

## **VECTREN CORPORATION**

### **AUTOMATIC DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN 750,000 SHARES OF COMMON STOCK, WITHOUT PAR VALUE**

Vectren Corporation (“Vectren” or “the Company”) hereby offers to current and potential shareholders, including eligible employees of the Company and those of its wholly-owned subsidiaries as shall be designated from time to time by the Chief Executive Officer of Vectren, the opportunity to purchase shares of the Company’s Common Stock, without par value (“Common Stock” or “shares”), through an Automatic Dividend Reinvestment and Stock Purchase Plan (“Plan”). Plan highlights include:

- Reinvested dividends will be invested in Common Stock on the dividend payment date usually March 1, June 1, September 1 and December 1 or on the next trading day if such date is not a trading day.
- Voluntary cash payments will be invested in Common Stock on the first day of each month or on the next trading day if such date is not a trading day.
- Common Stock issued under the Plan will be done through either open market purchases or new issue shares, as determined at the Company’s sole discretion.
- Reinvested dividends and voluntary cash will be invested at a price equal to (a) in the case of shares purchased on the open market, the weighted average price of Common Stock purchased by the Plan Administrator on the investment date, or (b) in the case of new issue shares, the closing price of Common Stock as reported on the New York Stock Exchange-Composite Transactions on the investment date. (Refer to Question 13.)
- Participants may make voluntary cash payments of not less than \$25 per investment nor more than \$100,000 in a calendar year.
- Participants may make voluntary cash payments to purchase shares whether or not such shareholder authorizes the reinvestment of dividends.

The Plan is administered by the Company’s transfer agent, Wells Fargo Shareowner Services, a division of Wells Fargo Bank N.A., (“Wells Fargo”) at the expense of Vectren. No brokerage commissions will be charged on new issue shares of Common Stock purchased under the Plan. Any brokerage commissions resulting from open market purchases will be paid by Vectren. Participants are responsible for fees and commissions related to the sale of shares

The Common Stock is traded on the New York Stock Exchange under the symbol “VVC.”

This Prospectus relates to 750,000 shares of Common Stock, without par value, registered for purchase under the Plan.

**Investing in shares of Vectren involves risks. Investors should carefully consider the information under the heading “RISK FACTORS” beginning on page 3 of this Prospectus.**

Investors should retain this Prospectus for future reference.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.**

The date of this Prospectus is November 8, 2017

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## GENERAL INFORMATION

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

Indiana Gas provides energy delivery services to approximately 592,000 natural gas customers located in central and southern Indiana. SIGECO provides energy delivery services to approximately 145,000 electric customers and approximately 111,000 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 318,000 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 the Company's regulated utilities by providing infrastructure services.

The principal executive offices of Vectren are located at One Vectren Square, Evansville, Indiana 47708, its telephone number is (812) 491-4000, and its web site can be accessed at [www.vectren.com](http://www.vectren.com).

## RISK FACTORS

Investing in Vectren Common Stock involves risks. Please see the risk factors described in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016, the Quarterly Report on Form 10-Q for the periods ended March 31, 2017, June 30, 2017, and September 30, 2017, and in documents filed with the Securities and Exchange Commission ("SEC") under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") after the date of this Prospectus until this offering is completed, which are all incorporated by reference in this Prospectus. Before making an investment decision, investors should carefully consider these risks as well as other information contained or incorporated by reference in this Prospectus.

## WHERE PARTICIPANTS CAN FIND MORE INFORMATION

Vectren has filed with the SEC a registration statement on Form S-3 to register the shares of Vectren Common Stock to be issued pursuant to the Plan. As allowed by the SEC rules, this Prospectus does not contain all the information set forth in the registration statement or the exhibits to the registration statement. This Prospectus is part of the registration statement. In addition, Vectren files annual, quarterly and current reports and other information with the SEC. Vectren's SEC filings are available to the public from commercial document retrieval services and at the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov).

## DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS

The SEC allows Vectren to "incorporate by reference" information into this Prospectus, which means that the Company can disclose important information to investors by referring them to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this Prospectus, except for any information superseded by information in this Prospectus. This Prospectus incorporates by reference the documents Vectren has previously filed with the SEC. These previously filed documents contain important information about Vectren's finances, among other things.

The following documents filed with the SEC by Vectren pursuant to the Exchange Act are incorporated by reference into this registration statement; provided, however, that Vectren is not incorporating any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

- (a) Annual Report on Form 10-K for the year ended December 31, 2016.
- (b) (i) Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.  
(ii) Quarterly Report on Form 10-Q for the quarter ended June 30, 2017.  
(iii) Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.  
(iv) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on February 1, 2017.  
(v) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on April 28, 2017.  
(vi) Current Report on Form 8-K filed by Vectren on May 17, 2017.  
(vii) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on May 19, 2017..  
(viii) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on July 11, 2017.  
(ix) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on July 17, 2017.  
(x) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on August 28, 2017.  
(xi) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on September 20, 2017.  
(xii) Current Reports on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on September 25, 2017.  
(xiii) Current Reports on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on November 3, 2017.
- (c) The description of Vectren Corporation's Common Stock contained in the Registration Statement on Form 8-A filed with the Commission on November 16, 1999.

Vectren also incorporates by reference all documents that the Company files with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus until this offering is completed.

Investors should rely only on information contained or incorporated by reference in this Prospectus. The Company has not authorized any other person to provide investors with different or additional information. If anyone provides different or additional information, investors should not rely on it. Vectren is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

Investors should assume that the information appearing in this Prospectus is accurate as of the date of this Prospectus only. Vectren's business, financial condition and results of operations may have changed since that date.

Any references in this Prospectus to "Vectren," "the Company," "we," "us" and "our" are to Vectren Corporation.

Investors may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting Vectren in writing or by telephone at the following address:

Vectren Corporation  
Attn: DRIP/Investor Relations Department  
One Vectren Square  
Evansville, IN 47708  
Tel. No. (800) 227-8625  
E-mail: investors@vectren.com

## THE PLAN

Vectren hereby offers to current and potential shareholders, including eligible employees of the Company and those of its wholly-owned subsidiaries as shall be designated from time to time by the Chief Executive Officer of Vectren, the opportunity to purchase shares of the Company's Common Stock pursuant to the Plan. The Plan consists of the following 43 questions and answers. Answers may reference additional information in other questions.

### INTRODUCTION

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#### 1. What does the Plan provide?

The Plan provides current and potential shareholders an opportunity to have dividends reinvested in additional Common Stock to be purchased by the Plan either on the open market or directly from the Company in the form of authorized but unissued shares (sometimes referred to as "new issue shares"). Vectren has reserved the right to cause the Plan to purchase shares on the open market or new issue shares, as it determines from time to time, at its sole discretion. (Refer to Question 41.)

If participants wish, they may also make voluntary cash payments of not less than \$25 per investment nor more than \$100,000 in a calendar year. A participant may make these voluntary cash payments whether or not the participant has authorized the reinvestment of dividends.

As explained below, the cash dividends and any voluntary cash payments of a participant will be applied by the Company's transfer agent, acting as the Plan Administrator (Refer to Question 3.), to the purchase of Common Stock at a purchase price determined in the manner set forth in the answer to Question 13. Vectren will pay expenses incurred in connection with such purchases, including, any brokerage commissions incurred as a result of purchases of open market shares. Charges will be incurred by a participant upon the sale of shares credited to the participant's account. (Refer to Question 23.) Eligible employees may also participate in the Plan through payroll deductions. (Refer to Questions 35 through 40.)

