As filed with the Securities and Exchange Commission on March 10, 2008

File No. 001-33794

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

Amendment No. 3
to

Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

BATESVILLE HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)
(Name to be changed to Hillenbrand, Inc.)

Indiana	**26-1342272**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
One Batesville Boulevard **Batesville, Indiana**	**47006**
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code: 812-934-7500

Copies of correspondence to:

John R. Zerkle	**Patrick D. de Maynadier**	**Charles H. Still, Jr.**
Batesville Holdings, Inc.	**Hillenbrand Industries, Inc.**	**Bracewell & Giuliani LLP**
One Batesville Boulevard	**1069 State Route 46 East**	**711 Louisiana Street, Suite 2300**
Batesville, Indiana 47006	**Batesville, Indiana 47006**	**Houston, Texas 77002-2770**
(812) 931-3832	**(812) 931-2304**	**(713) 221-3309**

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	**Name of Each Exchange on Which Each Class is to be Registered**
Common Stock, without par value	**New York Stock Exchange**

Securities to be registered pursuant to Section 12(g) of the Act
None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☐ Large accelerated filer
☑ Non-accelerated filer
(Do not check if a smaller reporting company)
☐ Accelerated filer
☐ Smaller reporting company

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Certain of the information required in this registration statement is included in the information statement filed as Exhibit 99.1 to this registration statement, as specified below.

Item 1. ***Business.***

The information required by this item is contained in the information statement under the headings "Business and Properties," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Where You Can Find More Information" and "Index to Combined Financial Statements" (and in the financial statements referenced therein) and is incorporated herein by reference.

Item 1A. ***Risk Factors.***

The information required by this item is contained in the information statement under the heading "Risk Factors" and is incorporated herein by reference

Item 2. ***Financial Information.***

The information required by this item is contained in the information statement under the headings "Selected Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained in the information statement under the heading "Business and Properties" and is incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this item is contained in the information statement under the heading "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

Item 5. ***Directors and Executive Officers.***

The information required by this item is contained in the information statement under the heading "Management" and is incorporated herein by reference.

Item 6. ***Executive Compensation.***

The information required by this item is contained in the information statement under the headings "Management" and "Executive Compensation" and is incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item is contained in the information statement under the headings "Arrangements between Original Hillenbrand and New Hillenbrand," "Management" and "Transactions with Related Persons" and is incorporated herein by reference.

Item 8. ***Legal Proceedings.***

The information required by this item is contained in the information statement under the heading "Business and Properties — Legal Proceedings" and is incorporated herein by reference.

Item 9. ***Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.***

The information required by this item is contained in the information statement under the headings "The Separation," "Dividend Policy" and "Shares Eligible for Future Sale" and is incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities.***

On November 1, 2007, in connection with the organization of the registrant, the registrant issued 100 shares of its common stock to Hillenbrand Industries, Inc. for aggregate consideration of $1,000. These shares of common stock were issued without registration under the Securities Act of 1933, as amended, in reliance on the exemption provided by Section 4(2) of that Act. The registrant has not sold any other securities.

Item 11. ***Description of Registrant's Securities to be Registered.***

The information required by this item is contained in the information statement under the heading "Description of New Hillenbrand Capital Stock" and is incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers.***

The information required by this item is contained in the information statement under the heading "Description of New Hillenbrand Capital Stock — Limitation on Liability of Directors and Indemnification of Directors and Officers" and is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data.***

The information required by this item is contained in the information statement under the headings "Unaudited Pro Forma Combined Financial Statements" and "Index to Combined Financial Statements" (and in the financial statements and schedule referenced therein) and is incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 15. ***Financial Statements and Exhibits.***

(a) The information required by this item is contained in the information statement under the heading "Index to Combined Financial Statements" and is incorporated herein by reference.

Schedules not mentioned in the incorporated information have been omitted because the information required to be set forth therein is not applicable or the information is otherwise included in the financial statements or notes thereto.

(b) The Exhibit Index that follows the signature page sets forth the documents that are filed as exhibits hereto and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this amendment no. 3 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

BATESVILLE HOLDINGS, INC.

By: /s/ John R. Zerkle
Name: John R. Zerkle
Title: Senior Vice President, General Counsel and Secretary

Dated: March 10, 2008

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1**	Form of Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc.
3.1*	Form of Restated and Amended Articles of Incorporation of Batesville Holdings, Inc.
3.2*	Form of Amended and Restated Code of By-laws of Batesville Holdings, Inc.
10.1*	Form of Tax Sharing Agreement between Hillenbrand Industries, Inc. and Batesville Holdings, Inc.
10.2**	Form of Employee Matters Agreement between Hillenbrand Industries, Inc. and Batesville Holdings, Inc.
10.3**	Form of Judgment Sharing Agreement between Hillenbrand Industries, Inc., Batesville Holdings, Inc. and Batesville Casket Company, Inc.
10.4**	Form of Employment Agreement between Batesville Holdings, Inc. and Kenneth A. Camp
10.5**	Form of Employment Agreement between Batesville Holdings, Inc. and Cynthia L. Lucchese
10.6**	Form of Employment Agreement between Batesville Holdings, Inc. and John R. Zerkle
10.7**	Form of Employment Agreement between Batesville Services, Inc. and certain officers, including Michael L. DiBease and Douglas I. Kunkel
10.8**	Form of Change in Control Agreement between Batesville Holdings, Inc. and Kenneth A. Camp
10.9**	Form of Change in Control Agreement between Batesville Holdings, Inc. and certain executive officers, including the named executive officers other than Kenneth A. Camp
10.10**	Form of Indemnity Agreement between Batesville Holdings, Inc. and certain executive officers, including the named executive officers
10.11**	Form of Indemnity Agreement between Batesville Holdings, Inc. and its non-employee directors
10.12**	Batesville Holdings, Inc. Stock Incentive Plan
10.13**	Batesville Holdings, Inc. Board of Directors' Deferred Compensation Plan
10.14**	Batesville Holdings, Inc. Short-Term Incentive Compensation Plan
10.15**	Batesville Holdings, Inc. Supplemental Executive Retirement Plan
10.16**	Batesville Holdings, Inc. Executive Deferred Compensation Program
14.1**	Form of Code of Ethical Business Conduct
21.1**	Subsidiaries of Batesville Holdings, Inc.
99.1**	Information Statement, subject to completion, dated March 10, 2008
99.2*	Corporate Governance Standards for Board of Directors
99.3*	Charter of Audit Committee of Board of Directors
99.4*	Charter of Nominating/Corporate Governance Committee of Board of Directors
99.5*	Charter of Compensation and Management Development Committee of Board of Directors
99.6	Plaintiffs' First Amended Consolidated Class Action Complaint, dated October 12, 2005, *In re Funeral Consumers Antitrust Litigation* (Incorporated by reference to Exhibit 99.1 to Hillenbrand Industries, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2006)
99.7	Plaintiffs' First Amended Class Action Complaint, dated October 21, 2005, *Pioneer Valley Casket Co., Inc. et al. v. Service Corporation International et al.* (Incorporated by reference to Exhibit 99.2 to Hillenbrand Industries, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2006)

* Previously filed.

** Filed herewith

Exhibit 2.1

DISTRIBUTION AGREEMENT

BY AND BETWEEN

HILLENBRAND INDUSTRIES, INC.

AND

BATESVILLE HOLDINGS, INC.

Dated as of March 14, 2008

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DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT, dated as of March 14, 2008 (this "Agreement"), is entered into by and between Hillenbrand Industries, Inc., an Indiana corporation ("RemainCo"), and Batesville Holdings, Inc., an Indiana corporation ("SpinCo"). Capitalized terms used herein and not other otherwise defined shall have the meanings set forth in Article I.

WITNESSETH:

WHEREAS, RemainCo currently owns 100 shares of SpinCo's issued and outstanding Common Stock, without par value ("SpinCo Common Stock"), constituting 100% of the outstanding SpinCo Common Stock;

WHEREAS, the Board of Directors of RemainCo has determined that it is in the best interests of RemainCo to distribute its entire ownership interest in SpinCo through a pro-rata distribution of all of the outstanding shares of SpinCo Common Stock then owned by RemainCo to the holders of RemainCo Common Stock pursuant to the terms and subject to the conditions of this Agreement (the "Distribution");

WHEREAS, effective promptly following the close of business on the Record Date, the Board of Directors of SpinCo and RemainCo, as the sole shareholder of SpinCo, will approve the split-up of the then outstanding shares of SpinCo Common Stock, and SpinCo will file articles of amendment to its amended and restated articles of incorporation with the Secretary of State of Indiana so that the Distribution Ratio shall be one to one;

WHEREAS, the shareholders of RemainCo and SpinCo have approved the change of the names of RemainCo and SpinCo to Hill-Rom Holdings, Inc. and Hillenbrand, Inc., respectively, and each of RemainCo and SpinCo will file articles of amendment to its amended and restated articles of incorporation with the Secretary of State of Indiana to effect the foregoing name changes prior to the Effective Time;

WHEREAS, the Distribution is intended to qualify as a Tax-Free Spin-Off pursuant to Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the parties intend in this Agreement, including the Exhibits and Schedules hereto, and the Other Agreements, to set forth the principal arrangements between them regarding the Distribution;

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

1.01 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

AAA: as defined in Section 6.04(a).

Action: any claim, suit, action, mediation, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any mediator, arbitrator or Governmental Authority.

Advancing Party: as defined in Section 3.12.

affiliate: with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group and no officer or director of any member of either Group shall be deemed to be an affiliate of any member of the other Group.

Agreed Termination Event: the first to occur of: (a) the full and complete satisfaction of a trial court judgment in the last pending Action comprising the BSI Litigation or the suspension of the execution of such judgment by the posting of a supersedeas bond; or (b) the settlement or voluntary dismissal of the last pending Action comprising the BSI Litigation as to all members of the RemainCo Group and the SpinCo Group.

Agreement: as defined in the preamble to this Agreement.

Applicable Deadline: as defined in Section 6.03(b).

Applicable Other Agreement: as defined in Section 6.03(b).

Appropriate Members of the RemainCo Group: as defined in Section 3.04.

Appropriate Members of the SpinCo Group: as defined in Section 3.03.

Arbitration Act: the United States Arbitration Act, 9 U.S.C. ss.ss 1-16, as the same may be amended from time to time.

Arbitration Demand Date: as defined in Section 6.03(a).

Arbitration Demand Notice: as defined in Section 6.03(a).

Article IX Third Party Claim: a Third Party Claim in which at least one member of the RemainCo Group and at least one member of the SpinCo Group are codefendants.

Base Rate: the rate which Citibank, N.A. (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its base lending rate, as in effect from time to time.

best efforts: a Person's good faith best efforts to achieve a goal as expeditiously as possible, which may require the incurrence of expense or hardship in order to achieve the reasonable expectations of the other party as agreed hereunder.

BSI Litigation: To the extent not covered by collectible insurance: (a) each Action listed on Schedule 1; (b) each additional Action hereafter asserted prior to the consummation of the Distribution against both a member of the RemainCo Group and a member of the SpinCo Group seeking damages for alleged violations of state and federal antitrust laws based upon the SpinCo Group's method of distributing caskets exclusively through licensed funeral directors; and (c) any other Action consolidated for purposes of trial with any Action referred to in clause (a) or (b) above.

Business Day: any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Indiana are authorized or obligated by law or executive order to close.

Claims Administration: the processing of claims made under the Insurance Policies, including the reporting of claims to the insurance carrier, management and defense of claims and providing for appropriate releases upon settlement of claims.

Claims Handling Agreement: any third party administrator or claims handling agreement of any kind or nature to which any member of either Group is directly or indirectly a party, in effect as of the date hereof, related to the handling of Insured SpinCo Claims.

Code: as defined in the recitals to this Agreement.

Consolidated EBITDA: for any period, consolidated net income of RemainCo or SpinCo, as the case may be, and its Subsidiaries for such period plus, without duplication and to the extent reflected as a charge in the statement of such consolidated net income for such period, the sum of: (a) income tax expense; (b) interest expense, amortization or write-off of debt discount and hedges and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness; (c) depreciation and amortization expense; (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs; (e) any extraordinary or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of consolidated net income for such period, losses on sales of assets outside the ordinary course of business and one time charges associated with the Distribution); and (f) all non-cash items decreasing consolidated net income for such period, (other than any such non-cash item to the extent that it will result in the making of cash payments in any future period), and minus, to the extent of: (i) any extraordinary or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such consolidated net income for such period and gains on sales of assets outside of the ordinary course of business); and (ii) all non-cash items increasing consolidated net income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments

in any future period). Consolidated EBITDA shall be calculated on a pro forma basis to give effect to any proposed acquisition of a Restricted Acquisition Target by RemainCo or SpinCo, as the case may be, as if such acquisition had been effected on the first day of such period.

Distribution: as defined in the recitals to this Agreement.

Distribution Agent: as defined in Section 2.04(a).

Distribution Date: March 31, 2008, being the date on which the Distribution becomes effective.

Distribution Ratio: as defined in Section 2.04(b).

Effective Time: as defined in Section 2.06.

Employee Matters Agreement: the employee benefits and compensation allocation agreement to be entered into prior to the Effective Time between RemainCo and SpinCo.

Escalation Notice: as defined in Section 6.02(a).

Executive Liability Policies: Insurance Policies with coverages relating to directors and officers liability, employment practices liability and fiduciary liability.

Governmental Authority: any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, authority (including, but not limited to, any central bank or taxing authority) or instrumentality (including, but not limited to, any court, tribunal or grand jury) exercising executive, prosecutorial, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other regulatory, administrative or governmental authority.

Group: the RemainCo Group or the SpinCo Group, as the context requires.

Incurrence Ratio: the ratio of Pro Forma Consolidated Total Debt divided by pro forma Consolidated EBITDA, calculated as of the most recent fiscal four quarter period ended prior to a Person entering into an agreement for the contemplated acquisition of a Restricted Acquisition Target.

Indebtedness: as to any Person at a particular time, without duplication, all of the following, but only to the extent included as indebtedness or liabilities in accordance with generally accepted accounting principles in the United States: (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under unreimbursed payments made under letters of credit (including standby and commercial), bankers' acceptances and bank guarantees; (c) net obligations of such Person under any hedge contract pertaining to interest rates or pertaining to any currency or commodity; (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable incurred in the ordinary course of business); (e) indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in

recourse; (f) all obligations of such Person under capital leases; and (g) all guarantees of such Person in respect of any of the foregoing. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or other limited liability entity) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The following three clauses shall be applicable when computing the Incurrence Ratio for SpinCo or RemainCo: (i) the amount of any net obligation under any hedge contract on any date shall be deemed to be the hedge termination value thereof as of such date; (ii) the amount of any capital lease as of any date shall be deemed to be the amount of attributable indebtedness in respect thereof as of such date; and (iii) Indebtedness shall not include 75% of the principal amount of any mandatorily convertible unsecured bonds, debentures, preferred stock or similar instruments which are payable in no more than three years (whether by redemption, call option or otherwise) solely in common stock or other common equity interests of such Person.

Indemnifiable Losses: all Losses which are subject to being indemnified by RemainCo or SpinCo pursuant to Article III.

Indemnifying Party: as defined in Section 3.07(a).

Indemnitee: as defined in Section 3.07(a).

Indemnity Payment: as defined in Section 3.07(a).

information: all records, books, contracts, instruments, computer data and other data and information of a Person.

Insurance Administration: with respect to each Insurance Policy, (a) the accounting for retrospectively-rated premiums, defense costs, indemnity payments, deductibles and retentions as appropriate under the terms and conditions of each of the Insurance Policies, (b) the reporting to excess insurance carriers of any losses or claims which may cause the per-occurrence or aggregate limits of any Insurance Policy to be exceeded and (c) the distribution of Insurance Proceeds as contemplated by this Agreement.

