at the Annual Meeting?

A: As of the record date, 62,643,110 shares of Hillenbrand common stock were outstanding. A majority of the outstanding shares present or represented by proxy at the Annual Meeting constitutes a quorum for the purpose of adopting proposals at the Annual Meeting. If you submit a properly executed proxy, then your shares will be considered part of the quorum.

Q: Who can attend the Annual Meeting in person?

A: All shareholders as of the record date may attend the Annual Meeting in person but must have an admission ticket. If you are a shareholder of record, the ticket attached to the proxy card or a copy of your Notice (whichever you receive) will admit you and one guest. If you are a beneficial owner, you may request a ticket by writing to the Secretary of Hillenbrand at One Batesville Boulevard, Batesville, Indiana 47006, or by faxing your request to (812) 931-5185 or emailing it to *investors@hillenbrandinc.com*. You must provide evidence of your ownership of shares with your ticket request, which you can obtain from your broker, bank, or nominee. We encourage you or your broker to fax or email your ticket request and proof of ownership in order to avoid any mail delays.

Q: When are shareholder proposals due for the 2014 Annual Meeting?

A: For shareholder proposals or director nominees to be presented at the Company's 2014 Annual Meeting of shareholders and to be considered for possible inclusion in the Company's proxy statement and form of proxy relating to that meeting, such proposals or nominations must be submitted to and received by the Secretary of Hillenbrand at its principal offices at One Batesville Boulevard, Batesville, Indiana 47006, not later than September 10, 2013.

In addition, without regard to whether a proposal or nomination is or is not submitted in time for possible inclusion in our proxy statement for the 2014 Annual Meeting, our By-laws provide that for business to be brought before a shareholders' meeting by a shareholder, or for director nominations to be made by a shareholder for consideration at a shareholders meeting, written notice thereof must be received by the Secretary of Hillenbrand at its principal offices not later than 100 days prior to the anniversary of the immediately preceding Annual Meeting, or not later than November 19, 2013, for the 2014 Annual Meeting of shareholders. This notice must also provide certain information as set forth in our By-laws.

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Q: What happens if a nominee for director is unable to serve as a director?

A: If any of the nominees becomes unavailable for election, which we do not expect to happen, votes will be cast for such substitute nominee or nominees as may be designated by the Board, unless the Board reduces the number of directors.

Q: Can I view the shareholder list? If so, how?

A: A complete list of the shareholders entitled to vote at the Annual Meeting will be available to view during the Annual Meeting. The list will also be available to view at the Company's principal offices during regular business hours during the five business days preceding the Annual Meeting.

Q: Who pays for the proxy solicitation related to the Annual Meeting?

A: We do. In addition to sending you these materials, some of our directors and officers, as well as management and non-management employees, may contact you by telephone, mail, email, or in person. You may also be solicited by means of press releases issued by Hillenbrand and postings on our web site, www.hillenbrandinc.com. None of our officers or employees will receive any additional compensation for soliciting your proxy. We have retained Broadridge to assist us with proxy solicitation and related services for an estimated fee of \$35,000, plus reasonable out of pocket expenses. Broadridge will ask brokers, banks, and other custodians and nominees whether they hold shares for which other persons are beneficial owners. If so, we will supply them with additional copies of the proxy materials for distribution to the beneficial owners. We will also reimburse banks, nominees, fiduciaries, brokers, and other custodians for their costs of sending proxy materials to the beneficial owners of Hillenbrand common stock.

Q: How can I obtain a copy of the Annual Report on Form 10-K?

A: A copy of Hillenbrand's 2012 Annual Report on Form 10-K may be obtained free of charge by writing or calling the Investor Relations Department of Hillenbrand at its principal offices at One Batesville Boulevard, Batesville, Indiana, 47006, telephone (812) 931-6000 and facsimile (812) 931-5209. The 2012 Annual Report on Form 10-K, as well as Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, are also available at Hillenbrand's web site, www.hillenbrandinc.com.

Q: How can I obtain the Company's corporate governance information?