### PURPOSE

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#### 2. What is the purpose of the Plan?

The purpose of the Plan is to provide participants with a simple and convenient way of investing dividends and voluntary cash payments in Common Stock without the payment of any brokerage commissions or service charges. Beneficial owners of Common Stock, whose shares are registered in names other than their own, such as a broker, trustee, or other nominee ("agent"), may participate in the Plan by transferring some or all of those shares to an account established under the Plan. Beneficial owners of Common Stock who desire to participate in the Plan should instruct their agent to initiate the transfer of shares, or such shareholders can contact the Plan Administrator to request assistance. Investors who do not currently own Common Stock may make an initial purchase through the Plan. (Refer to Question 14.) Eligible employees may also participate in the Plan through payroll deductions. (Refer to Question 37.)

### ADMINISTRATION

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#### 3. Who administers the Plan?

The Company's transfer agent acts as the Plan Administrator for the Plan. The Common Stock acquired by the Plan Administrator will either be shares purchased on the open market or new issue shares, as the Company determines in its sole discretion. The Plan Administrator in purchasing shares on the open market will have, consistent with applicable securities laws and regulations, absolute discretion to determine the volume, timing and price of such purchases. If investors decide to participate in the Plan, the Plan Administrator will keep a continuous record of their participation in the Plan and send them a Statement of Account ("Statement") after each purchase affecting their account. Common Stock purchased through the Plan will be credited to the participants' accounts. Participants may deposit Common Stock certificates into the Plan, which will then be credited to their account. This will relieve investors of the responsibility for the safekeeping of certificates and protect against loss, theft, or destruction of stock certificates.

The Plan Administrator may be contacted as follows:

#### Email

Go to [shareowneronline.com](http://shareowneronline.com) and select **Contact Us**.

## **Telephone**

Call toll free 866-614-9636, or call 651-450-4064 if you are outside the United States.

Shareowner Relations Specialists are available Monday through Friday, from 7:00 a.m. to 7:00 p.m. Central Time.

Current participants may also access their account information 24 hours a day, 7 days a week using the automated voice response system by calling toll free 866-614-9636.

## **Written Correspondence**

Wells Fargo Shareowner Services  
Attn: Vectren DRIP  
P.O. Box 64856  
St. Paul, MN 55164-0856

**Certified and overnight delivery:**  
Wells Fargo Shareowner Services  
1110 Centre Pointe Curve, Suite 101  
Mendota Heights, MN 55120-4100

**Be sure to include a reference to Vectren Corporation, in addition to the full name on the account and account number, in all written correspondence.**

## **Internet**

Existing registered shareholders can access account information through [shareowneronline.com](http://shareowneronline.com), which is available 24 hours a day, 7 days a week for access to account information and answers to many common questions and general inquiries. In addition, existing registered shareholders can enroll in the Plan online.

1. Go to [shareowneronline.com](http://shareowneronline.com).
2. Enter your Authentication ID\* and Account Number.
3. If not currently enrolled, select **Sign Up Now!** and follow the instructions.

\*If the shareholder does not have an Authentication ID or has misplaced one already sent to him or her, select **I do not have my Authentication ID** and a process for obtaining one will be provided. For security purposes, this ID is required every time a shareholder signs on to [shareowneronline.com](http://shareowneronline.com).

New investors can request a Prospectus and Account Authorization Form in one of the methods listed above. In addition, he or she can enroll in the Plan online.

1. Go to [shareowneronline.com](http://shareowneronline.com).
2. Under **Invest in a Plan**, select **Direct Purchase Plan**.
3. Select **Vectren Corporation**.
4. Under **New Investors**, select **Invest Now**.
5. Follow the instructions to setup a new registered account and to begin investing.

## **PARTICIPATION**

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### **4. Who is eligible to participate in the Plan?**

U.S. persons or entities can participate in the Plan if they follow the steps described below. Citizens or residents of a foreign country are also eligible if participation does not violate any governmental regulations or laws. It is not necessary to be a current shareholder to participate in the Plan. Beneficial owners of Common Stock whose shares are registered in the name of an agent may become eligible to participate in the Plan by having their shares transferred and registered in their own name(s) in stock certificate or book-entry form. Beneficial owners who prefer book-entry registration should instruct their broker to re-register their shares with the Plan Administrator through the Direct Registration System.

## **5. How do new investors or current shareholders participate in the Plan?**

New investors and current shareholders may contact the Plan Administrator via any of the methods listed in Question 3 to obtain an Account Authorization Form. In addition, Question 3 details how to enroll in the plan through [shareowneronline.com](http://shareowneronline.com). Completed forms should be returned to the address listed in Question 3. Any correspondence concerning the Plan should refer specifically to the Vectren DRIP. New participants in the Plan must make a minimum initial investment of \$500. (Refer to Question 14.)

If a shareholder has Common Stock registered in more than one name (for example, some shares registered in the name of "John Doe" and others registered in the name "John J. Doe"), or the shares are registered in the name of the shareholder and another person (for example, as a joint tenant with his or her spouse), the shareholder will receive an Account Authorization Form for each such registered name. In that case, the shareholder (and such other person) has the election of completing and signing and returning any or all such Account Authorization Forms.

## **6. When may a new investor or current shareholder become a participant in the Plan?**

For new investors electing to participate in the Plan through the minimum initial investment of \$500, the funds may be sent at any time. Reinvestment of dividends will commence on the first dividend payment date following the initial purchase. Refer to Question 12 to learn how investment dates are determined.

For current shareholders, if the Account Authorization Form is received by the Plan Administrator prior to a dividend record date, then reinvestment of dividends will commence on the related dividend payment date. (Dividends on Common Stock are expected to be paid on or about March 1, June 1, September 1 and December 1. Of course, there can be no assurances the Board will declare dividends to be paid on these dates.) For example, if a dividend is declared on Common Stock payable on June 1 to holders of record on May 15, the Account Authorization Form must be received by the Plan Administrator prior to May 15 in order for the dividend paid on June 1 to be reinvested. If the Account Authorization Form for a current shareholder is received on or after the record date of May 15, the dividend paid on June 1 will be sent to the shareholder as usual and such shareholder's reinvestment of dividends will commence on the date the next dividend is paid (September 1).

## **7. What does the Account Authorization Form provide?**

The Account Authorization Form specifies the method by which a new investor or current shareholder elects to participate in the Plan. If the "FULL DIVIDEND REINVESTMENT" (*RD*) box is checked, then the Plan Administrator will invest in Common Stock (a) 100% of the participant's dividends on the total number of shares credited to the participant's account, and (b) any voluntary cash payments made by the participant. If the "PARTIAL DIVIDEND REINVESTMENT" (*RX*) box is checked, then the Plan Administrator will invest in Common Stock (a) the participant's designated specific percentage (with a minimum of 10%, and thereafter in increments of 10%) of the participant's dividends on the total number of shares credited to the participant's account, while receiving cash on the remaining percentage of dividends, and (b) any voluntary cash payments made by the participant. If the "VOLUNTARY CASH PAYMENTS ONLY (NO DIVIDEND REINVESTMENT)" (*RPO*) box is checked, then the Plan Administrator will send directly to the participant 100% of the participant's dividends on the total number of shares credited to the participant's account and the Plan Administrator will invest only the participant's voluntary cash payments, if any, in Common Stock.