Insurance Company Program Agreement: contracts between RemainCo and insurers, Travelers and Discover Re, that outline the payment and collateral obligations associated with the self-funded retentions in the loss sensitive casualty insurance programs.

Insurance Policy: insurance policies and insurance contracts of any kind that immediately prior to the Effective Time are or have been owned or maintained by, or provide a benefit in favor of, any member of either Group or any of its predecessors, including, without limitation, workers compensation/employers liability (including self-insured workers compensation in the State of Indiana), commercial general liability (including product liability), auto liability, excess/umbrella liability, property/business interruption, marine cargo, blanket crime/fidelity, aviation including airport liability, international liability and Executive Liability Policies. The term “Insurance Policies” expressly excludes any insurance policies relating to Plans to the extent such insurance policies are addressed under the Employee Matters Agreement, other than the above referenced Executive Liability Policies and workers compensation/employers liability policies (including self-insured workers compensation in the State of Indiana).

Insurance Proceeds: those monies actually received by or on behalf of an insured from an insurance carrier or paid by an insurance carrier on behalf of the insured.

Insured Claims: any claim with respect to those Losses that, individually or in the aggregate, are covered within the terms and conditions of any of the Insurance Policies, whether or not subject to deductibles, coinsurance, uncollectibility or retrospectively-rated premium adjustments, but only to the extent that such Losses are within applicable Insurance Policy limits, including aggregates.

Insured SpinCo Claims: any claim with respect to any Loss, damage or injury that occurred prior to the Effective Time that is against any member of the SpinCo Group or any employee of any member of the SpinCo Group; provided, that in the case of any such claim or any claims identified in (a) through (e) below, such Loss or expense (including costs of defense and reasonable attorneys' fees) is or may be insured under one or more of the Insurance Policies. Insured SpinCo Claims include, without limitation, (a) claims for property or casualty damage or any other Loss or expense with respect to assets of SpinCo; (b) claims of Loss or expense arising from business interruption of any SpinCo Business; (c) claims against any member of the SpinCo Group whether or not the SpinCo Group has or has assumed liability for such claims under this Agreement or any of the Other Agreements; (d) claims against any member of the RemainCo Group to the extent any member of the SpinCo Group has liability for such claims under this Agreement or any of the Other Agreements; and (e) claims involving or against any director, officer, employee, fiduciary or agent of the SpinCo Group who are entitled or would have been entitled to indemnification by RemainCo had the Distribution not occurred.

Judgment Sharing Agreement: the Judgment Sharing Agreement dated as of March 14, 2008 among RemainCo, SpinCo and Batesville Casket Company, Inc. relating to the BSI Litigation.

law: any foreign, federal, state or local statute, ordinance, regulation, code, license, permit, authorization, approval, consent, common law, legal doctrine, order, judgment, decree, injunction or requirement of any Governmental Authority or any order or award of any arbitrator, now or hereafter in effect.

liabilities: means any and all claims, debts, liabilities, assessments, guarantees, assurances, commitments, obligations, fines, penalties, damages (whether compensatory, punitive, consequential, multiple or other), losses, disgorgements and obligations, of any kind, character or description (whether absolute, contingent, matured, not matured, liquidated, unliquidated, accrued, known, unknown, direct, indirect, derivative or otherwise) whenever arising, including, but not limited to, those arising under or in connection with any law, and those arising under any contract, guarantee, commitment or undertaking, whether sought to be imposed by any Governmental Authority or arbitrator, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise (but excluding, any liabilities for Taxes because the Tax Sharing Agreement will govern those liabilities), and including all costs, expenses and interest relating thereto (including, but not limited to, all expenses of investigation, all attorneys' fees and all out-of-pocket expenses in connection with any Action or threatened Action).

Losses: with respect to any Person, all losses, liabilities, damages, claims, demands, judgments or settlements of any nature or kind, known or unknown, fixed, accrued, absolute or contingent, liquidated or unliquidated, including all costs and expenses (legal, accounting or otherwise as such costs are incurred) relating thereto, including punitive damages and criminal fines and penalties, but excluding damages in respect of actual or alleged lost profits, suffered or alleged to be suffered by such Person, regardless of whether any such losses, liabilities, damages, claims, demands, judgments, settlements, costs, expenses, fines and penalties relate to or arise out of such Person's own alleged or actual negligent, grossly negligent, reckless or intentional misconduct.

NYSE: the New York Stock Exchange, Inc.

Other Agreements: the Employee Matters Agreement, the Ownership Agreements, the Shared Services Agreements, the Tax Sharing Agreement, the Transitional Services Agreements, the Judgment Sharing Agreement and any other agreement entered into by members of the RemainCo Group and the SpinCo Group in connection with the Distribution.

Ownership Agreements: the ownership agreements to be entered into prior to the Effective Time between RemainCo and SpinCo relating to the ownership of the airfield in Batesville, Indiana, the aircraft housed at that facility and the nearby corporate conference facility.

Person: an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

Plan: any Benefit Plan as defined in the Employee Matters Agreement.

Privileged Joint Defense Material: as defined in Section 9.02.

Pro Forma Consolidated Total Debt: all Indebtedness of SpinCo or RemainCo, as the case may be, and its Subsidiaries, calculated on a consolidated basis in accordance with generally accepted accounting principles in the United States, plus any Indebtedness proposed to be incurred in connection with the acquisition of a Restricted Acquisition Target.

Qualified Investment Banker: Citigroup Global Markets Inc. or Goldman, Sachs & Co., including in each case its successors and assigns, or any other investment banking firm of national stature in the United States mutually approved by RemainCo and SpinCo.

Record Date: the close of business on March 24, 2008, being the date for determining the holders of RemainCo Common Stock entitled to receive shares of SpinCo Common Stock pursuant to the Distribution.

RemainCo: as defined in the preamble to this Agreement, including its successors and permitted assigns.

RemainCo Business: all business and operations (including related joint ventures and alliances) of any member of the RemainCo Group at any time after the Distribution.

RemainCo Common Stock: the common stock, without par value, of RemainCo.

RemainCo Core Business: the manufacture or sale of non-implantable devices or any other existing business line conducted by Hill-Rom, Inc. and its Subsidiaries immediately prior to the Distribution (including medical technologies and related services for the health care industry, such as, for example, patient support systems, non-invasive therapeutic products for a variety of acute and chronic medical conditions, medical equipment rentals and workflow technology solutions).

RemainCo Group: RemainCo and the RemainCo Subsidiaries immediately following the consummation of the Distribution.

RemainCo Group Liabilities: except as otherwise specifically provided in any Other Agreement, all liabilities and obligations, whether arising before, at or after the Effective Time, (a) of any member of the RemainCo Group or (b) arising from the conduct of, in connection with or in any way relating to, in whole or in part, the businesses and operations of the RemainCo Group or the ownership or use of assets or property in connection therewith, including those allocated by Hillenbrand Industries, Inc. to any member of the RemainCo Group on Schedule 2.03(e).

RemainCo Indemnitees: as defined in Section 3.03.

RemainCo Minimum Credit Rating: one credit rating level below the initial credit rating assigned by Standard & Poors or Moody's Investor Services to RemainCo after giving effect to the Distribution.

RemainCo Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the RemainCo Group, and any other Subsidiaries of RemainCo, in each case including their successors and permitted assigns.

RemainCo Transfer Agent: the transfer agent for the RemainCo Common Stock.

representative: with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

Responsible Party: as defined in Section 3.12.

Restricted Acquisition Target: any Person engaged in the RemainCo Core Business in the case of RemainCo and the SpinCo Core Business in the case of SpinCo.

Rules: as defined in Section 6.05.

SEC: the United States Securities and Exchange Commission

Section 5.05 Information: as defined in Section 5.05.

Section 5.05 Requesting Party: as defined in Section 5.05.

Securities Exchange Act: the United States Securities Exchange Act of 1934, as amended.

Shared Services Agreements: the shared services agreements to be entered into prior to the Effective Time between RemainCo and SpinCo or their respective Subsidiaries providing for the provision of specified services on a long-term basis.

SpinCo: as defined in the preamble of this Agreement, including its successors and permitted assigns.

SpinCo Business: all business and operations (including related joint ventures and alliances) of any member of the SpinCo Group at any time after the Distribution.

SpinCo Common Stock: as defined in the preamble to this Agreement.

SpinCo Core Business: (a) the manufacture and/or sale of funeral service products, including burial caskets, cremation caskets, containers and urns, selection room display fixturing, and other personalization and memorialization products, including the SpinCo Business conducted immediately following the Distribution, and (b) any other basic manufacturing or distribution business where it is reasonable to assume that the core competencies developed by SpinCo in the manufacture and sale of the products referred to in clause (a) could add enterprise value.

SpinCo Distribution Documents: as defined in Section 3.03(e).

SpinCo Group: SpinCo and the SpinCo Subsidiaries immediately following the consummation of the Distribution.

SpinCo Group Liabilities: except as otherwise specifically provided in any Other Agreement, all liabilities and obligations, whether arising before, at or after the Effective Time, (a) of any member of the SpinCo Group or (b) arising from the conduct of, in connection with or in any way relating to, in whole or in part, the businesses and operations of the SpinCo Group or the ownership or use of assets or property in connection therewith, including those allocated by Hillenbrand Industries, Inc. to any member of the SpinCo Group on Schedule 2.03(e).

SpinCo Indemnitees: as defined in Section 3.04.

SpinCo Minimum Credit Rating: one credit rating level below the initial credit rating assigned by Standard & Poors or Moody's Investor Services to SpinCo after giving effect to the Distribution.

SpinCo Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the SpinCo Group, and any other Subsidiaries of SpinCo, in each case including their successors and permitted assigns.

SpinCo Transfer Agent: the transfer agent for the SpinCo Common Stock.

Subsidiary: with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or assigns; provided,

however, that for purposes of this Agreement, no member of the SpinCo Group shall be deemed to be a Subsidiary of any member of the RemainCo Group.

Tax: as defined in the Tax Sharing Agreement.

Tax Sharing Agreement: the tax sharing and indemnification agreement to be entered into prior to the Effective Time between RemainCo and SpinCo.

Third Party: a Person who is not a party hereto or a wholly-owned Subsidiary thereof.

Third Party Claim: as defined in Section 3.08(a).

Transitional Services Agreements: the transitional services agreements to be entered into prior to the Effective Time between RemainCo and SpinCo or their respective Subsidiaries providing for the provision of specified services on a short-term basis.

1.02 References to Time. All references in this Agreement to times of the day shall be to Batesville, Indiana time, except as otherwise specifically provided herein.

ARTICLE II.

THE DISTRIBUTION

2.01 Distribution. RemainCo's Board of Directors today authorized the Distribution payable as promptly as practicable following the Effective Time to shareholders of record of RemainCo on the Record Date. In connection with such authorization, the Board of Directors of RemainCo received a favorable advance letter ruling from the Internal Revenue Service and such opinions and reports as it deemed necessary, appropriate or desirable to conclude that the Distribution may be made under IND. CODE § 23-1-28-1, *et seq.*

2.02 Actions Prior to the Distribution. Prior to the Effective Time, the parties will take the actions set forth in this Section 2.02.

(a) Required Information. SpinCo will prepare and RemainCo will mail, prior to the Distribution Date, to the holders of RemainCo Common Stock, the Information Statement filed as an exhibit to and incorporated by reference into SpinCo's Registration Statement on Form 10. Each of RemainCo and SpinCo will file with the SEC and secure the effectiveness, if required, of all such documentation that it determines is necessary, appropriate or desirable to effect the Distribution, including, without limitation, a Registration Statement on Form 10 and related Information Statement by SpinCo and a Current Report on Form 8-K by RemainCo.

(b) Governmental Approvals. RemainCo and/or SpinCo, as appropriate, will take all necessary action to obtain the governmental approvals and material consents that are the subject of Section 2.03(b).

(c) Other Agreements. The Other Agreements shall be executed and delivered by the parties thereto.

(d) Shareholder Approval of Name Change. The shareholders of RemainCo shall have approved and not rescinded the change of RemainCo's name to Hill-Rom Holdings, Inc. effective prior to the Effective Time.

2.03 Conditions to Distribution. The consummation of the Distribution will be subject to the satisfaction, or waiver by RemainCo in its sole and absolute discretion, of the conditions set forth in this Section 2.03; any determination by RemainCo regarding the satisfaction or waiver of any of such conditions will be conclusive:

(a) Section 2.02 Matters. Consummation of the actions set forth in Section 2.02.

(b) Approvals and Consents. The receipt of any governmental approvals and material consents determined by RemainCo to be necessary to consummate the Distribution, which approvals and consents will be in full force and effect.

(c) No Injunction. No order, injunction, decree or regulation issued by any Government Authority or other legal restraint or prohibition preventing the consummation of the Distribution will be in effect and no other event outside the control of RemainCo will have occurred or failed to occur that prevents the consummation of the Distribution.

(d) Listing Approval. The SpinCo Common Stock to be distributed in the Distribution will have been accepted for listing on the NYSE, subject to official notice of issuance.

(e) Rearrangement of Assets, Indebtedness and Employees. The rearrangement of assets, indebtedness and employees between the RemainCo Group and the SpinCo Group referred to on Schedule 2.03(e) shall have been completed.

(f) Change in Circumstances. No determination will have been made by RemainCo's Board of Directors, in its sole discretion, that the Distribution is no longer in the best interest of RemainCo or its shareholders or that market conditions or other circumstances are such that it is no longer advisable to separate the RemainCo Business and the SpinCo Business.

(g) Effect of Delayed Distribution. In the event the Distribution Date is for any reason postponed more than 120 days after the date hereof, RemainCo's Board of Directors shall have redetermined, as of such postponed Distribution Date, that the Distribution satisfies the requirements of the Indiana Business Corporation Law governing distributions.

2.04 Certain Shareholder Matters.

(a) Arrangements with Distribution Agent. Subject to Section 2.03, as promptly as practicable following the Effective Time RemainCo will deliver to the RemainCo Transfer Agent, or other agent selected by it, as settlement and distribution agent for the benefit of holders of record of RemainCo Common Stock on the Record Date (the "Distribution Agent"), one or more stock certificates, endorsed by RemainCo in blank, representing all of the outstanding shares of SpinCo Common Stock then owned by RemainCo, and RemainCo will instruct the RemainCo

Transfer Agent to deliver to the Distribution Agent true, correct and complete copies of the stock and transfer records reflecting the holders of RemainCo Common Stock entitled to receive shares of SpinCo Common Stock in connection with the Distribution. RemainCo will cause the Distribution Agent to distribute as soon as reasonably practicable after the Effective Time, in settlement of the transfer of the securities associated with the Distribution, the appropriate number of shares of SpinCo Common Stock to each such holder or designated transferee(s) of such holder and to credit the appropriate number of such shares to book entry accounts for each such holder or designated transferee. For shareholders who hold RemainCo Common Stock through a broker or other nominee, their shares of SpinCo Common Stock will be credited to their respective accounts by such broker or nominee. RemainCo will cooperate, and will instruct the Distribution Agent to cooperate, with SpinCo and the SpinCo Transfer Agent, and SpinCo will cooperate, and will instruct the SpinCo Transfer Agent to cooperate, with RemainCo and the Distribution Agent, in connection with all aspects of the Distribution and all other matters relating to the delivery of the shares of SpinCo Common Stock to be distributed to the holders of RemainCo Common Stock in connection with the Distribution.