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A: The documents listed below are available on the Internet at the Company's web site, www.hillenbrandinc.com. You may also go directly to www.hillenbrandinc.com/CorpGov_overview.htm for those documents. The documents are also available in print to any shareholder who requests copies through our Investor Relations Department at One Batesville Boulevard, Batesville, Indiana 47006, telephone (812) 931-6000 and facsimile (812) 931-5209. The available documents are:

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- Hillenbrand, Inc. Corporate Governance Standards
- Hillenbrand, Inc. Committee Charters Audit Committee, Nominating/Corporate Governance Committee, Compensation and Management Development Committee, and Mergers and Acquisitions Committee
- Position Descriptions for Chairperson of the Board, Vice Chairperson of the Board, Members of the Board of Directors, Committee Chairpersons, and Committee Vice Chairpersons
- Hillenbrand, Inc. Code of Ethical Business Conduct
- Restated and Amended Articles of Incorporation of Hillenbrand, Inc.
- Amended and Restated Code of By-laws of Hillenbrand, Inc.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

This section of the proxy statement introduces the current members of our Board of Directors, including the two directors in Class II who have been nominated for re-election to additional three-year terms.

The Restated and Amended Articles of Incorporation and the Amended and Restated Code of By-laws of Hillenbrand provide that members of the Board of Directors are classified with respect to the terms that they serve by dividing them into three equal (or near-equal) classes. Directors in each class are elected to serve three-year terms or until their successors have been duly elected and qualified.

The Board of Directors currently consists of twelve members, with four directors in each class. The terms of the directors expire as follows:

Class	Term Expires at
Class I	2015 Annual Meeting
Class II	2013 Annual Meeting
Class III	2014 Annual Meeting

Two of the current Class II directors, Mark C. DeLuzio and F. Joseph Loughrey, are nominated for election to the Board for an additional three-year term expiring at the 2016 Annual Meeting of shareholders. Each of those directors has agreed to serve for that additional term if elected.

The other two current Class II directors, James A. Henderson and Ray J. Hillenbrand, have advised the Board that they intend to retire from the Board when their current terms expire at the 2013 Annual Meeting. Accordingly, they are not being nominated for re-election.

The Board intends to eventually replace one of the retiring Class II directors and has been actively seeking an additional qualified candidate. However, the Board has not yet selected a potential nominee for that vacant directorship and does not at this time know when a replacement director will be identified and selected. Depending on the timing of when a suitable candidate is identified, the Board may then appoint that replacement director to a short term expiring at the 2014 Annual Meeting, at which time that director will be nominated for election by the shareholders.

Under Indiana law, corporate directors are elected by a plurality of the votes cast for the election of directors. If you own shares through a bank, broker, or other holder of record, you must instruct your bank, broker, or other holder of record how to vote your shares in order for your vote to be counted on this Proposal.

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Pursuant to Corporate Governance Standards adopted by the Board of Directors, any individual elected as a director with less than a majority of the votes cast in an uncontested election must offer his or her resignation to the Board for its consideration.

The Board of Directors recommends that shareholders vote FOR the election to the Board of Directors of each of the two nominees.

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Set forth below is information about all of our current directors (listed alphabetically in each class), including the two nominees for election at the 2013 Annual Meeting of shareholders. The biographical information provided for each person includes all directorships held by such person at any time during the past five years.

Class II (Nominated for election this year with terms expiring in 2016)

**Name, Age, and Year First
Elected as a Director**

Other Information

Mark C. DeLuzio has served as a director of the Company since March 31, 2008. He is President and Chief Executive Officer of Lean Horizons Consulting, LLC, a global management consulting business which he founded in 2001. Prior to founding Lean Horizons, he served as Vice President, Danaher Business Systems for Danaher Corporation. Mr. DeLuzio also serves as a member of the Advisory Board for Central Connecticut State University's School of Business.

Mark C. DeLuzio

The Company's Board of Directors concluded that Mr. DeLuzio should serve as a director based on his years of service as Vice President, Danaher Business Systems for Danaher Corporation and his leadership of Lean Horizons Consulting, LLC, where he continues to provide expertise in lean business concepts.

Age 56

Director since 2008