Under the Plan, dividends will be reinvested, paid in cash, or both, as designated on the Account Authorization Form until a participant specifies otherwise. (Refer to Question 9.) If you do not select an option, the Plan Administrator will default your choice to full reinvestment.

## **8. May participants have dividends reinvested under the Plan with respect to less than all of the Common Stock registered in their name?**

Participants may have dividends reinvested under the Plan with respect to all or a portion of the Common Stock registered in the participant's name. Common Stock registered in the participant's name includes shares held by the participant in stock certificate form and book-entry form credited to the participant's account.

## **9. How can participants change investment options?**

Participants may change their investment option at any time by going online at [shareowneronline.com](http://shareowneronline.com) or completing and signing a new Account Authorization Form and returning it to the Plan Administrator. (Refer to Question 3.) A change in investment option affecting the reinvestment of dividends will be effective on a dividend payment date if the Account Authorization Form or telephone authorization is received by the Plan Administrator prior to the related dividend record date. (Refer to Question 6.) If the Account Authorization Form is received by the Plan Administrator on or after the related dividend record date, the change will be effective on the next dividend payment date.

## **COSTS**

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### **10. Are any fees or expenses incurred by participants in the Plan?**

Except as provided elsewhere in the Plan, Vectren will pay the costs to administer the Plan, including service fees and brokerage commissions on purchases of open market shares. However, if participants request the Plan Administrator to sell all or part of the shares credited to their account, the participants will pay a service fee (currently \$15), any related brokerage commission (currently \$0.12 per share sold) and any other related costs. In addition, new investors will pay a \$15 enrollment fee along with their initial purchase.

## **PURCHASES**

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### **11. How many shares of Common Stock will be purchased for a participant?**

The number of shares to be purchased for each participant on an investment date will depend on the amount of dividends the participant elects to reinvest and/or voluntary cash payments to be invested and the price per share of Common Stock. Each participant's account will be credited as of each investment date with the number of shares, including fractions computed to three decimal places, equal to the total amount to be invested on behalf of the participant on that date divided by the purchase price of each share of Common Stock. (Refer to Question 13.)

Vectren's Insider Trading Policy provides that Vectren's directors, officers, employees, consultants, customers, suppliers, and certain other persons ("Insiders") may not trade in Vectren's common stock if such persons are in possession of material, non-public information about the Company. If a participant is an Insider, the participant is bound by the restrictions of Vectren's Insider Trading Policy with respect to transactions in Plan shares, and any such share purchases must be made in compliance with the Insider Trading Policy.

### **12. How and when will shares of Common Stock be purchased under the Plan?**

The Plan permits dividends to be reinvested beginning on any dividend payment date (usually March 1, June 1, September 1 and December 1) and voluntary cash payments to be invested beginning on the first day of each month, or the next trading day if any such date should not be a trading day. On each investment date on which a dividend is paid, Vectren will pay to the Plan Administrator the total amount of dividends payable on the shares subject to dividend reinvestment under the Plan. The Plan Administrator will use that amount, along with all voluntary cash payments then held by the Plan Administrator under the Plan, to purchase Common Stock for the accounts of participants at the purchase price set forth in the answer to Question 13. If Vectren directs the Plan Administrator to purchase shares on the open market, it is expected that the Plan Administrator will normally begin purchasing shares on the investment date and will complete the purchases within five trading days. However, in purchasing shares on the open market, the Plan Administrator will have, consistent with applicable securities laws and regulations, absolute discretion to determine the volume, timing and price of such purchases. Neither Vectren nor any participant will have any authority or power to direct the time or price at which shares will be purchased, or the selection of the broker through or from whom purchases will be made. If Vectren elects to make available new issue shares for purchase, the Plan Administrator will purchase shares of Common Stock from Vectren on the investment date. In months during which dividends are not paid, shares will be purchased with all voluntary cash payments then held by the Plan Administrator in the same manner described above.

### **13. What will be the price of shares of Common Stock purchased under the Plan?**

The price per share of the open market purchases of Common Stock for allocation to the accounts of the participants as of an investment date will be the weighted average price paid by the Plan Administrator for all open market shares that were purchased by the Plan Administrator for that investment date.

If Vectren elects to make available new issue shares for purchase, the price per share of any new issue shares of Common Stock purchased from Vectren on any investment date on behalf of participants in the Plan will be the closing price of those shares as reported on the New York Stock Exchange-Composite Transactions on the relevant investment date. If no trading occurs in the Common Stock on the investment date, the purchase price will be the closing price on the next trading day on which shares are traded.

## **INITIAL PURCHASES AND VOLUNTARY CASH PAYMENTS**

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### **14. How are initial purchases made under the Plan?**

A new investor making an initial purchase of Common Stock through the Plan should submit a check in an amount not less than \$500 nor more than \$100,000, plus a \$15 enrollment fee together with an Account Authorization Form to the Plan Administrator. New participants will be charged a fee on any returned checks for insufficient funds. Alternatively, a new investor may arrange to have the purchase price deducted from a designated account in a United States or Canadian bank or financial institution in U.S. Dollars. (Refer to Questions 16 and 17.) Investors may not invest more than \$100,000 per calendar year. The Plan Administrator will return any excess tendered amount to the participant. Purchases will be made on behalf of a new investor on the first day of the next succeeding month, or on the next trading day if such date is not a trading



day, following the Plan Administrator's receipt of the payment and Account Authorization Form from the participant, except that initial purchase payments received by the Plan Administrator less than one business day before the next investment date may, at the Plan Administrator's discretion, be invested either on the next investment date or on the succeeding investment date. **No interest is paid on initial purchase payments pending investment.** The Plan Administrator will return an initial purchase payment to an investor upon telephone or written request received at least two business days prior to the investment date.

#### **15. How does the cash payment option work?**

Voluntary cash payments received from a participant by the Plan Administrator prior to an investment date will be invested each month to purchase Common Stock. The Plan Administrator will return voluntary cash payments to a participant upon telephone or written request from a participant received at least two business days prior to the investment date.

If a shareholder wishes to participate only through the investment of voluntary cash payments, the shareholder must check the "VOLUNTARY CASH PAYMENTS ONLY (NO DIVIDEND REINVESTMENT)" (*RPO*) box on the Account Authorization Form.

#### **16. How are voluntary cash payments made by check?**

The option to make voluntary cash payments by check is available to participants each month. Voluntary cash payments made by a participant cannot be less than \$25 per investment nor more than \$100,000 in a calendar year. If the Plan Administrator receives payments totaling more than \$100,000 in a calendar year from a participant, the amount by which the payments exceed \$100,000 will be returned to the participant.

A voluntary cash payment may be made by a participant when enrolling by enclosing a check drawn on a United States or Canadian bank in U.S. Dollars (made payable to "Shareowner Services") with the Account Authorization Form. Thereafter, voluntary cash payments may be made through the use of Transaction Request Forms attached to each participant's Statement. The same amount of money need not be sent each month and there is no obligation to make a voluntary cash payment each month. Participants will be charged a fee on any checks returned for insufficient funds.