(b) Distribution Ratio. Subject to Section 2.03, each holder of RemainCo Common Stock on the Record Date (or such holder's designated transferee(s)) will be entitled to receive in the Distribution one share of SpinCo Common Stock for each share of RemainCo Common Stock held by such holder on the Record Date (the "Distribution Ratio").

(c) No Fractional Shares. Fractional shares of SpinCo Common Stock will not be issued as part of the Distribution nor will any fractional shares of SpinCo Common Stock be credited to book entry accounts. Instead, the Distribution Agent will, as soon as practicable after the Effective Time, aggregate into whole shares the fractional shares of SpinCo Common Stock that holders of RemainCo Common Stock would otherwise be entitled to receive. The Distribution Agent will sell these whole shares of SpinCo Common Stock in the open market at prevailing market prices and distribute the aggregate sales proceeds, net of applicable expenses including brokerage fees, ratably to such Persons who would otherwise have been entitled to receive fractional shares. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient. Because the Distribution Ratio is one share of SpinCo Common Stock for each share of RemainCo Common Stock outstanding on the Record Date, RemainCo believes that the payment of cash in lieu of fractional shares will only apply to certain shareholders of RemainCo that hold shares of RemainCo Common Stock through the BYDS By Direct Stock Program maintained by the RemainCo Transfer Agent.

(d) Deemed Owner of SpinCo Common Stock. Until such SpinCo Common Stock is duly transferred in accordance with applicable law, SpinCo will regard the Persons entitled to receive such SpinCo Common Stock as record holders of SpinCo Common Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such stock, (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of SpinCo Common Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive a book entry credit to such holder's account for the shares of SpinCo Common Stock then held by such holder.

2.05 Intercompany Accounts. Except as provided in Schedule 2.05, all intercompany loans or advances between any member of the RemainCo Group and any member of the SpinCo Group, and all other intercompany balances between such Group members shall be paid by the obligor to the obligee within 30 days after the Distribution Date.

2.06 Effective Time. The Distribution shall be effective as of 11:59 p.m. on the Distribution Date (the "Effective Time").

ARTICLE III.

MUTUAL RELEASES; INDEMNIFICATION

3.01 Survival of Agreements. All covenants and agreements of the parties hereto contained in this Agreement and all covenants and agreements of the parties hereto and their respective Subsidiaries contained in the Other Agreements shall survive the Distribution Date in accordance with their respective terms and shall not be merged into any deeds or other transfer or closing instruments or documents.

3.02 Mutual Release of Pre-Effective Time Claims.

(a) SpinCo Release. Except as expressly provided in, arising pursuant to or in connection with this Agreement, the Other Agreements or as set forth in Schedule 3.02(a), effective as of the Effective Date, SpinCo does hereby, for itself and each other member of the SpinCo Group and their respective successors and assigns, remise, release and forever discharge RemainCo, each member of the RemainCo Group and their respective successors and assigns, from any and all liabilities whatsoever to SpinCo and each other member of the SpinCo Group, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed before the Effective Time, including in connection with the transactions contemplated herein and all other activities to implement the Distribution.

(b) RemainCo Release. Except as expressly provided in, arising pursuant to or in connection with this Agreement, the Other Agreements or as set forth in Schedule 3.02(b), effective as of the Effective Time, RemainCo does hereby, for itself and each other member of the RemainCo Group and their respective successors and assigns, remise, release and forever discharge SpinCo, each member of the SpinCo Group and their respective successors and assigns, from any and all liabilities whatsoever to RemainCo and each other member of the RemainCo Group, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed before the Effective Time, including in connection with the transactions contemplated herein and all other activities to implement the Distribution.

(c) Surviving Liabilities. Nothing contained in Section 3.02(a) or Section 3.02(b) shall impair any right of any Person to enforce this Agreement, any Other Agreement, any claim to the extent covered by insurance or any other agreements, arrangements, commitments or understandings that are specified in, or are contemplated to continue pursuant to, this Agreement or any Other Agreement. Furthermore, nothing contained in Section 3.02(a) or Section 3.02(b) shall release any Person from:

(i) any liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other liability of any member of any Group under, this Agreement or any Other Agreement;

(ii) any liability for unpaid amounts for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of any other Group within 180 days prior to the Distribution Date;

(iii) any liability for unpaid amounts for products or services or refunds owing on products or services for work done by a member of one Group at the request or on behalf of a member of another Group within 180 days prior to the Distribution Date;

(iv) any liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or any Other Agreement, which liability shall be governed by the provisions of this Article III and, if applicable, the appropriate provisions of such Other Agreement; or

(v) any liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 3.02; provided that the parties agree not to bring suit, seek to collect any amounts from or file any liens or encumbrances against any Person, or permit any member of their Group to bring suit, seek to collect any amounts from or file any liens or encumbrances against any Person, with respect to any liability to the extent that such Person would be released with respect to such liability by this Section 3.02 but for the provisions of this clause (v).

(d) Agreement to Make No Claims. Except as provided in this Article III, SpinCo shall not make, and shall not permit any member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against RemainCo or any member of the RemainCo Group, or any other Person released pursuant to Section 3.02(a), with respect to any liabilities released pursuant to Section 3.02(a). Except as provided in this Article III, RemainCo shall not make, and shall not permit any member of the RemainCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SpinCo or any member of the SpinCo Group, or any other Person released pursuant to Section 3.02(b), with respect to any liabilities released pursuant to Section 3.02(b).

(e) Further Assurances. Except as expressly set forth in Section 3.02(c), it is the intent of each of RemainCo and SpinCo by virtue of the provisions of this Section 3.02 to provide for a full and complete release and discharge of all liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed before the Effective Time, between or among SpinCo or any member of the SpinCo Group, on the one hand, and RemainCo or any member of the RemainCo Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members before the Effective Time). At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

3.03 Indemnification by SpinCo. Excluding all Losses arising with respect to the BSI Litigation and except as otherwise provided in this Article III or in the Other Agreements, SpinCo and the Appropriate Members of the SpinCo Group (as defined below) shall indemnify, defend and hold harmless RemainCo, each member of the RemainCo Group, their respective successors and assigns and the officers and directors of each member of the RemainCo Group (collectively, the "RemainCo Indemnitees"), from and against any and all Losses of the

RemainCo Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) SpinCo Group Liabilities. Any SpinCo Group Liability, including the failure of SpinCo or any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Group Liabilities in accordance with their respective terms, whether prior to or after the Effective Time;

(b) SpinCo Business. The SpinCo Business;

(c) Breaches. Any breach by SpinCo or any member of the SpinCo Group of this Agreement or any of the Other Agreements;

(d) Actions Other Than BSI Litigation. Any Action (other than the BSI Litigation) to which SpinCo or the SpinCo Subsidiaries are or become parties that relate to liabilities and obligations of the sort referred to in clause (ii) of the definition of SpinCo Group Liabilities, including any Action in which any member of the RemainCo Group is a named codefendant; and

(e) Inaccurate Statements. Any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, with respect to all information (i) contained in SpinCo's Registration Statement on Form 10, the related Information Statement and any other documents filed with the SEC pursuant to the Securities Exchange Act in connection with the Distribution prior to the Effective Time (collectively the "SpinCo Distribution Documents") (other than information provided by RemainCo to SpinCo specifically for inclusion therein as set forth on Schedule 3.03(e)), and (ii) provided by SpinCo to RemainCo specifically for inclusion in RemainCo's annual, quarterly, periodic reports or other filings made with the SEC following the Effective Time.

As used in this Section 3.03, "Appropriate Members of the SpinCo Group" means the member or members of the SpinCo Group if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided; provided, however, that with respect to satisfying any obligation under this Section 3.03, the obligations of the Appropriate Members of the SpinCo Group shall be joint and several.

3.04 Indemnification by RemainCo. Excluding all Losses arising with respect to the BSI Litigation, and except as otherwise provided in this Article III or in the Other Agreements, RemainCo and the Appropriate Members of the RemainCo Group (as defined below) shall indemnify, defend and hold harmless SpinCo, each member of the SpinCo Group, their respective successors and assigns and the officers and directors of each member of the SpinCo Group (collectively, the "SpinCo Indemnitees"), from and against any and all Losses of the SpinCo Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) RemainCo Group Liabilities. Any RemainCo Group Liability, including the failure of RemainCo or any other member of the RemainCo Group or any other Person to

pay, perform or otherwise promptly discharge any RemainCo Group Liabilities, in accordance with their respective terms, whether prior to or after the Effective Time;

(b) RemainCo Business. The RemainCo Business;

(c) Breaches. Any breach by RemainCo or any member of the RemainCo Group of this Agreement or any of the Other Agreements;

(d) Actions Other Than BSI Litigation. Any Action (other than the BSI Litigation) to which RemainCo or the RemainCo Subsidiaries are or become parties that relate to liabilities and obligations of the sort referred to in clause (ii) of the definition of RemainCo Group Liabilities, including any Action in which any member of the SpinCo Group is a named codefendant; and

(e) Inaccurate Statements. Any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, with respect to all information (i) contained in the SpinCo Distribution Documents provided by RemainCo specifically for inclusion therein and set forth on Schedule 3.03(e), (ii) contained in any public filing made by SpinCo with the SEC following the Effective Time to the extent the information was provided to SpinCo by RemainCo regarding the BSI Litigation specifically for inclusion therein as contemplated elsewhere in this Agreement and (iii) provided by RemainCo to SpinCo specifically for inclusion in SpinCo's annual, quarterly or periodic reports or other filings made with the SEC following the Effective Time.

As used in this Section 3.04, "Appropriate Members of the RemainCo Group" means the member or members of the RemainCo Group if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided; provided, however, that with respect to satisfying any obligation under this Section 3.04, the obligations of the Appropriate Members of the RemainCo Group shall be joint and several.

3.05 Covenant of SpinCo.

(a) Negative Covenant of SpinCo. Until the occurrence of an Agreed Termination Event, neither SpinCo nor any of the SpinCo Subsidiaries will: (i) incur Indebtedness to finance (x) the payment of any extraordinary cash dividend on its outstanding capital stock or (y) the repurchase of any outstanding shares of its capital stock; (ii) in the case of SpinCo, declare and pay regular quarterly cash dividends on the shares of SpinCo Common Stock of more than $0.1825 per share (as adjusted for stock splits and other similar changes in outstanding capital stock); (iii) make an acquisition outside the SpinCo Core Business; (iv) incur Indebtedness in excess of $100 million to finance any acquisition in the SpinCo Core Business without the receipt of an opinion from a Qualified Investment Banker that the transaction is fair to the shareholders of SpinCo from a financial point of view; or (v) incur Indebtedness to make an acquisition within the SpinCo Core Business that either causes SpinCo to exceed an Incurrence Ratio of ___x or causes SpinCo's credit rating to fall below the SpinCo Minimum Credit Rating; provided, however, that the obligations of SpinCo and the SpinCo Subsidiaries under this Section 3.05(a) shall terminate in the event that either SpinCo's or RemainCo's

obligations under Article II of the Judgment Sharing Agreement are terminated pursuant to Section 2.03 of that agreement.

(b) Sole Beneficiary. The provisions of this Section 3.05 are solely for the benefit of RemainCo, and no provision of this Agreement shall include any third party beneficiary or other rights in any Person or Persons other than RemainCo.

3.06 Covenant of RemainCo.

(a) Negative Covenant of RemainCo. Until the occurrence of an Agreed Termination Event, neither RemainCo nor any of the RemainCo Subsidiaries will: (i) incur Indebtedness to finance (x) the payment of any extraordinary cash dividend on its outstanding capital stock or (y) the repurchase of any outstanding shares of its capital stock; (ii) in the case of RemainCo, declare and pay regular quarterly cash dividends on the shares of RemainCo Common Stock of more than $0.1025 per share (as adjusted for stock splits and other similar changes in outstanding capital stock); (iii) make an acquisition outside the RemainCo Core Business; (iv) incur Indebtedness in excess of $100 million to finance any acquisition in the RemainCo Core Business without the receipt of an opinion from a Qualified Investment Banker that the transaction is fair to the shareholders of RemainCo from a financial point of view; or (v) incur Indebtedness to make an acquisition within the RemainCo Core Business that either causes RemainCo to exceed an Incurrence Ratio of ___x or causes RemainCo's credit rating to fall below the RemainCo Minimum Credit Rating; provided, however, that the obligations of RemainCo and the RemainCo Subsidiaries under this Section 3.06(a) shall terminate in the event that either RemainCo's or SpinCo's obligations under Article II of the Judgment Sharing Agreement are terminated pursuant to Section 2.03 of that agreement.

(b) Sole Beneficiary. The provisions of this Section 3.06 are solely for the benefit of SpinCo, and no provision of this Agreement shall create any third party beneficiary or other rights in any Person or Persons other than SpinCo.

3.07 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Net of Insurance. The parties intend that any Loss subject to indemnification or reimbursement pursuant to this Article III will be net of Insurance Proceeds that actually reduce the amount of the Loss. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article III (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Loss. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Article III from an Indemnifying Party in respect of any Loss and subsequently receives Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds recovery had been received, realized or recovered before the Indemnity Payment was made. The parties agree that if any such Insurance Proceeds were paid by an insurance company under a plan, such as a retrospective premium or large deductible program, where such Insurance Proceeds are subsequently billed back to one of the parties by the insurance company, then (i) if billed to the Indemnifying Party, it will pay the insurance company and will not charge such

amount to the Indemnitee, or (ii) if billed to the Indemnitee, the Indemnifying Party will pay on behalf of or reimburse, as appropriate, the Indemnitee for such amount.

(b) No Inadvertent Releases. An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions contained in this Article III, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (i.e., a benefit it would not be entitled to receive in the absence of these indemnification provisions) by virtue of the indemnification provisions contained in this Article III. Nothing contained in this Agreement or any Other Agreement shall obligate any member of any Group to seek to collect or recover any Insurance Proceeds.

3.08 Procedures for Indemnification of Third Party Claims.

(a) Definition. If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the RemainCo Group or the SpinCo Group of any claims or of the commencement by any such Person of any Action (other than the BSI Litigation) (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Article III, such Indemnitee shall give such Indemnifying Party written notice thereof promptly and in any event within ten days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 3.08(a) shall not relieve the related Indemnifying Party of its obligations under this Article III, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice timely.

(b) Election to Defend. An Indemnifying Party may elect to defend (and, unless, as set forth below, the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim for which indemnification is available under this Article III. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 3.08(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as set forth in the next sentence. In the event that the Indemnifying Party has elected to assume the defense of a Third Party Claim for which indemnification is available under this Article III but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnitees shall be borne by the Indemnifying Party.

(c) Failure to Elect to Defend. If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim for which indemnification is available under

this Article III, or fails to notify an Indemnitee of its election as provided in Section 3.08(b), such Indemnitee may defend such Third Party Claim at the cost and expense (including allocated costs of in-house counsel and other personnel) of the Indemnifying Party.

(d) Settlement. Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim for which indemnification is available under this Article III in accordance with the terms of this Agreement, no Indemnitee may settle or compromise such Third Party Claim without the consent of the Indemnifying Party.

(e) Limitation on Consent to Judgments. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third Party Claim without the consent of an Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, or other nonmonetary relief to be entered, directly or indirectly, against such Indemnitee.

(f) Subrogation. In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim under this Article III, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense (including allocated costs of in-house counsel and other personnel) of such Indemnifying Party, in prosecuting any subrogated right, defense or claim. In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant, if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section 3.08 and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts' fees and all other external expenses, and the allocated costs of in-house counsel and other personnel), the costs of any judgment or settlement, and the costs of any interest or penalties relating to any judgment or settlement.