#### **17. How are voluntary cash payments made by automatic withdrawal?**

Participants may make voluntary cash payments by means of monthly automatic withdrawals from the participant's bank account of not less than \$25 per investment nor more than \$100,000 in a calendar year or a one-time bank debit from a predesignated account at a United States or Canadian bank or financial institution in U.S. Dollars. If the Plan Administrator receives payments totaling more than \$100,000 in a calendar year from a participant, the amount by which the payments exceed \$100,000 will be returned to the participant. A new investor must make an initial investment of not less than \$500 nor more than \$100,000.

To initiate automatic monthly deductions or a one-time bank debit, participants must complete and sign an Account Authorization Form with the automatic deductions section completed and return it to the Plan Administrator together with a voided blank check or savings account deposit slip for the account from which funds are to be drawn. Forms will be processed and become effective as soon as administratively possible; however, participants should allow four to six weeks for their first automatic investment to be initiated.

Once automatic deductions are initiated, funds will be drawn from the participant's designated bank account on the 15<sup>th</sup> day of the month. Participants who invest through automatic monthly deductions are not subject to having their participation in the Plan terminated by the Company if they hold fewer than ten shares in their Plan account. (Refer to Question 43.)

Participants may change the amount of their automatic monthly deduction by completing and submitting to the Plan Administrator a new Account Authorization Form. Requests are processed and become effective as soon as administratively possible. If a participant's bank account is closed or changed, a new form must be completed and submitted to the Plan Administrator. Changes will be processed and become effective as soon as administratively possible; however, participants should allow four to six weeks for changes to take effect. Automatic deductions may also be changed or discontinued by going to [shareowneronline.com](http://shareowneronline.com), or by notifying the Plan Administrator by telephone or in writing.

#### **18. Will interest be paid by Vectren or the Plan Administrator on the cash payment by a new investor to make an initial purchase or on any participant's voluntary cash payments made under the Plan?**

**No. Interest will not be paid by Vectren or the Plan Administrator on the initial purchase amount submitted by a new investor or on any voluntary cash payments held pending investment under the Plan.** Therefore, Vectren recommends that new investors and participants making voluntary cash payments send their cash payments so that they reach the Plan Administrator as close as possible and prior to the investment date. A participant should be aware of possible delays in the mail if payment is to be made in that manner. Accordingly, it is recommended that a participant mail the cash payment for an initial purchase or any voluntary cash payment no later than ten days prior to an investment date.

## REPORTS TO PARTICIPANTS

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### 19. What kind of reports will be sent to participants in the Plan?

Participants will receive a Statement in the U.S. Mail, or via Email, if so designated, after each purchase showing the amounts invested, purchase prices, shares purchased and other relevant information. **These statements are a continuing record of purchases and should be retained for income tax purposes.** Participants will also receive either paper or electronic copies of the same communications sent to every other shareholder, including Vectren's annual report to shareholders, proxy solicitation materials and dividend information required by the Internal Revenue Service to be furnished by Vectren and/or the Plan Administrator.

## DIVIDENDS

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### 20. Will dividends be paid on fractional interests in shares credited to participants' accounts?

Yes. Dividends on fractional share interests will either be reinvested in Common Stock or sent directly to participants, depending upon their selected investment option. (Refer to Question 11.)

## CERTIFICATES FOR SHARES

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### 21. Will certificates be issued for shares of Common Stock purchased?

No. Common Stock purchased under the Plan will be registered in the name of the transfer agent, or its nominee, as Plan Administrator for participants in the Plan, and certificates for such shares will not be issued to participants. The number of shares credited to participants' accounts under the Plan will be shown on their Statements. This procedure protects against loss, theft or destruction of stock certificates.

Shares credited to participants' accounts may be withdrawn by accessing their account online at [shareowneronline.com](http://shareowneronline.com), or by notifying the Plan Administrator in writing specifying the number of shares to be withdrawn. Certificates for whole shares of Common Stock that are withdrawn will be issued to and registered in the participant's name (Refer to Questions 22 and 27.) If Vectren, in its sole discretion, elects to terminate participation in the Plan by a participant holding fewer than ten shares of Common Stock in the participant's Plan account, the Plan Administrator will transfer to book-entry registration in such participant's name all whole shares, and will pay to such participant the value of any fractional shares (less certain costs), in such Plan account. (Refer to Question 43.)

Shares credited to a participant's account may not be pledged. If a participant wishes to pledge such shares, he or she must request that certificates for such shares be issued in the participant's name.

### 22. In whose name will certificates be registered when issued?

Upon written request by the participant, certificates will be issued in the name in which the participant's account is maintained. If the participant wishes to register the shares in another name or transfer the shares to someone else, a completed Stock Power form will need to be provided to the Plan Administrator. Stock Power forms are available online at [shareowneronline.com](http://shareowneronline.com) or upon request from the Plan Administrator. (Refer to Question 3.)

## SALE OF SHARES

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### 23. May participants sell shares credited to their account?

Yes. Participants may request the Plan Administrator sell any number of shares credited to their account. This may be done by accessing the account online at [shareowneronline.com](http://shareowneronline.com), by completing the information on the Transaction Request Form portion of a Statement or by giving detailed written instructions to the Plan Administrator. Alternatively, participants may call the Plan Administrator. In order to sell shares via the telephone, participants will need their Authentication ID provided by the Plan Administrator. (Refer to Question 3.) Sales are made daily and the Plan Administrator will initiate the sale as soon as administratively possible after receiving the notification. Notification should be received by the Plan Administrator no later than 11:00 a.m. Central time. Notifications received after 11:00 a.m. may be processed on the next trading date.

Sales are usually made through an affiliated broker, who will receive brokerage commissions. Typically, the shares are sold through the exchange on which the common shares of Vectren are traded. Depending on the number of Vectren shares to be sold and current trading volume, sale transactions may be completed in multiple transactions and over the course of more than one day. All sales are subject to market conditions, system availability, restrictions and other factors. The actual sale date, time or price received for any shares sold through the Plan cannot be guaranteed.

Sales proceeds will be net of any fees (currently a \$15 service fee and \$0.12 per share commission) to be paid by the participant. The Plan Administrator will deduct any fees or applicable tax withholding from the sale proceeds. Sales processed

on accounts without a valid Form W-9 for U.S. citizens or Form W-8BEN for non-U.S. citizens will be subject to federal backup withholding. This tax can be avoided by furnishing the appropriate and valid form prior to the sale. Forms are available online at [shareowneronline.com](http://shareowneronline.com).

A check for the proceeds of the sale of shares (in U.S. dollars), less applicable taxes and fees, will generally be mailed by first class mail as soon as administratively possible after the settlement date. If a participant submits a request to sell all or part of his or her Plan shares, and the participant requests net proceeds to be automatically deposited in a checking or savings account, the participant must provide a voided blank check for a checking account or blank savings deposit slip for a savings account. If the participant is unable to provide a voided check or deposit slip, the participant's written request must have the participant's signature(s) medallion guaranteed by an eligible financial institution for direct deposit. Requests for the automatic deposit of sale proceeds that do not provide the required documentation will not be processed and a check for the net proceeds will be issued.

A participant who wishes to sell shares currently held in certificate form may send the certificates in for deposit to the Plan Administrator and then proceed with the sale. To sell shares through a broker of the participant's choice, the participant may request the broker to transfer shares electronically from the Plan account to the participant's brokerage account.

Vectren's share price may fluctuate between the time the sale request is received and the time the sale is completed on the open market. The Plan Administrator shall not be liable for any claim arising out of failure to sell on a certain date or at a specific price. Neither the Plan Administrator nor any of its affiliates will provide any investment recommendations or investment advice with respect to transactions made through the Plan. This risk should be evaluated by the participant and is a risk that is borne solely by the participant.

Vectren's Insider Trading Policy provides that Vectren's directors, officers, employees, consultants, customers, suppliers, and certain other potential Insiders may not trade in Vectren's common stock if such Insiders are in possession of material, non-public information about the Company. If a participant is an Insider, the participant is bound by the restrictions of Vectren's Insider Trading Policy with respect to transactions in Plan shares, and any such share sales must be made in compliance with the Insider Trading Policy.

## **DEPOSIT OF STOCK CERTIFICATES**

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### **24. May Common Stock certificates be deposited with the Plan Administrator?**

Yes. A participant may elect to deposit physical Vectren common stock certificate(s) for safekeeping, by sending the certificate(s) to the Plan Administrator together with instructions to deposit the certificate(s). **The certificates should not be endorsed.** The certificate(s) will show as surrendered with the corresponding credit to Plan shares. The transaction will appear on the Plan account statement, and shares will be held by the Plan Administrator in its name or nominee name. These shares will be held until the participant sells, withdraws or terminates participation in the Plan.

**Because the participant bears the risk of loss in sending stock certificate(s), it is recommended that certificates be sent to the Plan Administrator by registered, express or certified mail, return receipt requested and insured for possible mail loss for 3% of the market value.** This represents the replacement costs if the certificates are lost in transit to the Plan Administrator. To calculate the market value, multiply the number of shares represented by the certificate(s) being mailed by the current price per share. **Insurance covers the replacement of certificates, but in no way protects against any loss resulting from fluctuations in the value of such shares from the time they are mailed until replacements are made.**

## **STOPPING DIVIDEND REINVESTMENT**

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### **25. May a participant stop dividend reinvestment or voluntary cash payment investments?**

Yes. A participant may stop the reinvestment of cash dividends by changing the investment option as specified in the answers to Questions 7 and 9. Moreover, participants may request in writing that the Plan Administrator return any uninvested voluntary cash payment, and such a request will be honored if the Plan Administrator receives the request at least two business days before the investment date on which the voluntary cash payment would otherwise be invested.

### **26. When may participants stop reinvesting dividends under the Plan?**

Participants may stop reinvesting dividends under the Plan at any time by accessing their account online at [shareowneronline.com](http://shareowneronline.com), or by giving the Plan Administrator notice in writing or by telephone. If the request to discontinue dividend reinvestment is received by the Plan Administrator on or after the record date for a dividend payment, such a request may not become effective until the dividend paid on the payment date has been reinvested and the Common Stock purchased is credited to the participant's account. The Plan Administrator, in its sole discretion, may either pay any such dividend in cash or reinvest it in Common Stock on the participant's behalf. If such dividend is reinvested, the Plan Administrator may sell the shares purchased and remit the proceeds to the participant, less any service fee, any brokerage commission and any other costs of sale. Any future dividends will be paid in cash, unless the participant rejoins the Plan.

## ACCOUNT MANAGEMENT

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### 27. What options are available regarding the transfer of shares held in the Plan?

#### Gift/Transfer of Shares

If participants wish to transfer the ownership of all or part of the shares credited to their account to an account for another person, whether by gift, private sale or otherwise, the participant may effect such transfer by mailing a properly executed Stock Power form to the Plan Administrator. Transfers of less than all shares in an account must be made in whole share amounts. Requests for transfer are subject to the same requirements as the transfer of Common Stock certificates, including the requirement of a Medallion Guarantee, which can be obtained from a financial institution such as a bank or broker, on the Stock Power form. Stock Power forms are available online at [shareowneronline.com](http://shareowneronline.com) or upon request from the Plan Administrator. (Refer to Question 3.) Share transfers are also available on the Transaction Request Form attached to account statements.

Transferred shares will be held by the Plan Administrator in a participant's Plan account unless otherwise specified. An account will be opened in the name of the recipient if they are not already a participant, and such recipient will automatically be enrolled in the Plan. If the recipient is not already a participant, the account will be enrolled under the full reinvestment option unless the donor specifies differently. The recipient may change the investment option after the transfer has been made. (Refer to Question 9.)

If a participant desires to transfer all shares in an account, it is recommended the transfer request state that "all shares" rather than a specific number of shares be transferred. If a participant's request to transfer a specific number of shares is received between a dividend record date and a dividend payment date, the request will be processed and a separate dividend check will be mailed to the participant. Participants will receive a Statement confirming the transfer of shares.

#### Direct Registration System/Broker Accounts

*Transfer shares from a broker account:* Shareholders who own Common Stock that is held by an agent in street or nominee name may instruct their agent to have some or all of their shares transferred into the shareholder's name in Direct Registration System book-entry form. The Direct Registration System permits an investor to hold Common Stock as the registered owner of the Common Stock in book-entry form on the Company's books rather than (1) indirectly through an agent that holds the Common Stock in street name or in an account with a depository or (2) in the form of a stock certificate. Shareholders should instruct the agent to re-register the shares through the Direct Registration System and specify book-entry registration.

*Transfer shares to a broker account:* To electronically transfer all or part of their book-entry shares held by the Plan Administrator to a broker account, shareholders must establish a broker account number on their account with the Plan Administrator. To establish a broker account number, shareholders must complete an Authorization to Provide Broker Information form, available upon request from the Plan Administrator or the broker (Refer to Question 3.) Once a broker account number is established, shareholders can then instruct the Plan Administrator to deliver to their broker the number of full shares specified. The Plan Administrator will electronically deliver shares within two business days of receiving and accepting instructions. The signature(s) on the authorization to provide broker/dealer information form should be guaranteed by the broker with a Medallion Guarantee.

## OTHER INFORMATION

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### 28. What happens if the Company issues a stock dividend or declares a stock split?

Any declared stock dividends or stock splits of Common Stock distributed on shares credited to a participant's account will be credited to the participant's account.

### 29. If Vectren has a rights offering, how will the Common Stock be credited to a participant's account?

Participation in any rights offering will be based upon the aggregate number of shares of Common Stock that is held in a participant's account.

### 30. What happens when a participant sells or transfers all of his or her Common Stock in stock certificate form?

If a participant disposes of all shares of Common Stock in stock certificate form, then the Plan Administrator will continue to either reinvest the cash dividends, or send the cash dividends directly to the participant, based on the number of remaining shares credited to the participant's account, depending upon the investment option, until the participant notifies the Plan Administrator in writing to the contrary. A participant may continue to make voluntary cash payments as long as there are whole or fractional shares credited to the participant's Plan account. Vectren reserves the right, however, to terminate the participation in the Plan by any participant holding fewer than ten shares of Common Stock in the participant's Plan account. (Refer to Question 43.) In addition, if the Plan account holds less than one full share, Vectren may from time to time instruct the Plan Administrator to sell the fractional share and forward the proceeds, less any service fee, brokerage commission and any other costs of sale, to the participant, and terminate participation in the Plan.