3.09 Effect of Negligence. THE PARTIES UNDERSTAND AND AGREE THAT THE INDEMNIFICATION OBLIGATIONS HEREUNDER AND UNDER THE OTHER AGREEMENTS MAY INCLUDE INDEMNIFICATION FOR LOSSES RESULTING FROM, OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, AN INDEMNIFIED PARTY'S OWN NEGLIGENCE OR STRICT LIABILITY.

3.10 Remedies Cumulative. The remedies provided in this Article III shall be cumulative and, subject to the provisions of Article VI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

3.11 Survival of Indemnities. The rights and obligations of each of RemainCo and SpinCo and their respective Subsidiaries and Indemnitees under this Article III shall survive the

sale or other transfer by any party of any assets or businesses or the assignment by it of any liabilities.

3.12 Indemnification of Directors and Officers. It is the parties' intent that each of SpinCo and RemainCo, as applicable, shall be responsible for the costs and expenses incurred pursuant to any indemnification obligations to its current and former officers, directors, employees and agents (the parties so responsible, the "Responsible Party"). To the extent that a Responsible Party's current or former officer, director, employee or agent shall receive indemnification or an advancement of funds from another party (the party so indemnifying or advancing funds, the "Advancing Party") pursuant to an indemnification obligation of the Advancing Party to such Person under its restated articles of incorporation or bylaws, an employment agreement or otherwise, then the Advancing Party shall be reimbursed promptly and in full by the Responsible Party. The parties agree that reimbursement pursuant to this Section 3.12 shall not be construed to expand or limit a Person's respective indemnification rights and obligations under this Article III or to confer upon any Person any rights of indemnification.

3.13 Mitigation of Damages. The parties each agree to attempt to mitigate, and to cause each of the members of their respective Groups to attempt to mitigate, any Losses that such party may suffer as a consequence of any matter giving rise to a right to indemnification under this Article III by taking all actions which a reasonable Person would undertake to minimize or alleviate the amount of Losses and the consequences thereof, as if such Person would be required to suffer the entire amount of such Losses and the consequences thereof by itself, without recourse to any remedy against another Person, including pursuant to any right of indemnification hereunder.

ARTICLE IV.

CERTAIN ADDITIONAL COVENANTS

4.01 Further Assurances. In addition to the actions specifically provided for in this Agreement and unless otherwise expressly provided in this Agreement or an Other Agreement, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

4.02 Receivables Collection and Other Payments. If, after the Distribution Date, one party receives payments belonging to another party, the recipient shall promptly account for and remit same to the appropriate party.

ARTICLE V.

ACCESS TO INFORMATION

5.01 Provision of Corporate Records. Prior to or as promptly as practicable after the Effective Time or from time to time as reasonably requested by the SpinCo Group, the

RemainCo Group shall deliver to the SpinCo Group: (a) any corporate books and records of the SpinCo Group and any such books and records that primarily relate to the business of the SpinCo Group, in each case in the possession of the RemainCo Group; (b) originals or copies of those corporate books and records of the RemainCo Group that relate to any aspect of the business of the SpinCo Group; and (c) copies (paper or electronic) of all Insurance Policies of any type covering (i) solely the SpinCo Group or (ii) both the SpinCo Group and the RemainCo Group. From and after the Effective Time, all such books, records and copies (where copies are delivered in lieu of originals), whether or not delivered, shall be the property of the RemainCo Group; provided, however, that all such information contained in such books, records or copies relating to the SpinCo Group shall be subject to the applicable confidentiality provisions and restricted use provisions, if any, contained therein, in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law. RemainCo, if it so elects, may retain copies of any original books and records delivered to SpinCo; provided, however, that all such information contained in such books, records or copies (whether or not delivered to the SpinCo Group) relating to the SpinCo Group, shall be subject to the applicable confidentiality provisions and restricted use provisions, if any, contained in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law; provided, however, that RemainCo shall make the original books and records available to the SpinCo Group for inspection by Governmental Authorities or as otherwise required in connection with the defense of any Action.

5.02 Access to Information. In addition to the provisions set forth in Section 5.01 above, from and after the Effective Time and upon commercially reasonable notice, each of the RemainCo Group and the SpinCo Group shall afford to the other and to the other's representatives at the expense of the other party, commercially reasonable access and duplicating rights during normal business hours to all information developed or obtained prior to the Effective Time within such party's possession relating to the other party or its businesses, its former businesses, its assets, its liabilities, or the Other Agreements, insofar as such access is reasonably requested by such other party, but subject to the applicable confidentiality provisions and restricted use provisions, if any, contained therein, in this Agreement or the Other Agreements and any confidentiality restrictions imposed by law. In addition, without limiting the foregoing, information may be requested under this Section 5.02 for audit, accounting, claims, intellectual property protection, litigation and Tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations. In each case, the requesting party agrees to cooperate with the other party to minimize the risk of unreasonable interference with the other party's business. In the event access to any information otherwise required to be granted herein or in the Other Agreements is restricted by law or otherwise, the parties agree to take such actions as are reasonably necessary, proper or advisable to have such restrictions removed or to seek an exemption therefrom or to otherwise provide the requesting party with the benefit of the information to the same extent such actions would have been taken on behalf of the requesting party had such a restriction existed and the Distribution not occurred. The alleged breach of this Agreement by one party hereto shall not be a defense to the obligation of another party hereto to perform its obligations under this Article V.

5.03 Litigation Support and Production of Witnesses. After the Effective Time, each member of the RemainCo Group and the SpinCo Group shall use commercially reasonable efforts to provide assistance to the other with respect to any Third Party Claim, and to make available to the other, upon written request: (a) such employees who have expertise or

knowledge with respect to the other party's business or products or matters in litigation or alternative dispute resolution, for the purpose of consultation and/or as a witness; and (b) its directors, officers, other employees and agents, as witnesses, in each case to the extent that the requesting party believes any such Person may reasonably be useful or required in connection with any legal, administrative or other proceedings in which the requesting party may from time to time be involved. The employing party agrees that such consultant or witness shall be made available to the requesting party upon commercially reasonable notice to the same extent that such employing party would have made such consultant or witness available if the Distribution had not occurred. The requesting party agrees to cooperate with the employing party in giving consideration to business demands of such Persons.

5.04 Reimbursement. Except to the extent otherwise contemplated by this Agreement or any Other Agreement, a party providing information, consulting, or witness services to the other party under this Article V shall be entitled to receive from the recipient of such information or services, upon the presentation of invoices therefor, payments for such amounts, relating to supplies, disbursements, travel expenses, and other out-of-pocket expenses (including the direct and indirect costs of employees providing consulting and expert witness services in connection with litigation and alternative dispute resolution, but excluding direct and indirect costs of employees who provide information or are fact witnesses) as may be reasonably incurred in providing such information, consulting or witness services.

5.05 Retention of Records. Except as otherwise required by law or agreed in writing, or as otherwise provided in any Other Agreement, each member of the RemainCo Group and the SpinCo Group shall retain, for the retention periods set forth in their respective records management programs as in effect at the Effective Time or such longer period as may be required by law, this Agreement or the Other Agreements, all proprietary information in such party's possession or under its control relating to the business, former business, assets or liabilities of the other party or the Other Agreements (the "Section 5.05 Information"). Promptly following the Effective Time, RemainCo and SpinCo will each deliver to the other a copy of its record management program then in effect and will thereafter promptly deliver to the other any amendment thereto that affects the retention of Section 5.05 Information in any material respect. Either RemainCo or SpinCo (a "Section 5.05 Requesting Party") may request in writing to the other, at least 30 days prior to the scheduled disposition or destruction of Section 5.05 Information as contemplated by the most recent version of the other party's record retention program in the possession of the Section 5.05 Requesting Party, that any of the Section 5.05 Information scheduled for imminent disposition or destruction be delivered to the Section 5.05 Requesting Party. The Section 5.05 Requesting Party shall promptly arrange for the delivery of the requested Section 5.05 Information to a location specified by, and at the expense of, such Section 5.05 Requesting Party.

5.06 Confidentiality. From and after the Effective Time and except as otherwise required by this Agreement or the Other Agreements, each of RemainCo and SpinCo shall hold, and shall use its commercially reasonable efforts to cause its Subsidiaries, employees, affiliates and representatives to hold, in strict confidence all information concerning or belonging to the other party obtained by it prior to the Effective Time or furnished to it by such other party pursuant to this Agreement or the Other Agreements and shall not release or disclose such information to any other Person, except its representatives who shall be bound by the provisions

of this Section 5.06; provided, however, that RemainCo and SpinCo and their respective employees, affiliates and representatives may disclose such information to the extent that (a) disclosure is compelled by judicial or administrative process or, in the opinion of RemainCo's or SpinCo's counsel (as the case may be), by other requirements of law, or (b) such party can show that such information was (i) available to such party after the Effective Time from Third Party sources (other than employees or former employees of either party or their Subsidiaries, their affiliates, former affiliates, representatives or former representatives), on a nonconfidential basis prior to its disclosure to such party after the Effective Time by the Third Party, (ii) in the public domain through no fault of such party, (iii) lawfully acquired by such party from Third Party sources other than employees or former employees of either party or their Subsidiaries, their affiliates, former affiliates, representatives or former representatives, after the time that it was furnished to such party pursuant to this Agreement or the Other Agreements or (iv) is independently discovered or developed after the Effective Time by employees of such party. Notwithstanding the foregoing, each of RemainCo and SpinCo and their respective representatives and affiliates shall be deemed to have satisfied its obligations under this Section 5.06 with respect to any information if it exercises the same care with regard to such information as it takes to preserve confidentiality for its own similar information.

5.07 Harmonization. If there shall be a conflict or an inconsistency between the provisions of this Article V and Article IX, the provisions in Article IX shall control over the inconsistent provisions in this Article V as to matters specifically addressed in Article IX.

ARTICLE VI.

ARBITRATION; DISPUTE RESOLUTION

6.01 Agreement to Arbitrate. The procedures for discussion, negotiation and arbitration set forth in this Article VI shall be the final, binding and exclusive means to resolve, and shall apply to all disputes, controversies or claims (whether in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Other Agreement that does not contain provisions similar to this Article VI relating to arbitration and dispute resolution. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article VI shall be the final, binding and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any dispute, controversy or claim covered by this Section 6.01.

6.02 Escalation.

(a) Expeditious Resolution. It is the intent of the parties to use their respective commercially reasonable efforts to resolve expeditiously any dispute, controversy or claim between them with respect to the matters covered by this Agreement that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the parties at a senior level of

management (or if the parties agree, of the appropriate business function or division within such entity). A copy of any such Escalation Notice shall be delivered addressed to the General Counsel, or like chief legal officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedure for such discussions or negotiations between the parties may be established by agreement of the parties from time to time; provided, however, that the parties shall use their commercially reasonable efforts to meet within 20 days of the Escalation Notice.

(b) Good Faith Negotiations. Following delivery of an Escalation Notice, the parties shall undertake good faith, diligent efforts to negotiate a commercially reasonable resolution of the dispute, controversy or claim. The parties may, by mutual consent, retain a mediator to aid the parties in their discussions and negotiations. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators selected by the parties or by other agreement of the parties. All third-party costs of the mediation shall be borne equally by the parties involved in the matter, and each party shall be responsible for its own expenses. Mediation is not a prerequisite to an Arbitration Demand Notice under Section 6.03.

6.03 Demand for Arbitration.

(a) Initiation of Process. At any time following 60 days after the date of an Escalation Notice (the "Arbitration Demand Date"), any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Escalation Notice) may deliver a notice demanding arbitration of such dispute, controversy or claim (an "Arbitration Demand Notice"). Delivery of an Escalation Notice by a party shall be a prerequisite to delivery of an Arbitration Demand Notice by that party or the other party, provided, however, that in the event that any party shall deliver an Arbitration Demand Notice to the other party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No party may assert that the failure to resolve any matter during any prior discussions or negotiations, the course of conduct during such prior discussions or negotiations, or the failure to agree on a mutually acceptable time, agenda, location or procedure for a meeting is a prerequisite to an Arbitration Demand Notice under Section 6.03. In the event that any party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrators in their sole discretion determine that it is impracticable or otherwise inadvisable to do so.

(b) Limitation Periods. Except as may be expressly provided in any Other Agreement to which this Article VI is applicable (an "Applicable Other Agreement"), any Arbitration Demand Notice may be given until the date that is two years after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended

by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the occurrence of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Section 6.09, upon delivery of an Arbitration Demand Notice pursuant to Section 6.03(a) prior to the Applicable Deadline, the dispute, controversy or claim, and all substantive and procedural issues related thereto, shall be decided by a three member panel of arbitrators in accordance with this Article VI.

6.04 Arbitrators.

(a) Selection. The party delivering the Arbitration Demand Notice shall notify the American Arbitration Association ("AAA") and the other party in writing describing in reasonable detail the nature of the dispute. Within 20 days of the date of the Arbitration Demand Notice, each party to the dispute shall select one arbitrator from the members of a panel of arbitrators of the AAA. The selected arbitrators shall then jointly select a third arbitrator from the members of a panel of arbitrators of the AAA, and such third arbitrator shall be disinterested with respect to each of the parties and shall be experienced in complex commercial arbitration. In the event that the parties' selected arbitrators are unable to agree on the selection of the third arbitrator, the AAA shall select the third arbitrator, within 45 days of the date of the Arbitration Demand Notice. In the event that any arbitrator is unable to serve, his replacement will be selected in the same manner as the arbitrator to be replaced. The vote of two of the three arbitrators shall be required for any decision under this Article VI.

(b) Time. The arbitrators will set a time for the hearing of the matter which will commence no later than 180 days after the date of appointment of the third arbitrator and which hearing will be no longer than 30 days (unless in the judgment of the arbitrators the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than 90 days). The final decision of such arbitrators will be rendered in writing to the parties not later than 60 days after the last day of the hearing, unless otherwise agreed by the parties in writing.

(c) Place. The place of any arbitration hereunder will be Indianapolis, Indiana, and the language of any arbitration hereunder will be English. Unless otherwise agreed by the parties, the arbitration hearing shall be conducted on consecutive days.

6.05 Hearings. Within the time period specified in Section 6.04(b), the matter shall be presented to the arbitrators at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrators or both of the parties. If the arbitrators deem it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrators shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrators may, in their discretion, set time and other limits on the presentation of each party's case, its memoranda or other submissions, and may refuse to receive any proffered evidence,

which the arbitrators, in their discretion, find to be cumulative, unnecessary, irrelevant or of low probative nature. Any arbitration hereunder shall be conducted in accordance with the Commercial Arbitration Rules of the AAA ("Rules") in effect on the date the Arbitration Demand Notice is served. The decision of the arbitrators will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at the Base Rate plus 2% per annum, subject to any maximum amount permitted by applicable law. To the extent that the provisions of this Agreement and the prevailing Rules conflict, the provisions of this Agreement shall govern.

6.06 Discovery and Certain Other Matters.

(a) Production of Documents. Any party involved in a dispute, controversy or claim subject to this Article VI may request document production from the other party or parties of specific and expressly relevant documents, with the reasonable expenses of the producing party incurred in such production paid by the requesting party. Any such discovery shall be conducted in accordance with the Rules, subject to the discretion of the arbitrators. Any such discovery shall be conducted expeditiously and shall not cause the hearing to be adjourned except upon consent of all parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a party to the proceeding. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrators for resolution. Subject to the terms of this Agreement, all discovery requests will be subject to the parties' rights to claim any applicable privilege, and no joint privilege may be waived without the prior written consent of both parties to this Agreement. The arbitrators will adopt procedures to protect the proprietary rights of the parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrators shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) Authority of Arbitrators. The arbitrators shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement and any Applicable Other Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Applicable Other Agreement; it being understood, however, that the arbitrators will have full authority to implement the provisions of this Agreement or any Applicable Other Agreement, and to fashion appropriate remedies for breaches of this Agreement and any Applicable Other Agreement (including interim or permanent injunctive relief); provided that the arbitrators shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive damages. It is the intention of the parties that in rendering a decision the arbitrators give effect to the applicable provisions of this Agreement and the Applicable Other Agreements and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrators' award).

(c) Effect of Failure to Participate. If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the controversy upon evidence produced by the appearing party.

(d) Costs. Arbitration costs will be borne equally by each party involved in the matter, and each party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of any expert witnesses selected by such party.

6.07 Certain Additional Matters.

(a) Nature of Award. Any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Confidentiality of Proceedings. Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of this Section 6.07(b) and except as may be required in order to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

6.08 Continuity of Service and Performance. Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement, each Other Agreement and any other agreement between or among any members of the RemainCo Group and the SpinCo Group during the course of the dispute resolution procedures pursuant to this Article VI with respect to all matters not subject to such dispute, controversy or claim.

6.09 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article VI, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act, as amended, and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 10.04.

ARTICLE VII.

NO REPRESENTATIONS OR WARRANTIES

7.01 No Representations or Warranties. SpinCo understands and agrees that no member of the RemainCo Group is, in this Agreement or in any Other Agreement, representing or warranting to the SpinCo Group in any way as to the SpinCo Business, or as to any consents or approvals required in connection with the consummation of the transactions contemplated by this Agreement. RemainCo understands and agrees that no member of the SpinCo Group is, in this Agreement or in any Other Agreement, representing or warranting to the RemainCo Group in any way as to the RemainCo Business, or as to any consents or approvals required in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE VIII.

INSURANCE

8.01 Insurance Policies and Rights.

(a) Assets and Liabilities of SpinCo. To the extent permitted under the terms of any applicable Insurance Policy, without limiting the availability of subrogation rights as an Indemnifying Party under Section 3.08(f), the assets of SpinCo shall include any and all rights of an insured party, including rights of indemnity and the right to be defended by or at the expense of the insurer, and to receive Insurance Proceeds with respect to all Insured SpinCo Claims under any Insurance Policies. The SpinCo Group shall be solely responsible for any and all deductibles, self-insured retentions, retrospective premiums, claims handling fees, program adjustments, collateral obligations and other charges or obligations owed under the Insurance Policies or associated agreements with respect to the coverage provided for Insured SpinCo Claims.

(b) Assets and Liabilities of RemainCo. To the extent permitted under the terms of any applicable Insurance Policy, without limiting the availability of subrogation rights as an Indemnifying Party under Section 3.08(f), the assets of RemainCo shall include any and all rights of an insured party including rights of indemnity and the right to be defended by or at the expense of the insurer, and to receive Insurance Proceeds under any Insurance Policies other than the rights under any Insurance Policies which are solely assets of SpinCo. The RemainCo Group shall be solely responsible for any and all deductibles, self-insured retentions, retrospective premiums, claims handling fees, program adjustments, collateral obligations and other charges or obligations owed under the Insurance Policies or associated agreements with respect to the coverage provided for Insured Claims other than Insured SpinCo Claims.

(c) Definitions. Except as set forth in the Employee Matters Agreement regarding workers compensation liabilities, solely for purposes of this Article VIII, "RemainCo Group" and "SpinCo Group" shall include RemainCo and SpinCo, as the case may be, and their consolidated entities to the extent such entities were in existence at or prior to the Effective Time or are set forth on Exhibit A.

(d) No Release of Insurers. Nothing in this Agreement is intended to relieve any insurer of any liability under any Insurance Policy.

8.02 Administration and Reserves. Consistent with the provisions of Article III, from and after the Effective Time:

(a) RemainCo Responsibilities. RemainCo shall be responsible for (i) Insurance Administration of the Insurance Policies with respect to any liabilities of any member of the RemainCo Group, any assets of the RemainCo Group or any claims as to which the RemainCo Group has retained rights of reimbursement or subrogation pursuant to this Agreement or any Other Agreement; and (ii) Claims Administration with respect to any liabilities of any member of the RemainCo Group, any assets of the RemainCo Group or any claims as to which the RemainCo Group has retained rights of coverage, indemnification, defense, reimbursement or subrogation pursuant to this Agreement or any Other Agreement. It is understood that the retention of the Insurance Policies by RemainCo is in no way intended to

limit, inhibit or preclude any right to insurance coverage for any Insured Claim or any other rights under the Insurance Policies, including without limitation, claims of SpinCo and any of its operations, the SpinCo Subsidiaries and affiliates for insurance coverage, reimbursement, subrogation or otherwise.

(b) SpinCo Responsibilities. SpinCo shall be responsible for (i) Insurance Administration of any Insurance Policies which insure the SpinCo Group only, and (ii) Claims Administration with respect to any liabilities of any member of the SpinCo Group, any assets of the SpinCo Group or any claims as to which the SpinCo Group has rights of coverage, indemnification, defense, reimbursement or subrogation pursuant to this Agreement or any Other Agreement.

(c) Cooperation. The parties hereto shall cooperate with regards to Insurance Administration, and shall share material information concerning such matters so that both the SpinCo Group and the RemainCo Group are aware on a continuing basis of remaining aggregate limits of coverage, deductible payments, retrospective premium payments, claim reserves, claim payments and other material matters relevant to continued dealings with insurers providing coverage for liabilities of both Groups.

(d) Future Rights. Nothing in this Agreement shall be construed or deemed to affect in any way the right of either RemainCo or SpinCo to obtain and administer future insurance policies or to enter into future indemnification agreements with third parties on whatever terms it believes to be advisable, including the entry into separate insurance policies covering RemainCo and the RemainCo Subsidiaries or SpinCo and the SpinCo Subsidiaries, as the case may be.

8.03 Allocation of Insurance Proceeds: Cooperation. Except as otherwise provided in Article III, the parties shall use reasonable efforts to ensure that Insurance Proceeds received with respect to claims, costs and expenses under the Insurance Policies shall be paid to RemainCo with respect to RemainCo Group Liabilities and to SpinCo with respect to the SpinCo Group Liabilities.

8.04 Reimbursement of Expenses. SpinCo shall reimburse the relevant insurer or the relevant third-party administrator or RemainCo, as appropriate, to the extent required under any Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement for any services performed after the Effective Time with respect to any and all Insured SpinCo Claims which are not RemainCo Group Liabilities which are paid, settled, adjusted, defended and/or otherwise handled by such insurer, third-party administrator or RemainCo pursuant to the terms and conditions of such Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement.

8.05 No Reduction of Coverage. Except for reduction in coverage resulting from submission and payment of claims, neither party shall take any action to eliminate or reduce coverage available to the other party under any Insurance Policy, Insurance Company Program Agreement or Claims Handling Agreement in existence prior to the Effective Time and covering claims incurred prior to the Effective Time (or claims made after the Effective Time for acts prior to the Effective Time on claims-made policies) without the prior written

consent of the other party (which shall not be unreasonably withheld or delayed); provided, however, that nothing herein shall affect a party's right to amend the terms of a Claims Handling Agreement, Insurance Company Program Agreement or Insurance Policy after the Distribution on renewal or otherwise that relates to claims incurred after the Effective Time (or claims made after the Effective Time for acts after the Effective Time on claims-made policies); and provided that no member of the RemainCo Group shall have any liability to any member of the SpinCo Group if any Insurance Policy is inadequate to cover any liability of the SpinCo Group for any reason.

8.06 Shared Insurance Policies Other Than Executive Liability Policies. Effective as of the Effective Time, RemainCo will take the necessary action to terminate the SpinCo Group's coverage with respect to occurrences after the Effective Time under the shared insurance policies, including, but not limited to, workers compensation/employers liability, commercial general liability (including product liability,) auto liability, excess/umbrella liability, property/business interruption, marine cargo, blanket crime/fidelity and international liability. Any resulting return of premium or credit will be allocated between the RemainCo Group and the SpinCo Group in proportion to their respective contributions to the payment of such premium. Each of the RemainCo Group and the SpinCo Group shall be responsible for obtaining its own replacement policies (if so desired) for occurrences after the Effective Time.

8.07 Executive Liability Policies. Effective as of the Effective Time and continuing for a period of six years thereafter, RemainCo will renew and/or continue in force the Executive Liability Policies with comparable insurers and with comparable coverage terms to the extent available in the marketplace. The Executive Liability Policies, to the extent of their respective coverage terms, will respond to claims that are first made during this six-year period following the Effective Time based on: (a) covered wrongful acts of RemainCo, the RemainCo Subsidiaries in existence as of the Effective Time, SpinCo and the SpinCo Subsidiaries in existence as of the Effective Time and their respective directors, officers and employees that occurred prior to the Effective Time; and (b) covered wrongful acts of RemainCo and the RemainCo Subsidiaries in existence after the Effective Time and their respective officers, directors and their employees that occur after the Effective Time. To the extent that a self-insured retention applies to any claim made against members of the SpinCo Group or their respective officers, directors and employees that is based on wrongful acts that occurred prior to the Effective Time, the liability to pay such self insured retention shall be determined pursuant to the indemnification provisions set forth in Article III. Effective on the Effective Time, SpinCo and the SpinCo Subsidiaries shall be responsible for obtaining the Executive Liability Policies to cover wrongful acts of SpinCo, the SpinCo Subsidiaries and their respective directors, officers and employees that occur after the Effective Time.

ARTICLE IX.

JOINT DEFENSE AGREEMENT

9.01 Control of Actions. While RemainCo and SpinCo shall have the right to participate in the coordination of legal strategy of the BSI Litigation, SpinCo shall have the right to maintain control over the investigation, defense and/or settlement of the BSI Litigation; provided, however, that if SpinCo settles the BSI

Litigation without RemainCo's consent, RemainCo shall have the right, but not the obligation, to assume control over any remaining investigation, defense and/or settlement of the BSI Litigation. RemainCo or SpinCo shall have the right to maintain control over the investigation, defense and/or settlement of any Article IX Third Party Claims relating to the RemainCo Business and the SpinCo Business, respectively. Nothing contained in this Agreement shall prevent either RemainCo or SpinCo from settling without the other's consent.

9.02 Privileged Information. To improve the efficient handling of the BSI Litigation and Article IX Third Party Claims, to protect their joint interests in the defense of the litigation to effectuate their respective rights to participate in the coordination of legal strategy as set forth in Section 9.01 of this Agreement, and to minimize the costs to RemainCo and SpinCo, RemainCo and SpinCo agree to joint representation by the attorneys providing legal services to the BSI Litigation and the Article IX Third Party Claims described in Schedule V to the Transitional Services Agreement relating to, among other things, the rendition of legal services and/or share with each other through their attorneys confidential information and materials sufficient to enable each party fully and completely to evaluate and assess the costs, risks and efficient handling of the BSI Litigation and Article IX Third Party Claims. Such confidential information and materials include, but are not limited to, interview notes, memoranda of law, research memoranda, and any settlement analysis or settlement offer (collectively, "Privileged Joint Defense Material"). In so doing, RemainCo and SpinCo intend to preserve the attorney-client privilege, the work product privilege, and any other privilege, or protection that may relate or apply to any of the Privileged Joint Defense Material, or any portion thereof, as against third parties.

9.03 Communications. The interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims are mutual, common and consistent with each other. Accordingly, it is the intention and understanding of RemainCo and SpinCo that the results of communications between them through their attorneys in connection with the BSI Litigation and Article IX Third Party Claims, including, but not limited to, any work performed by attorneys retained by RemainCo or SpinCo in connection with the BSI Litigation or Article IX Third Party Claims, will remain confidential and protected from disclosure to any third party and shall not be disclosed to anyone but their attorneys and those assisting their attorneys in the defense or prosecution of the BSI Litigation and/or Article IX Third Party Claims. RemainCo and SpinCo agree with each other that neither of them nor any member of their respective Groups will disclose Privileged Joint Defense Material to third parties without the consent of the other, and that the disclosure of Privileged Joint Defense Material generated by one of them to the other does not constitute a waiver of any available privileges. RemainCo and SpinCo consider such disclosure of matters of common concern essential to the effective representation of them in the BSI Litigation and Article IX Third Party Claims, and therefore, such disclosure is covered by the common interest doctrine.

9.04 Confidentiality. RemainCo and SpinCo further agree (subject to the exceptions set forth herein) that RemainCo and SpinCo will use their best efforts to ensure that the confidentiality of Privileged Joint Defense Material is maintained at all times and that no disclosure is made which would result in a waiver or loss of any privilege or confidentiality right otherwise available as against any third party. In the event that RemainCo or SpinCo or any member of their respective Groups receives a subpoena from any Person, the receiving party shall immediately notify the other party of that fact and shall not voluntarily surrender any Privileged Joint Defense Material (except that originated by the subpoenaed party) without permitting the other party an opportunity to protect its respective interests by motion in an appropriate court or other forum.

9.05 Limitations. Nothing in this Agreement shall be construed as giving rise to any obligation to share any information, communications or Privileged Joint Defense Material, other than as required in this Agreement.

9.06 Continued Effectiveness of Article IX. This Article IX shall continue in effect notwithstanding any conclusion or resolution as to any party hereto of the investigation, defense or prosecution of the BSI Litigation or Article IX Third Party Claims. RemainCo and SpinCo and the members of their respective Groups will continue to be bound by this Article IX following any such conclusion or resolution.

9.07 Diversion of Interests or Disputes. In the event the interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims are no longer mutual, common and consistent with each other or in the event a dispute between RemainCo and SpinCo arises under this Article IX, the obligation to share Privileged Joint Defense Material shall cease. Previously exchanged Privileged Joint Defense Material may be used, if and only if both parties consent, in any proceeding instituted to resolve such a dispute to the extent such information is relevant to the resolution of that dispute. In the event both parties consent and such information is used, such information shall remain privileged and confidential as against third parties and the parties shall take all steps necessary to preserve that privilege and confidentiality.

9.08 Withdrawal. Even though the interests of RemainCo and SpinCo with respect to the BSI Litigation and Article IX Third Party Claims remain mutual, common and consistent with each other, each party may, with reasonable written notice, withdraw prospectively from the joint defense described in this Article IX with respect to any Article IX Third Party Claim if both parties mutually consent. The effect of withdrawal shall be prospective only and will not affect the parties' mutual obligation to hold confidential all Privileged Joint Defense Material, communications and information exchanged prior to receipt of written notice of withdrawal. In the event of a withdrawal of a party, the parties may keep all copies of Privileged Joint Defense Material provided under this Agreement so long as the parties maintain the confidentiality of the Privileged Joint Defense Material as set forth in this Article IX.

9.09 Waiver of Disqualification of Counsel. In the event a dispute arises between RemainCo and SpinCo pursuant to this Article IX, the prior exchange of Privileged Joint Defense Material between the parties and their respective counsel shall not be used as a basis for disqualification of any attorney for RemainCo or SpinCo, respectively, in the BSI Litigation or Article IX Third Party Claims or related litigation, and each party waives prospectively the right to claim disqualification on that basis. In the event a conflict between the parties arises, (a) the parties' counsel may continue to represent their respective client at the client's sole option; and (b) neither party will seek to disqualify the other party's attorneys from continuing to represent their respective client.

9.10 Certain Acknowledgements. After consulting with their respective counsel, RemainCo and SpinCo each acknowledges the risks inherent in joint representation and gives its informed consent to waive any conflicts or potential conflicts with respect to or arising out of such joint representation.

9.11 Irreparable Damage for Breach of Article IX. RemainCo and SpinCo agree that irreparable damage would result from any party's breach of this Article IX and that, in the event of a breach, specific performance and/or injunctive relief is appropriate to remedy a breach of this Article IX.

ARTICLE X.