### **31. What are the responsibilities of Vectren and the Plan Administrator under the Plan?**

In administering the Plan, neither Vectren, the Plan Administrator nor any independent agent is liable for any good faith act or omission to act, including but not limited to any claim of liability (i) arising out of the failure to terminate a participant's account upon such participant's death prior to receipt of a notice in writing of such death, (ii) with respect to the prices or times at which shares are purchased or sold, or (iii) as to the value of the shares acquired for participants. Selling participants should be aware that the share price of Common Stock may fall or rise during the period between a request for sale, its receipt by the Plan Administrator, and the ultimate sale in the open market. Participants should evaluate these possibilities while deciding whether and when to sell any shares through the Plan. The price risk will be borne solely by the participant. **Participants should recognize that neither Vectren nor the Plan Administrator can provide any assurance of a profit or protection against loss on any shares purchased or sold under the Plan.**

The Plan Administrator is authorized to choose a broker, including an affiliated broker, at its sole discretion to facilitate purchases and sales of Common Stock by participants. The Plan Administrator will furnish the name of the registered broker, including any affiliated broker, utilized in share transactions within a reasonable time upon written request from the participant. The Plan Administrator is acting solely as Plan Administrator for Vectren and owes no duties, fiduciary or otherwise, to any other person by reason of this Plan, and no implied duties, fiduciary or otherwise, shall be read into this Plan.

The Plan Administrator undertakes to perform such duties and only such duties as are expressly set forth herein to be performed by it and no implied covenants or obligations shall be read into this Plan against the Plan Administrator or Vectren. In the absence of negligence or willful misconduct on its part, the Plan Administrator, whether acting directly or through agents or attorneys, shall not be liable for any action taken, suffered, or omitted or for any error of judgment made by it in the performance of its duties hereunder. In no event shall the Plan Administrator be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profit), even if the Plan Administrator has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Plan Administrator shall: (i) not be required to and shall make no representations and have no responsibilities as to the validity, accuracy, value or genuineness of any signatures or endorsements, other than its own; and (ii) not be obligated to take any legal action hereunder that might, in its judgment, involve any expense or liability, unless it has been furnished with reasonable indemnity. The Plan Administrator shall not be responsible or liable for any failure or delay in the performance of its obligations under this Plan arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services, accidents, labor disputes, acts of civil or military authority or governmental actions; it being understood that the Plan Administrator shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as administratively possible under the circumstances.

### **32. How will shares held in the Plan be voted at the annual meetings of shareholders?**

Participants in the Plan will receive voting materials and have the sole right to vote the common stock of Vectren represented by the shares held for them in the Plan. In the event the participant does not provide direction for voting, the Plan shares will not be voted.

Participants are encouraged to carefully read the proxy statements and other voting information provided by Vectren in connection with any meeting of shareholders. Votes may be submitted either online, by telephone or by returning the signed, dated proxy card provided in connection with the specific meeting to which it relates. A participant's shares will be voted in accordance with the most recent submitted instructions.

## **FEDERAL INCOME TAX CONSEQUENCES**

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### **33. What are the federal income tax consequences of participation in the Plan?**

The following discussion is based upon the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), existing and proposed regulations thereunder, judicial decisions, and current administrative rulings and practices. Any of these authorities could be repealed, overruled, or modified at any time after the date hereof. Any such change could be retroactive and, accordingly, could modify the tax consequences discussed herein. No ruling from the Internal Revenue Service or opinion of counsel with respect to the matters discussed herein has been requested.

This discussion is for general information only and does not address the federal income tax consequences that may be relevant to particular participants in light of their personal circumstances or to certain types of participants (such as individuals who are not U.S. citizens or residents) who may be subject to special treatment under the federal income tax laws. This discussion also does not address any tax consequences under state, local, or foreign laws. **A participant should consult his or her own advisor regarding the tax consequences of participation in the Plan.**

If participants reinvest dividends under the Plan, participants will be treated for federal income tax purposes as having received a dividend in an amount equal to the dividend reinvested in Common Stock under the Plan even though that amount is not actually received in cash but, instead, is applied to the purchase of shares and credited to the participant's account. There is

also a 3.8% tax on net investment income, which applies to dividends received by individuals, estates, and trusts. In addition, general rulings issued by the Internal Revenue Service indicate that the participant's share of brokerage commissions and service fees for purchases of open market shares and service fees for purchases using new issue shares (which will be paid by Vectren) will be taxable as dividend income to the participant. The adjusted basis in Common Stock acquired under the Plan will be equal to the amount required to be treated as a dividend, including any brokerage commissions and service fees allocated to such purchases. A participant's holding period for Common Stock acquired under the Plan generally will begin on the day after the date on which the Common Stock is credited to the shareholder's account.

Common Stock purchased with voluntary cash payments will be treated in the same manner as Common Stock purchased outside of the Plan. The adjusted basis in such shares will be equal to the price paid, increased by any brokerage commission and service fees (which will be paid by Vectren) allocated to such purchases and treated as dividend income.

A participant will not realize any taxable income when he or she receives certificates for whole shares credited to his or her account upon a request for such certificates. However, if the participant receives, upon request, a cash payment for the sale of whole and/or fractional shares credited to his or her account, the participant will realize a gain or loss measured by the difference between the amount of the cash received and the basis in such shares or fractional shares. The tax basis of a participant's shares that are sold is the price paid for the shares. Gain or loss upon the sale of the shares will be capital in character if such shares or fractional shares are a capital asset in the participant's hands. **For further information as to tax consequences of participation in the Plan, participants should consult with their own tax advisor.**

**The tax information in this Question 33 is provided solely as a guide to participants and may be subject to change by future legislation and regulation. Participants are advised to consult their own tax advisor as to the federal and state income tax effects of participation in the Plan.**

Vectren common stock is not insured by the FDIC or any other government agency, are not deposits or other obligations of, and are not guaranteed by, the Plan Administrator or Vectren, and are subject to investment risks, including possible loss of principal amount invested. Common stock held in the Plan are not subject to protection under the Securities Investor Protection Act of 1970.

The Plan assumes that each participant will use the first-in, first-out (or "FIFO") method when determining the tax basis of any shares sold. Participants may designate their preference for "specific identification" cost basis at any time by identifying this preference in writing to the Plan Administrator.

#### **34. What provision is made for domestic and foreign participants whose dividends are subject to federal income tax withholding?**

Federal law requires the Plan Administrator to withhold an amount (currently 28%) from the amount of dividends and the proceeds of any sale of shares for a domestic shareholder if: (i) the shareholder fails to certify to the Plan Administrator that they are not subject to backup withholding, (ii) the shareholder fails to certify that the taxpayer identification number provided is correct or (iii) the Internal Revenue Service notifies the Company that the shareholder is subject to backup withholding. The withheld amount will be deducted from the amount of dividends and the remaining amount will be reinvested in accordance with the Plan. The withheld amount also will be deducted from the proceeds of any sale of shares and the remaining amount will be sent to the shareholder.

A foreign person (nonresident alien individual or foreign entity) is subject to tax withholding at a 30% rate on the gross amount of certain payments of U.S. source income including dividends, unless the beneficial owner of the payment is entitled to a reduced rate of, or exemption from, withholding tax under an income tax treaty. Foreign entity owned accounts may also be subject to 30% withholding on all applicable U.S. sourced income, including dividends, as required by the Foreign Account Tax Compliance Act ("FATCA"). Gross proceeds received from the sale, maturity or exchange of securities that can produce U.S. sourced dividends or interest will also be subject to potential FATCA withholding effective on January 1, 2019. Foreign persons should consult with their tax advisors or counsel as to which tax certification form they are required to provide and for more specific information regarding the withholding requirements under Chapters 3 and 4 (FATCA) of the U.S. Internal Revenue Code.

## **EMPLOYEE PARTICIPATION**

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#### **35. Which employees are eligible to participate in the Plan?**

All full-time employees of Vectren and such wholly-owned subsidiaries of Vectren as shall be designated from time to time by the Chief Executive Officer of Vectren are eligible to participate in the Plan.

#### **36. What are the rights of employees under the Plan?**

Employees have the same rights under the Plan and are governed by the same terms and limitations that apply to all other participants except as follows. Eligible employees may arrange to make voluntary cash payments through regular payroll deductions. Also, employees who make this election are not required to make an initial \$500 minimum investment and are not required to maintain a minimum of ten shares of Common Stock in their Plan account to avoid having their participation

in the Plan terminated by the Company. (Refer to Question 43.) Voluntary cash payments by an employee, including payroll deductions, may not exceed \$100,000 in a calendar year.

Voluntary cash payments by employees, including payroll deductions, will be applied by the Plan Administrator to the purchase of Common Stock.

**37. How does an eligible employee participate in the Plan?**

Eligible employees may enroll in the Plan at any time to purchase Common Stock through payroll deductions by completing a Payroll Deduction Authorization & Enrollment Card and returning it to their Payroll Department. Employees can obtain an Authorization & Enrollment Card from their Payroll Department Intranet. If an employee wishes to make voluntary cash payments directly to the Plan Administrator and is not enrolled in payroll deductions, an Account Authorization Form must be completed and mailed to the Plan Administrator along with a check for at least the initial \$500 minimum investment plus a \$15 enrollment fee.

Employees who already participate in the Plan must complete a Payroll Deduction Authorization & Enrollment Card if they wish to begin making voluntary cash payments through payroll deductions. Any employee who wishes to participate in the Plan, but does not wish to make voluntary cash payments through payroll deduction may obtain from the Plan Administrator an Account Authorization Form in order to provide for the reinvestment of cash dividends on those shares.

**38. What is the limit on payroll deductions?**

Eligible employees may authorize their employer to deduct a specified dollar amount from each pay period of each month. The minimum total monthly deduction is \$25. Once authorized, payroll deductions will continue until changed or terminated by the employee.

**39. May employees change or terminate payroll deductions?**

Yes. An employee may change the amount deducted or terminate payroll deductions by giving written notice to their Payroll Department. Employees should allow at least 15-days processing time prior to the end of the pay period in which the deduction is made for any change in the amount of the deduction to become effective. Not more than two payroll deduction changes may be made in any calendar year. However, an employee, at any time, may provide to the Payroll Department a signed Payroll Deduction Authorization & Enrollment Card terminating his or her payroll deduction. Employees may terminate payroll deductions and continue to invest by making voluntary cash payments directly to the Plan Administrator.

**40. What happens when an employee who participates in the Plan leaves Vectren or one of its wholly-owned subsidiaries?**

If an employee ceases to be employed by Vectren or one of its wholly-owned subsidiaries, the Plan Administrator will continue to either reinvest cash dividends or send cash dividends directly to the participant on the shares credited to his or her account, depending upon his or her investment option, until the participant notifies the Plan Administrator by telephone or in writing to the contrary. A former employee may continue to participate in the Plan as long as a minimum of ten shares are credited to his or her Plan account. (Refer to Question 43.)

**MISCELLANEOUS**

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**41. May the Plan be changed or discontinued?**

Vectren has the right to modify the Plan, or to suspend or terminate the Plan, at any time. Participants will receive notice of any such action. Any such modification, suspension or termination will not, of course, affect previously executed transactions. Vectren also has the right to adopt, and from time to time change, such administrative rules and regulations (not inconsistent in substance with the basic provisions of the Plan then in effect) as it deems desirable or appropriate for the administration of the Plan. In addition, Vectren has the right to offer to the Plan new issue shares or direct the Plan to purchase open market shares as it, from time to time, determines in its sole discretion. The Plan Administrator has the right to resign at any time upon reasonable written notice to Vectren.

**42. Who interprets the Plan?**

Vectren will interpret and regulate the Plan and any agreements that establish or administer the Plan, and its interpretation and regulation will be conclusive.

**43. May Vectren terminate a participant's participation in the Plan?**

Vectren may, in its sole discretion and at any time, terminate participation in the Plan by any participant holding fewer than ten shares of Common Stock in a Plan account and who, at such time, is not an employee enrolled to purchase shares through automatic payroll deductions or a non-employee participant having funds regularly deducted from a savings or checking account. Before terminating the participation in the Plan of such a participant, Vectren will provide 60-day advance

written notice requesting the participant to increase the number of shares credited to the participant's Plan account to at least ten shares. This 60-day period will encompass two investment dates so as to allow the participant two opportunities to purchase a sufficient number of shares to meet this minimum threshold. If, upon the expiration of this 60-day period, the participant's Plan account holds fewer than ten shares, the participant will be treated as though the participant had terminated participation in the Plan as of such date, the Plan Administrator will transfer to book-entry registration in such participant's name all whole shares in the participant's Plan account, and will deliver to the participant a check for any optional cash payments not then invested and a check for any fractional shares based upon the then current fair market value of the Common Stock, less any service fee, brokerage commission and any other costs of sale.



## USE OF PROCEEDS

The number of shares of Common Stock that will be purchased under the Plan and the prices at which the shares will be sold cannot be determined at this time. In the case of shares purchased for the Plan in the open market, Vectren will not receive any of the proceeds of the offering. In the case of new issue shares, the proceeds received by Vectren will be used for general corporate purposes. Vectren cannot estimate the amount of such proceeds which will be devoted to any particular purpose.

## PLAN OF DISTRIBUTION

Except to the extent the Plan Administrator purchases Common Stock in open market transactions, the Common Stock will be sold directly by Vectren through the Plan. As stated elsewhere in this Prospectus, Vectren will pay the costs to administer the Plan, including service fees and brokerage commissions on purchases of shares in the open market. Certain fees apply to participants in the Plan, which are set forth in Question 10 above.

Persons who acquire Common Stock through the Plan and resell the shares shortly after acquiring them, including coverage of short positions, under certain circumstances may be participating in a distribution of securities that would require compliance with Regulation M under the Exchange Act and may be considered to be underwriters within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). Vectren will not extend to any such person any rights or privileges other than those to which he or she would be entitled as a participant, nor will Vectren enter into any agreement with any such person regarding the resale or distribution by any such person of the Common Stock so purchased.