MISCELLANEOUS

10.01 Complete Agreement. This Agreement, the Exhibit and Schedules hereto, the Other Agreements and the agreements and other documents referred to herein shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

10.02 Other Agreements. Except as otherwise expressly provided herein, if there shall be a conflict or an inconsistency between the provisions of this Agreement and the provisions of an Other Agreement, the provisions of the Other Agreement shall control over the inconsistent provisions of this Agreement as to matters specifically addressed in the Other Agreement.

10.03 Expenses. RemainCo and SpinCo shall each be responsible for its expenses incurred in connection with the Distribution.

10.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies; provided, however, that the Arbitration Act shall govern the matters described in Article VI.

10.05 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person (including a nationally recognized delivery service) by facsimile, electronic mail or other standard form of telecommunications (provided confirmation is delivered to the recipient the next Business Day in the case of facsimile, electronic mail or other standard form of telecommunications) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to RemainCo:
Hillenbrand Industries, Inc.
1069 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

If to SpinCo:
Batesville Holdings, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

or to such other address as a party hereto may have furnished to the other party by a notice in writing in accordance with this Section 10.05.

10.06 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by each of the parties hereto.

10.07 Successors and Assigns: No Third Party Beneficiaries This Agreement is made and shall be binding on and inure solely to the benefit of the RemainCo Group and the SpinCo Group and their respective successors or permitted assigns and does not otherwise confer any rights or defenses on any other Person. Neither RemainCo nor SpinCo may assign any of its rights or obligations under this Agreement to another Person without the consent of the other party to this Agreement, which consent may be withheld for any reason or no reason. Subject to the foregoing, (a) this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and (b) each party to this Agreement shall require any Person or Persons that, as a result of any merger, purchase of assets, reorganization or other transaction, acquires or succeeds to all or substantially all of its business or assets to assume its obligations under this Agreement pursuant to a written assumption agreement in form and substance reasonably satisfactory to the other party.

10.08 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.09 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

10.10 Legal Enforceability. Each party agrees that it shall not, directly or indirectly, challenge the enforceability of this Agreement on any grounds or under any circumstances. Without limiting the effect of the immediately preceding sentence, if any provision of this Agreement is determined by a Governmental Authority or the arbitrators selected under Section 6.04 to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each party acknowledges that money damages would be an inadequate remedy for any breach of the provisions of this Agreement and agrees that the obligations of the parties hereunder shall be specifically enforceable.

10.11 Performance Standard. Each of RemainCo and SpinCo agrees to at all times exercise good faith and fair dealing in the performance of its rights and obligations under this Agreement and the Other Agreements and to cause the members of its respective Group to do likewise.

10.12 Authority. Each of the parties hereto represents to the others that: (a) it has, or its Group member shall have, the corporate or other requisite power and authority to execute, deliver and perform this Agreement and the Other Agreements; (b) the execution, delivery and performance of this Agreement and the Other Agreements by it or by its Group member will be duly authorized by all necessary corporate or other actions; (c) it or its

Group member shall have duly and validly executed and delivered this Agreement and the Other Agreements to be executed and delivered prior to the Effective Time; and (d) this Agreement and such Other Agreements will be legal, valid and binding obligations, enforceable against it or its Group member in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

10.13 Joint Authorship. This Agreement shall be treated as though it were jointly drafted by RemainCo and SpinCo, and any ambiguities shall not be construed for or against any party hereto on the basis of attributed authorship.

10.14 References; Construction. Any reference to an "Article," "Exhibit," "Schedule" or "Section," without more, is to an Article, Exhibit, Schedule and Section to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" set forth examples only and in no way limit the generality of the matters thus exemplified. References to "and" and "or" in this Agreement shall in each instance include both the conjunctive and the disjunctive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HILLENBRAND INDUSTRIES, INC.

By: _____
Name: Peter H. Soderberg
Title: President and Chief Executive Officer

BATESVILLE HOLDINGS, INC.

By: _____
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

EXHIBIT A

RemainCo Subsidiaries

[To Come]

SpinCo Subsidiaries

[To Come]

SCHEDULE 1

Actions Comprising BSI Litigation

[To Come]

SCHEDULE 2.03(e)

Assets, Indebtedness and Employees Allocated to RemainCo Group

[To Come]

Assets, Indebtedness and Employees Allocated to SpinCo Group

[To Come]

SCHEDULE 2.05

Deferred Payment of Intercompany Accounts

[To Come]

SCHEDULE 3.02(a)

Matters Excepted from SpinCo Release

[To Come]

SCHEDULE 3.02(b)

Matters Excepted from RemainCo Release

[To Come]

SCHEDULE 3.03(e)

Information Supplied by RemainCo to SpinCo

[To Come]

Exhibit 10.2

EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN

HILLENBRAND INDUSTRIES, INC.,

AND

BATESVILLE HOLDINGS, INC.

DATED AS OF MARCH 14, 2008

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EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (the "Agreement") is entered into by and between Hillenbrand Industries, Inc., an Indiana corporation ("RemainCo"), and Batesville Holdings, Inc., an Indiana corporation ("SpinCo"), each a "Party" and together, the "Parties."

WITNESSETH:

WHEREAS, the Board of Directors of RemainCo has determined that it is in the best interests of RemainCo to distribute its entire ownership interest in SpinCo through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock (the "Distribution"); and

WHEREAS, to effect the Distribution the Parties entered into that certain Distribution Agreement dated as of March 14, 2008 (as amended or otherwise modified from time to time, the "Distribution Agreement"); and

WHEREAS, RemainCo and SpinCo desire to enter into this Agreement for the purpose of allocating assets, liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs between them.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1.

DEFINITIONS

1.1 General. Capitalized terms used, but not defined herein shall have the meanings assigned to such terms in the Distribution Agreement and the following terms shall have the following meanings:

"Agreement" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Benefit Plan" shall mean, with respect to an entity, each plan, program, arrangement, agreement or commitment that is an employment, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation rights, restricted stock, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, sick leave, vacation pay, disability or accident insurance plan, workers compensation, corporate-owned or key-man life insurance or other employee benefit plan, program, arrangement, agreement or commitment, including any "employee benefit plan" (as defined in Section 3(3) of ERISA), sponsored or maintained by such entity (or to which such entity contributes or is required to contribute).

"COBRA" shall mean the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and Sections 601 through 608 of ERISA, together with all regulations and proposed regulations promulgated thereunder.

"Distribution Agreement" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Distribution Date" shall have the meaning ascribed thereto in the Distribution Agreement.

"DOL" shall mean the U.S. Department of Labor.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean with respect to any Person, each business or entity which is a member of a "controlled group of corporations," under "common control" or a member of an "affiliated service group" with such Person within the meaning of Sections 414(b), (c) or (m) of the Code, or required to be aggregated with such Person under Section 414(o) of the Code, or under "common control" with such Person within the meaning of Section 4001(a)(14) of ERISA.

"Estimated Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(ii) of this Agreement.

"Final Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iv) of this Agreement.

"Final Transfer Date" shall have the meaning ascribed thereto in Section 3.2(b)(v) of this Agreement.

"Force Majeure" shall mean an act of God, civil or military authority, an act of public enemy, war, accident, explosion, earthquake, flood, failure of transportation, strike or other work interruption by either party's employees, or any other similar cause beyond the reasonable control of either party.

"Former RemainCo Director" shall mean, as of the Distribution Date, any former director of RemainCo.

"Former RemainCo Employee" shall mean, as of the Distribution Date, any former employee of RemainCo or a Subsidiary of RemainCo, including individuals to whom long-term disability benefits are being paid under a RemainCo Benefit Plan and retired, deferred vested, nonvested and other terminated individuals, whose active employment with RemainCo or a Subsidiary of RemainCo has ended on or before the Distribution Date, and whose most recent active employment with RemainCo or a Subsidiary of RemainCo was employment by Hill-Rom, Inc., a Subsidiary of Hill-Rom, Inc. or another Subsidiary or former Subsidiary of RemainCo engaged in the RemainCo Core Business (as defined in the Distribution Agreement).

"Former SpinCo Employee" shall mean, as of the Distribution Date, any former employee of RemainCo or a Subsidiary of RemainCo, including individuals to whom long-term disability benefits are being paid under a RemainCo Benefit Plan and retired, deferred vested, nonvested and other terminated individuals, whose active employment with RemainCo or a Subsidiary of RemainCo has ended on or before the Distribution Date, other than a Former RemainCo Employee.

"HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, as amended.

"Initial Cash Transfer" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"Initial Cash Transfer Date" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"Initial Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iii) of this Agreement.

"IRS" shall mean the U.S. Internal Revenue Service.

"NYSE" shall mean the New York Stock Exchange, Inc.

"Participating Company" shall mean RemainCo or any Person (other than an individual) participating in a RemainCo Benefit Plan.

"Parties" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Person" shall mean an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

"Plan Assets" shall mean the assets of the RemainCo Pension Plan allocable to pay the benefits accrued by SpinCo Pension Plan Participants as of the Distribution Date.

"Post-Distribution RemainCo Option" shall have the meaning ascribed thereto in Section 7.1(c) of this Agreement.

"RemainCo" shall have the meaning ascribed thereto in the preamble to this Agreement.

"RemainCo 1996 Stock Plan" shall mean the Hillenbrand Industries, Inc. 1996 Stock Option Plan.

"RemainCo Actuary" shall mean an independent actuary selected by RemainCo.

"RemainCo Benefit Plan" shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the RemainCo Group or any ERISA Affiliate thereof immediately following the Distribution Date.

"RemainCo Board of Directors' Deferred Compensation Plan" shall mean the Hillenbrand Industries, Inc. Board of Directors' Deferred Compensation Plan.

"RemainCo Deferred Share Account" shall mean the account established for an individual in connection with RemainCo Deferred Shares.

"RemainCo Deferred Shares" shall mean a general unsecured promise by RemainCo to deliver shares of RemainCo common stock, other than a RemainCo Deferred Stock Award, as described in Sections 6.2(c) and 6.3(b)(ii) of this Agreement.

"RemainCo Deferred Stock" shall mean the number of shares in an individual's RemainCo Deferred Stock Account, representing the RemainCo common stock the individual would have a right to receive in accordance with the terms of a RemainCo Deferred Stock Award.

"RemainCo Deferred Stock Account" shall mean the account established for an individual in connection with a RemainCo Deferred Stock Award.

"RemainCo Deferred Stock Award" shall mean a deferred stock award (commonly referred to as a restricted stock unit) granted by RemainCo pursuant to the RemainCo Stock Plan, representing a general unsecured promise by RemainCo to deliver shares of RemainCo common stock.

"RemainCo Employee" shall mean any individual who, immediately following the Distribution Date, remains employed by or will be employed by RemainCo or any member of the RemainCo Group, including active employees and employees on vacation and approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

"RemainCo Executive Deferred Compensation Program" shall mean the Hillenbrand Industries, Inc. Executive Deferred Compensation Program.

"RemainCo Group" shall mean RemainCo and the Subsidiaries of RemainCo other than members of the SpinCo Group.

"RemainCo Option" shall mean an option to purchase shares of RemainCo common stock granted pursuant to the RemainCo Stock Plan or the RemainCo 1996 Stock Plan.

"RemainCo Participant" shall mean any individual who, immediately following the Distribution Date, is a RemainCo Employee, a Former RemainCo Employee, or a beneficiary, dependent or alternate payee of a RemainCo Employee or Former RemainCo Employee.

"RemainCo Pension Plan" shall mean the Hillenbrand Industries Pension Plan.

"RemainCo Pension Trust" shall mean the trust which is part of the RemainCo Pension Plan.

"RemainCo Post-Distribution Stock Value" shall mean the official NYSE closing price per share of RemainCo common stock on the Distribution Date, if the Distribution is completed at the end of the day, or the day preceding the Distribution Date, if the Distribution is completed at the beginning of the day, with such common stock trading on an "ex-distribution" basis.

"RemainCo Pre-Distribution Stock Value" shall mean the sum of the RemainCo Post-Distribution Stock Value and the SpinCo Stock Value.

"RemainCo Price Ratio" shall mean the quotient obtained by dividing the RemainCo Post-Distribution Stock Value by the RemainCo Pre-Distribution Stock Value.

"RemainCo Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2 of this Agreement.

"RemainCo Retained Claim" shall have the meaning ascribed thereto in Section 8.4(a) of this Agreement.

"RemainCo Retiree Medical Plan" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"RemainCo Sales Executives Plan" shall mean the Hillenbrand Industries, Inc. Sales Executives' Pension Plan.

"RemainCo Sales Executives Trust" shall mean the trust which is part of the RemainCo Sales Executives Plan.

"RemainCo Savings Plan" shall mean the Hillenbrand Industries Savings Plan.

"RemainCo Savings Trust" shall mean the trust which is part of the RemainCo Savings Plan.

"RemainCo SERP" shall mean the Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan.

"RemainCo Severance Plan" shall mean the plan maintained by a member of the RemainCo Group to provide severance benefits.

"RemainCo Share Ratio" shall mean the quotient obtained by dividing the RemainCo Pre-Distribution Stock Value by the RemainCo Post-Distribution Stock Value.

"RemainCo Stock Plan" shall mean the Hillenbrand Industries, Inc. Stock Incentive Plan.

"RemainCo Welfare Plans" shall have the meaning ascribed thereto in Section 5.1(a) of this Agreement.

"Remaining RemainCo Option" shall have the meaning ascribed thereto in Section 7.1(a) of this Agreement.

"Revised Pension Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.2(b)(iv) hereof.

"SpinCo" shall have the meaning ascribed thereto in the preamble to this Agreement.

"SpinCo Actuary" shall mean an independent actuary selected by SpinCo.

"SpinCo Benefit Plan" shall mean any Benefit Plan sponsored, maintained or contributed to by any member of the SpinCo Group or any ERISA Affiliate thereof immediately following the Distribution Date.

"SpinCo Board of Directors' Deferred Compensation Plan" shall have the meaning ascribed thereto in Section 6.2(a) of this Agreement.

"SpinCo Committee" shall mean the committee or committees established by the board of directors of SpinCo to administer its compensation plans.

"SpinCo Deferred Shares" shall mean a general unsecured promise by SpinCo to deliver shares of SpinCo common stock, which arises as part of the adjustment to RemainCo Deferred Shares in connection with the Distribution as set forth in Sections 6.2(c) and 6.3(b)(ii) of this Agreement.

"SpinCo Deferred Stock Award" shall mean a deferred stock award (commonly referred to as a restricted stock unit) granted by SpinCo pursuant to the SpinCo Stock Plan representing a general unsecured promise by SpinCo to deliver shares of SpinCo common stock, which award is issued as part of the adjustment to RemainCo Deferred Stock Awards in connection with the Distribution.

"SpinCo Directors" shall have the meaning ascribed thereto in Section 6.2(a) of this Agreement.

"SpinCo Employee" shall mean any individual who, immediately following the Distribution Date, is employed by or will be employed by SpinCo or any member of the SpinCo Group, including active employees and employees on vacation and approved leave of absence (including maternity, paternity, family, sick leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves).

"SpinCo Executive Deferred Compensation Program" shall have the meaning ascribed thereto in Section 6.3(a) of this Agreement.

"SpinCo Group" shall mean SpinCo and the Subsidiaries of SpinCo.

"SpinCo Option" shall have the meaning ascribed thereto in Section 7.1(b) of this Agreement.

"SpinCo Participant" shall mean an individual who, immediately following the Distribution Date, is a SpinCo Employee, a Former SpinCo Employee, or a beneficiary, dependent or alternate payee of a SpinCo Employee or a Former SpinCo Employee.

"SpinCo Pension Plan" shall have the meaning ascribed thereto in Section 3.1 of this Agreement.