The Common Stock is listed on the New York Stock Exchange under the symbol "VVC." This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any shares of Common Stock or other securities in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

## INDEMNIFICATION

Pursuant to Indiana law and certain provisions in Vectren's Articles of Incorporation, Vectren will indemnify each director and officer of Vectren against liability and expenses, including attorneys' fees, incurred by him or her in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, in which he or she is made or threatened to be made a party by reason of being or having been in any such capacity, or arising out of his or her status as such, except (i) in the case of any action, suit, or proceeding terminated by judgment, order, or conviction, in relation to matters as to which he or she is adjudged to have breached or failed to perform the duties of his or her office and the breach or failure to perform constituted willful misconduct or recklessness; and (ii) in any other situation, in relation to matters as to which it is found by a majority of a committee composed of all directors not involved in the matter in controversy (whether or not a quorum) that he or she breached or failed to perform the duties of his or her office and the breach or failure to perform constituted willful misconduct or recklessness. Vectren also maintains directors' and officers' liability insurance, which provides, in general, insurance to our directors and officers against any loss by reason of any of their wrongful acts, subject to the terms and conditions of the policy. Furthermore, Vectren is a party to indemnification agreements with each of its directors and executive officers, which require Vectren to indemnify and hold such persons harmless to the greatest extent permitted by law for liabilities arising out of such person's service to Vectren as a director or executive officer, if such person acted in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of Vectren and, with respect to criminal proceedings, if the person had no reasonable cause to believe that his or her conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling Vectren pursuant to the foregoing provisions, Vectren has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements contained or incorporated by reference in this Prospectus regarding future events and developments are "forward-looking statements" within the meaning of Section 27A of the Securities Act. Forward-looking statements are based on management's beliefs as well as assumptions made by, and information currently available to, management. Because those statements are based on expectations and not historical facts, actual results may differ materially from those projected in the particular statements. Important factors that could cause future results to differ include those listed under or incorporated by reference in "Risk Factors" on page 3 and the following matters:

- Factors affecting utility operations such as unfavorable or unusual weather conditions; catastrophic weather-related damage; unusual maintenance or repairs; unanticipated changes to coal and natural gas costs; unanticipated changes to gas transportation and storage costs, or availability due to higher demand, shortages, transportation problems or other developments; environmental or pipeline incidents; transmission or distribution incidents; unanticipated changes to electric energy supply costs, or availability due to demand, shortages, transmission problems or other developments; or electric transmission or gas pipeline system constraints.

- New or proposed legislation, litigation and government regulation or other actions, such as changes in, rescission of or additions to tax laws or rates, pipeline safety regulation and environmental laws and regulations, including laws governing air emissions, carbon, waste water discharges and the handling and disposal of coal combustion residuals that could impact the continued operation, and/or cost recovery of generation plant costs and related assets. Compliance with respect to these regulations could substantially change the operation and nature of the Company's utility operations.
- Catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, terrorist acts, physical attacks, cyber attacks, or other similar occurrences could adversely affect the Company's facilities, operations, financial condition, results of operations, and reputation.
- Increased competition in the energy industry, including the effects of industry restructuring, unbundling, and other sources of energy.
- Regulatory factors such as uncertainty surrounding the composition of state regulatory commissions, adverse regulatory changes, unanticipated changes in rate-setting policies or procedures, recovery of investments and costs made under regulation, interpretation of regulatory-related legislation by the IURC and/or PUCO and appellate courts that review decisions issued by the agencies, and the frequency and timing of rate increases.
- Financial, regulatory or accounting principles or policies imposed by the Financial Accounting Standards Board; the Securities and Exchange Commission; the Federal Energy Regulatory Commission; state public utility commissions; state entities which regulate electric and natural gas transmission and distribution, natural gas gathering and processing, electric power supply; and similar entities with regulatory oversight.
- Economic conditions including the effects of inflation, commodity prices, and monetary fluctuations.
- Economic conditions surrounding the current economic uncertainty, including increased potential for lower levels of economic activity; uncertainty regarding energy prices and the capital and commodity markets; volatile changes in the demand for natural gas, electricity, and other nonutility products and services; economic impacts of changes in business strategy on both gas and electric large customers; lower residential and commercial customer counts; variance from normal population growth and changes in customer mix; higher operating expenses; and reductions in the value of investments.
- Volatile natural gas and coal commodity prices and the potential impact on customer consumption, uncollectible accounts expense, unaccounted for gas and interest expense.
- Volatile oil prices and the potential impact on customer consumption and price of other fuel commodities.
- Direct or indirect effects on the Company's business, financial condition, liquidity and results of operations resulting from changes in credit ratings, changes in interest rates, and/or changes in market perceptions of the utility industry and other energy-related industries.
- The performance of projects undertaken by the Company's nonutility businesses and the success of efforts to realize value from, invest in and develop new opportunities, including but not limited to, the Company's Infrastructure Services, Energy Services, and remaining ProLiance Holdings assets.
- Factors affecting Infrastructure Services, including the level of success in bidding contracts; fluctuations in volume and mix of contracted work; mix of projects received under blanket contracts; unanticipated cost increases in completion of the contracted work; funding requirements associated with multiemployer pension and benefit plans; changes in legislation and regulations impacting the industries in which the customers served operate; the effects of weather; failure to properly estimate the cost to construct projects; the ability to attract and retain qualified employees in a fast growing market where skills are critical; cancellation and/or reductions in the scope of projects by customers; credit worthiness of customers; ability to obtain materials and equipment required to perform services; and changing market conditions, including changes in the market prices of oil and natural gas that would affect the demand for infrastructure construction.
- Factors affecting Energy Services, including unanticipated cost increases in completion of the contracted work; changes in legislation and regulations impacting the industries in which the customers served operate; changes in economic influences impacting customers served; failure to properly estimate the cost to construct projects; risks associated with projects owned or operated; failure to appropriately design, construct, or operate projects; the ability to attract and retain qualified employees; cancellation and/or reductions in the scope of projects by customers; changes in the timing of being awarded projects; credit worthiness of customers; lower energy prices negatively impacting the economics of performance contracting business; and changing market conditions.
- Employee or contractor workforce factors including changes in key executives, collective bargaining agreements with union employees, aging workforce issues, work stoppages, or pandemic illness.

- Risks associated with material business transactions such as acquisitions and divestitures, including, without limitation, legal and regulatory delays; the related time and costs of implementing such transactions; integrating operations as part of these transactions; and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions.
- Costs, fines, penalties and other effects of legal and administrative proceedings, settlements, investigations, claims, including, but not limited to, such matters involving compliance with federal and state laws and interpretations of these laws.

These and other matters are difficult to predict, and many are beyond Vectren's control, including those discussed in this Prospectus and the Company's filings with the SEC. Accordingly, investors should not rely on the accuracy of predictions contained in forward-looking statements. These statements speak only as of the date of this Prospectus or, in the case of documents incorporated by reference, the dates of those documents, as applicable. Vectren undertakes no obligation to update these statements in the future.

## EXPERTS

The consolidated financial statements and the related financial statement schedule, incorporated in this Prospectus by reference from the Vectren Corporation Annual Report on Form 10-K for the year ended December 31, 2016, and the effectiveness of Vectren Corporation's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

## LEGAL MATTERS

The validity of the Plan shares will be passed upon for us by Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204, Vectren's outside counsel.



Vectren Corporation  
One Vectren Sq.  
Evansville, Indiana 47708  
(812) 491-4000  
[www.vectren.com](http://www.vectren.com)