"SpinCo Pension Plan Participants" shall have the meaning ascribed thereto in Section 3.1 of this Agreement.

"SpinCo Pension Trust" shall mean the trust which is part of the SpinCo Pension Plan.

"SpinCo Price Ratio" shall mean the quotient obtained by dividing the SpinCo Stock Value by the RemainCo Pre-Distribution Stock Value.

"SpinCo Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2 of this Agreement.

"SpinCo Retiree Medical Plan" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"SpinCo Retiree Medical Plan Participants" shall have the meaning ascribed thereto in Section 5.3 of this Agreement.

"SpinCo Sales Executives Plan" shall have the meaning ascribed thereto in Section 4.2(a) of this Agreement.

"SpinCo Sales Executives Plan Assets" shall have the meaning ascribed thereto in Section 4.2(b) of this Agreement.

"SpinCo Sales Executives Plan Participants" shall have the meaning ascribed thereto in Section 4.2(a) of this Agreement.

"SpinCo Sales Executives Trust" shall mean the trust which is part of the SpinCo Sales Executives Plan.

"SpinCo Savings Plan" shall have the meaning ascribed thereto in Section 4.1(a) of this Agreement.

"SpinCo Savings Plan Assets" shall have the meaning ascribed thereto in Section 4.1(b) of this Agreement.

"SpinCo Savings Plan Participants" shall have the meaning ascribed thereto in Section 4.1(a) of this Agreement.

"SpinCo Savings Trust" shall mean the trust which is part of the SpinCo Savings Plan.

"SpinCo SERP" shall have the meaning ascribed thereto in Section 6.1(a) of this Agreement.

"SpinCo Severance Plan" shall have the meaning ascribed thereto in Section 8.3(a) of this Agreement.

"SpinCo Share Ratio" shall mean the quotient obtained by dividing the RemainCo Pre-Distribution Stock Value by the SpinCo Stock Value.

"SpinCo Stock Plan" shall have the meaning ascribed thereto in Section 2.5 of this Agreement.

"SpinCo Stock Value" shall mean the official NYSE closing price per share of SpinCo common stock on the Distribution Date, if the Distribution is completed at the end of the day, or the day preceding the Distribution Date, if the Distribution is completed at the beginning of the day, with such common stock trading on a "when issued" basis.

"SpinCo Welfare Plans" shall have the meaning ascribed thereto in Section 5.1(a) of this Agreement.

"Subsidiary" shall mean, with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or assigns; provided, however, that for purposes of this Agreement, no member of the SpinCo Group shall be deemed to be a Subsidiary of any member of the RemainCo Group.

"Transferred RemainCo Participant" shall have the meaning ascribed thereto in Section 5.1(b)(i) of this Agreement.

"Transferred SpinCo Participant" shall have the meaning ascribed thereto in Section 5.1(b)(ii) of this Agreement.

"True-Up Amount" shall have the meaning ascribed thereto in Section 3.2(b)(v) of this Agreement.

"U.S." shall mean the United States of America.

1.2 References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation." Unless the context otherwise requires, references in this Agreement to Articles, Sections and Exhibits shall be deemed references to Articles and Sections of, and Exhibits to, this Agreement. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

ARTICLE 2.

GENERAL PRINCIPLES

2.1 Assumption and Retention of Liabilities; Related Assets.

(a) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, RemainCo shall, or shall cause one or more members of the RemainCo Group to, assume or retain and RemainCo hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all liabilities under all RemainCo Benefit Plans, (ii) all liabilities (excluding liabilities incurred under a Benefit Plan except as otherwise provided in this Agreement) with respect to the employment, service, termination of employment or termination of service of all RemainCo Employees and Former RemainCo Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the RemainCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the RemainCo Group or whose employment or service is or was otherwise primarily associated with the RemainCo Core Business (as defined in the Distribution Agreement)), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the RemainCo Group or SpinCo Group, and (iii) any other liabilities or obligations expressly assigned to RemainCo or any of its affiliates under this Agreement.

(b) As of the Distribution Date, except as otherwise expressly provided for in this Agreement, SpinCo shall, or shall cause one or more members of the SpinCo Group to, assume or retain and SpinCo hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all liabilities under all SpinCo Benefit Plans, (ii) all liabilities (excluding liabilities incurred under a Benefit Plan except as otherwise provided in this Agreement) with respect to the employment, service, termination of employment or termination of service of all SpinCo Employees and Former SpinCo Employees and their dependents and beneficiaries (and any alternate payees in respect thereof) and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the SpinCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the SpinCo Group or whose employment or service is or was otherwise primarily associated with the SpinCo Core Business (as defined in the Distribution Agreement)), in each case to the extent arising in connection with or as a result of employment with or the performance of services for any member of the RemainCo Group or SpinCo Group, and (iii) any other liabilities or obligations expressly assigned to SpinCo or any of its affiliates under this Agreement.

(c) From time to time after the Distribution, SpinCo shall promptly reimburse RemainCo, upon RemainCo's reasonable request and the presentation by RemainCo of such substantiating documentation as SpinCo shall reasonably request, for the cost of any obligations or liabilities satisfied or assumed by RemainCo or its affiliates that are, or that have been made pursuant to this Agreement, the responsibility of SpinCo or any of its affiliates.

(d) From time to time after the Distribution, RemainCo shall promptly reimburse SpinCo, upon SpinCo's reasonable request and the presentation by SpinCo of such substantiating documentation as RemainCo shall reasonably request, for the cost of any obligations or liabilities satisfied or assumed by SpinCo or its affiliates that are, or that have been made pursuant to this Agreement, the responsibility of RemainCo or its affiliates.

2.2 SpinCo Participation in RemainCo Benefit Plans. Except as otherwise expressly provided for in this Agreement or as otherwise expressly agreed to in writing between the Parties, (i) effective as of the Distribution Date, SpinCo and each member of the SpinCo Group shall cease to be a Participating Company in any RemainCo Benefit Plan, and (ii) each SpinCo Participant and any other service providers of SpinCo or any member of the SpinCo Group (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of any member of the SpinCo Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the SpinCo Group), effective as of the Distribution Date, shall cease to participate in, be covered by, accrue benefits under, be eligible to contribute to or have any rights under any RemainCo Benefit Plan, and RemainCo and SpinCo shall take all necessary action to effectuate each such cessation.

2.3 Comparable Compensation and Benefits. Except as otherwise expressly provided for in this Agreement or as agreed to by RemainCo, and subject to Section 10.4, SpinCo (acting directly or through its affiliates) initially intends to provide SpinCo Employees with compensation opportunities (including salary, wages, commissions and bonus opportunities) and employee benefits that are generally comparable, in the aggregate, to the compensation opportunities and employee benefits to which such SpinCo Employees were entitled to immediately prior to the Distribution Date.

2.4 Service Recognition. Except as provided below, (a) SpinCo shall give each SpinCo Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any SpinCo Benefit Plan for such SpinCo Participant's service prior to the Distribution Date to the same extent such service was recognized by the applicable RemainCo Benefit Plans immediately prior to the Distribution Date, and (b) RemainCo shall give each RemainCo Participant full credit for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals under any RemainCo Benefit Plan for such RemainCo Participant's service prior to the Distribution Date to the same extent such service was recognized by the applicable SpinCo Benefit Plans immediately prior to the Distribution Date; provided, however, that such service shall not be recognized to the extent that such recognition would result in the duplication of benefits under a RemainCo Benefit Plan and a SpinCo Benefit Plan. Notwithstanding the foregoing, unless the Parties otherwise agree in writing, (a) if a RemainCo Participant becomes employed by a member of the SpinCo Group after the Distribution Date, then, except to the extent required by applicable law, such individual's service with the RemainCo Group will not be recognized for any purpose under any SpinCo Benefit Plan, and (b) if a SpinCo Participant becomes employed by a member of the RemainCo Group after the Distribution Date, then, except to the extent required by applicable law, such individual's service with the SpinCo Group will not be recognized for any purpose under any RemainCo Benefit Plan. Nothing herein shall

limit RemainCo or SpinCo or their respective affiliates from recognizing service in addition to the recognition of service required hereunder, but any such additional service shall not be recognized for purposes of Section 2.6 of this Agreement.

2.5 Approval by RemainCo As Sole Stockholder. Effective as of the Distribution Date, SpinCo shall have (a) adopted (i) the Hillenbrand, Inc. Stock Incentive Plan (the "SpinCo Stock Plan") which shall permit the issuance of long-term equity-based incentive awards that have material terms and conditions substantially similar to those long-term incentive awards issued under the RemainCo Stock Plan that are to be substituted with SpinCo long-term incentive awards in connection with the Distribution, (ii) the SpinCo Board of Directors' Deferred Compensation Plan, and (iii) the SpinCo Executive Deferred Compensation Program, and (b) filed and caused to be effective any and all registration statements and other reports or filings required to register shares for issuance under such plans, including, without limitation, by way of conversion or substitution pursuant to Articles VI or VII of this Agreement. The SpinCo Stock Plan, the SpinCo Board of Directors' Deferred Compensation Plan, and the SpinCo Executive Deferred Compensation Program shall be approved prior to the Distribution by RemainCo as SpinCo's sole shareholder.

2.6 Transfer of Assets. Assets, if any, attributable to the liabilities referenced in the preceding provisions of this Article II shall be allocated (if applicable) as provided in the remaining provisions of this Agreement.

ARTICLE 3.

QUALIFIED DEFINED BENEFIT PLANS

3.1 Establishment of SpinCo Pension Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined benefit pension plan and related trust to provide retirement benefits to SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits (except as provided in Section 3.2(d) of this Agreement, whether or not vested) under, the RemainCo Pension Plan (such defined benefit pension plan, the "SpinCo Pension Plan" and such SpinCo Participants, the "SpinCo Pension Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable, and appropriate action to establish, maintain and administer the SpinCo Pension Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. Notwithstanding the foregoing, until the Initial Cash Transfer Date, all benefits payable to SpinCo Pension Plan Participants (including benefits that have accrued under the SpinCo Pension Plan following the Distribution Date) shall be paid on behalf of the SpinCo Pension Plan from the RemainCo Pension Trust, and following the Initial Cash Transfer Date, all benefits payable to SpinCo Pension Plan Participants (including benefits that have accrued under the RemainCo Pension Plan) shall be paid from the SpinCo Pension Trust. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Pension Plan.

3.2 SpinCo Pension Plan Participants.

(a) Assumption of RemainCo Pension Plan Liabilities. Subject to the Plan Asset transfer described in Section 3.2(b), SpinCo (acting directly or through a member of the SpinCo Group) hereby agrees to cause the SpinCo Pension Plan effective as of the Distribution Date to assume, fully perform, pay and discharge, all liabilities under the RemainCo Pension Plan relating to all SpinCo Pension Plan Participants as of the Distribution Date (inclusive of benefits paid by the RemainCo Pension Plan to SpinCo Pension Plan Participants following the Distribution Date, but prior to the date of the Initial Cash Transfer in accordance with Section 3.1).

(b) Transfer of RemainCo Pension Plan Assets.

(i) The Parties agree that the Plan Assets and any related earnings or losses shall be determined and transferred to the SpinCo Pension Trust in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1, Section 208 of ERISA and the assumptions and valuation methodology which the Pension Benefit Guaranty Corporation would have used under Section 4044 of ERISA as of the Distribution Date as set forth in Exhibit A to this Agreement. Any surplus assets under the RemainCo Pension Plan (i.e., any assets held under the RemainCo Pension Plan that are in excess of the assets required to be allocated to the RemainCo Pension Plan and the SpinCo Pension Plan in accordance with the preceding sentence) shall be transferred to the SpinCo Pension Trust in the same proportion as the other assets of the RemainCo Pension Trust are transferred to the SpinCo Pension Trust in accordance with the succeeding provisions of this subsection (b)). No later than thirty (30) days prior to the Initial Cash Transfer Date, RemainCo and SpinCo (acting directly or through their respective affiliates) shall, to the extent necessary, file an IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Pension Plan to the SpinCo Pension Plan.

(ii) Prior to the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the RemainCo Actuary to determine the estimated value, as of the Distribution Date, of the Plan Assets to be transferred pursuant to Section 3.2(b)(i) of this Agreement to the SpinCo Pension Trust (the "Estimated Pension Plan Transfer Amount").

(iii) Not later than ninety (90) Business Days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall cooperate in good faith to cause an initial transfer of Plan Assets (the date of such transfer, the "Initial Cash Transfer Date") from the RemainCo Pension Trust to the SpinCo Pension Trust in an amount equal to ninety percent (90%) of the Estimated Pension Plan Transfer Amount (the "Initial Cash Transfer," and such amount, the "Initial Transfer Amount"). RemainCo shall satisfy its obligation pursuant to this Section 3.2(b)(iii) by causing the RemainCo Pension Trust to transfer Plan Assets in kind to the extent practicable equal to the Initial Transfer Amount consisting of a pro rata percentage of all investments under the

RemainCo Pension Plan and to transfer the balance of the Initial Transfer Amount in cash.

(iv) Within one hundred eighty (180) days (or such later time as mutually agreed by the Parties) following the Distribution Date, RemainCo shall cause the RemainCo Actuary to provide SpinCo with a revised calculation of the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust determined in accordance with the assumptions and valuation methodology set forth on Exhibit A attached hereto (the "Revised Pension Plan Transfer Amount"). Upon written notice to RemainCo, which must be given within thirty (30) days after SpinCo receives the Revised Pension Plan Transfer Amount from the RemainCo Actuary, SpinCo may submit, at its sole cost and expense, the Revised Pension Plan Transfer Amount to the SpinCo Actuary for verification; provided, that such verification process and any calculation performed by the SpinCo Actuary in connection therewith shall be performed solely on the basis of the assumptions and valuation methodology set forth on Exhibit A to this Agreement. In order to perform such verification, upon request from SpinCo, the SpinCo Actuary will receive the data and additional detailed methodology used to calculate the Initial Transfer Amount and the Revised Pension Plan Transfer Amount (if reasonably needed) from the RemainCo Actuary. SpinCo will be responsible for the cost and expense of the SpinCo Actuary and RemainCo will be responsible for the cost and expense for the RemainCo Actuary for such data transfer. In the event the SpinCo Actuary determines that the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Plan differs from the Revised Pension Plan Transfer Amount, the SpinCo Actuary shall identify in writing to the RemainCo Actuary all objections to the determination within sixty (60) days (or such longer period as mutually agreed by the Parties) following provision of the calculation of the Revised Pension Plan Transfer Amount to SpinCo pursuant to the first sentence of this paragraph (iv), and the SpinCo Actuary and RemainCo Actuary shall use good faith efforts to reconcile any such difference. If the SpinCo Actuary and the RemainCo Actuary fail to reconcile such difference, the SpinCo Actuary and the RemainCo Actuary shall jointly designate a third, independent actuary whose calculation of the value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust shall be final and binding; provided, that such calculation must be performed within sixty (60) days (or such longer period as mutually agreed by the Parties) following designation of such third actuary and in accordance with the assumptions and valuation methodology set forth on Exhibit A to this Agreement; and provided, further, that such value shall be between the value determined by the SpinCo Actuary and the Revised Pension Plan Transfer Amount or equal to either such value. RemainCo and SpinCo shall each pay one-half of the costs incurred in connection with the retention of such independent actuary. If (i) within thirty (30) days after SpinCo receives the Revised Pension Plan Transfer Amount from the RemainCo Actuary, SpinCo has not given RemainCo written notice that SpinCo is submitting the Revised Pension Plan Transfer Amount to the SpinCo Actuary for verification, or (ii) the SpinCo Actuary does not identify in writing to the RemainCo Actuary any objections to the determination of the Revised Pension Plan Transfer Amount within the time period described above, the Revised Pension Plan Transfer Amount shall be deemed to have been approved by SpinCo, and such amount shall be deemed to be the Final Pension Plan Transfer Amount (as defined below) and to have

been determined as of the last day of the period during which the condition set forth in (i) or (ii) above that has not been satisfied could have been satisfied. The final, verified value, as of the Distribution Date, of the Plan Assets to be transferred to the SpinCo Pension Trust as determined in accordance with this Section 3.2(b)(iv) shall be referred to herein as the "Final Pension Plan Transfer Amount."

(v) Within forty-five (45) days (or such later time as mutually agreed by the Parties) following the determination of the Final Pension Plan Transfer Amount, RemainCo shall cause the RemainCo Pension Trust to transfer to the SpinCo Pension Trust (the date of such transfer, the "Final Transfer Date") an amount equal to (A) the Final Pension Plan Transfer Amount minus (B) the Initial Transfer Amount minus (C) any amounts that the RemainCo plan paid with respect to SpinCo participants after the Distribution Date and prior to the Initial Cash Transfer as described in Article 3.1 (such difference, as adjusted to reflect earnings or losses as described below, the "True-Up Amount"); provided, that, in the event the True-Up Amount is negative, RemainCo shall not be required to cause any such additional transfer and instead SpinCo shall be required to cause a transfer of cash, cash-like securities or other cash equivalents (or, if determined by RemainCo in its discretion, assets in kind) from the SpinCo Pension Trust to the RemainCo Pension Trust in amount equal to the True-Up Amount. The Parties acknowledge that the RemainCo Pension Trust's transfer of the True-Up Amount to the SpinCo Pension Trust shall be in full settlement and satisfaction of the obligations of RemainCo to cause the transfer of, and the RemainCo Pension Trust to transfer, Plan Assets to the SpinCo Pension Plan pursuant to this Section 3.2(b)(v). The True-Up Amount shall be paid from the RemainCo Pension Trust to the SpinCo Pension Trust, as determined by RemainCo in its discretion in kind, in cash, cash-like securities or other cash equivalents, and shall be adjusted to reflect earnings or losses during the period from the Distribution Date to the Final Transfer Date. Such earnings or losses shall be determined based on the actual rate of return of the RemainCo Pension Plan for the period commencing on the Distribution Date and ending on the last calendar day of the month ending immediately prior to the Final Transfer Date. Earnings or losses for the period from such last day of the month to the Final Transfer Date shall be based on the actual rate of return of the RemainCo Pension Plan during the last calendar month ending immediately prior to the Final Transfer Date determined as of the date that is as close as administratively practicable to the Final Transfer Date. In the event that SpinCo is obligated to cause the SpinCo Pension Trust to reimburse the RemainCo Pension Trust pursuant to this Section 3.2(b)(v), such reimbursement shall be performed in accordance with the same principles set forth herein with respect to the payment of the True-Up Amount. The Parties acknowledge that the SpinCo Pension Trust's transfer of such reimbursement amount to the RemainCo Pension Trust shall be in full settlement and satisfaction of the obligations of SpinCo to cause the transfer of, and the SpinCo Pension Trust to transfer, assets to the RemainCo Pension Trust pursuant to this Section 3.2(b)(v).

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Pension Plan to recognize and maintain all existing elections, including, but not limited to, beneficiary designations, payment form elections and rights of alternate payees under qualified domestic

relations orders with respect to SpinCo Pension Plan Participants under the RemainCo Pension Plan.

(d) Terminated Non-Vested Employees. Notwithstanding anything herein to the contrary, the RemainCo Pension Plan will retain all liabilities (if any) earned under the RemainCo Pension Plan in respect of any Former RemainCo Employee, and the SpinCo Pension plan will assume and retain all liabilities (if any) earned under the RemainCo Pension Plan in respect of any Former SpinCo Employee.

ARTICLE 4.

QUALIFIED DEFINED CONTRIBUTION PLANS

4.1 RemainCo Savings Plan; SpinCo Savings Plan.

(a) Establishment of the SpinCo Savings Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined contribution plan and related trust for the benefit of SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits under, the RemainCo Savings Plan (such defined contribution plan, the "SpinCo Savings Plan" and such SpinCo Participants, the "SpinCo Savings Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable and appropriate action to establish, maintain and administer the SpinCo Savings Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities and other obligations with respect to the SpinCo Savings Plan.

(b) Transfer of RemainCo Savings Plan Assets. Not later than thirty (30) days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the trustee for the RemainCo Savings Trust to transfer in-kind the assets underlying the account balances (including any unvested balances, outstanding loan balances and forfeitures) held in the RemainCo Savings Trust for the SpinCo Savings Plan Participants (the "SpinCo Savings Plan Assets") to the SpinCo Savings Trust, and SpinCo shall cause the SpinCo Savings Trust to accept the transfer of the SpinCo Savings Plan Assets. Effective as of the date of such transfer, SpinCo shall assume and fully perform, pay and discharge, all obligations of the RemainCo Savings Plan relating to the accounts of SpinCo Savings Plan Participants (to the extent the assets related to those accounts are actually transferred from the RemainCo Savings Trust to the SpinCo Savings Trust). The transfer of assets shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(1)-1, and Section 208 of ERISA.

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause the SpinCo Savings Plan to recognize and maintain all existing elections, including, but not limited to, deferral, investment, and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to SpinCo Savings Plan

Participants under the RemainCo Savings Plan, to the extent such election or designation is available under the SpinCo Savings Plan.

(d) Form 5310-A. No later than thirty (30) days prior to the date of the transfer of assets as contemplated under Section 4.1(b), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall, to the extent necessary, file IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Savings Plan to the SpinCo Savings Plan as discussed in this Article IV.

(e) Contributions as of the Distribution Date. All contributions payable to the RemainCo Savings Plan with respect to employee and employer contributions for SpinCo Savings Plan Participants through the Distribution Date, determined in accordance with the terms and provisions of the RemainCo Savings Plan, ERISA and the Code, shall be paid to the RemainCo Savings Plan prior to the date of the asset transfer described in Section 4.1(b) of this Agreement.

4.2 RemainCo Sales Executives Plan; SpinCo Sales Executives Plan

(a) Establishment of the SpinCo Sales Executives Plan. Effective as of the Distribution Date, SpinCo shall, or shall have caused one or more members of the SpinCo Group to, establish a defined contribution plan and related trust for the benefit of SpinCo Participants who immediately prior to the Distribution Date were participants in, or entitled to present or future benefits under, the RemainCo Sales Executives Plan (such defined contribution plan, the "SpinCo Sales Executives Plan" and such SpinCo Participants, the "SpinCo Sales Executives Plan Participants"). SpinCo shall be responsible for taking all necessary, reasonable and appropriate action to establish, maintain and administer the SpinCo Sales Executives Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. SpinCo (acting directly or through one or more members of the SpinCo Group) shall be responsible for any and all liabilities and other obligations with respect to the SpinCo Sales Executives Plan.

(b) Transfer of RemainCo Sales Executives Plan Assets. Not later than thirty (30) days following the Distribution Date (or such later time as mutually agreed by the Parties), RemainCo shall cause the trustee for the RemainCo Sales Executives Trust to transfer in-kind the assets underlying the account balances (including any unvested balances, outstanding loan balances and forfeitures) held in the RemainCo Sales Executives Trust for the SpinCo Sales Executives Plan Participants (the "SpinCo Sales Executives Plan Assets") to the SpinCo Sales Executives Trust, and SpinCo shall cause the SpinCo Sales Executives Trust to accept the transfer of the SpinCo Sales Executives Plan Assets. Effective as of the date of such transfer, SpinCo shall assume and fully perform, pay and discharge, all obligations of the RemainCo Sales Executives Plan relating to the accounts of SpinCo Sales Executives Plan Participants (to the extent the assets related to those accounts are actually transferred from the RemainCo Sales Executives Trust to the SpinCo Sales Executives Trust). The transfer of assets shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(1)-1, and Section 208 of ERISA.

(c) Continuation of Elections. Effective as of the Distribution Date, SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause the SpinCo Sales Executives Plan to recognize and maintain all existing elections, including, but not limited to, investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to SpinCo Sales Executives Plan Participants under the RemainCo Sales Executives Plan, to the extent such election or designation is available under the SpinCo Sales Executives Plan.

(d) Form 5310-A. No later than thirty (30) days prior to the date of the transfer of assets as contemplated under Section 4.2(b), RemainCo and SpinCo (each acting directly or through their respective affiliates) shall, to the extent necessary, file IRS Form 5310-A regarding the transfer of assets and liabilities from the RemainCo Sales Executives Plan to the SpinCo Sales Executives Plan as discussed in this Article IV.

ARTICLE 5.

HEALTH AND WELFARE PLANS

5.1 Health And Welfare Plans.

(a) Establishment of the SpinCo Welfare Plans. Prior to January 1, 2008, RemainCo maintained each of the health and welfare plans set forth onExhibit B attached hereto (collectively, the "RemainCo Welfare Plans" and individually, a "RemainCo Welfare Plan") for the benefit of eligible RemainCo Participants and SpinCo Participants. Effective as of January 1, 2008, SpinCo adopted, for the benefit of individuals who would have been SpinCo Participants on such date if such date were the Distribution Date, health and welfare plans, the terms of which are substantially comparable, in the aggregate, to the applicable terms of the RemainCo Welfare Plans as in effect immediately prior to January 1, 2008 (collectively, the "SpinCo Welfare Plans" and individually, a "SpinCo Welfare Plan").

(b) Terms of Participation in RemainCo Welfare Plans and SpinCo Welfare Plans

(i) RemainCo Welfare Plans. With respect to any individual who, on or after January 1, 2008 and prior to the Distribution Date, transfers employment from the SpinCo Group to the RemainCo Group and who is listed on Exhibit C, (each such individual a "Transferred RemainCo Participant"), RemainCo (acting directly or through one or more members of the RemainCo Group) shall cause all RemainCo Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to such individuals, other than limitations that were in effect with respect to such individuals as of the date of each such individual's transfer to the RemainCo Group under the analogous SpinCo Welfare Plans, (ii) honor any deductibles, out-of-pocket maximums, and co-payments incurred by such individuals under the SpinCo Welfare Plans in satisfying any applicable deductibles, out-of-pocket maximums or co-payments under a RemainCo Welfare Plan during the same plan year in which such deductibles, out-of-pocket maximums and co-payments were made, and (iii) waive any waiting period limitation or evidence of

insurability requirement that would otherwise be applicable to such individuals following the date of each such individual's transfer to the RemainCo Group to the extent such individual had satisfied any similar limitation under the analogous SpinCo Welfare Plan.

(ii) SpinCo Welfare Plans. With respect to any individual who, on or after January 1, 2008 and prior to the Distribution Date, transfers employment from the RemainCo Group to the SpinCo Group and who is listed on Exhibit D (each such individual a "Transferred SpinCo Participant"), SpinCo (acting directly or through one or more members of the SpinCo Group) shall cause all SpinCo Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to such Transferred SpinCo Participants, other than limitations that were in effect with respect to such Transferred SpinCo Participants as of the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group under the analogous RemainCo Welfare Plans, (ii) honor any deductibles, out-of-pocket maximums, and co-payments incurred by such Transferred SpinCo Participants under the RemainCo Welfare Plans in satisfying any applicable deductibles, out-of-pocket maximums or co-payments under a SpinCo Welfare Plan during the same plan year in which such deductibles, out-of-pocket maximums and co-payments were made, and (iii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to such Transferred SpinCo Participants following the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group to the extent such Transferred SpinCo Participant had satisfied any similar limitation under the analogous RemainCo Welfare Plan.

(c) Continuation of Elections.

(i) Transferred RemainCo Participants. As of the date of each Transferred RemainCo Participant's transfer to the RemainCo Group, RemainCo (acting directly or through a member of the RemainCo Group) shall cause the RemainCo Welfare Plans to recognize and maintain all elections and designations (including all coverage and contribution elections and beneficiary designations) made by such Transferred RemainCo Participant under, or with respect to, the SpinCo Welfare Plans and apply such elections and designations under the RemainCo Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms applicable, to the extent such election or designation is available under the corresponding RemainCo Welfare Plan.

(ii) Transferred SpinCo Participants. As of the date of each Transferred SpinCo Participant's transfer to the SpinCo Group, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Welfare Plans to recognize and maintain all elections and designations (including all coverage and contribution elections and beneficiary designations) made by such Transferred SpinCo Participant under, or with respect to, the RemainCo Welfare Plans and apply such elections and designations under the SpinCo Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms applicable, to the extent such election or designation is available under the corresponding SpinCo Welfare Plan.

(d) COBRA and HIPAA. Effective as of January 1, 2008, the SpinCo Welfare Plans assumed responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to SpinCo Participants who, as of December 31, 2007, were covered under a RemainCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to December 31, 2007. The Parties hereto agree that neither the Distribution nor any transfers of employment that occur as of the Distribution Date or otherwise in connection with the Distribution shall constitute a COBRA qualifying event for purposes of COBRA; provided, that, in all events, (i) SpinCo (acting directly or through a member of the SpinCo Group) shall assume, or shall have caused the SpinCo Welfare Plans to assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to the Transferred SpinCo Participants to the extent each such individual was, as of the day prior to his or her transfer of employment, covered under a RemainCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to his or her transfer of employment, and (ii) RemainCo (acting directly or through a member of the RemainCo Group) shall assume, or shall have caused the RemainCo Welfare Plans to assume, responsibility for compliance with the health care continuation coverage requirements of COBRA with respect to the Transferred RemainCo Participants to the extent each such individual was, as of the day prior to his or her transfer of employment, covered under a SpinCo Welfare Plan pursuant to COBRA or who had a COBRA qualifying event (as defined in Code Section 4980B) prior to his or her transfer of employment. RemainCo (acting directly or through a member of the RemainCo Group) shall be responsible for administering compliance with any certificate of creditable coverage requirements of HIPAA or Medicare applicable to the RemainCo Welfare Plans with respect to SpinCo Participants.

(e) Liabilities.

(i) Insured Benefits. With respect to employee welfare and fringe benefits that are provided through the purchase of insurance, (A) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred prior to January 1, 2008; (B) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by RemainCo Participants; and (C) SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by SpinCo Participants. Notwithstanding the foregoing, (i) with respect to Transferred RemainCo Participants and their beneficiaries, dependents and alternate payees, SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred RemainCo Participant is an employee of a member of the SpinCo Group, and (ii) with respect to Transferred SpinCo Participants and their beneficiaries, dependents and alternate payees, RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred SpinCo Participant is an employee of a member of the RemainCo Group.

(ii) Self-Insured Benefits. With respect to employee welfare and fringe benefits that are provided on a self-insured basis (other than short-term disability

benefits), (A) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred (but not reported) prior to January 1, 2008, provided, however, that SpinCo shall reimburse RemainCo for all such claims paid by RemainCo with respect to an individual who, at the time the claim was incurred, was an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the SpinCo Group; (B) RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by RemainCo Participants; and (C) SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by SpinCo Participants. Notwithstanding the foregoing, (i) with respect to Transferred RemainCo Participants and their beneficiaries, dependents and alternate payees, SpinCo shall cause the SpinCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred RemainCo Participant is an employee of a member of the SpinCo Group, and (ii) with respect to Transferred SpinCo Participants and their beneficiaries, dependents and alternate payees, RemainCo shall cause the RemainCo Welfare Plans to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by such individuals to the extent that, at the time a claim is incurred, the Transferred SpinCo Participant is an employee of a member of the RemainCo Group. Notwithstanding anything herein to the contrary, with respect to short-term disability benefits, RemainCo shall cause the appropriate RemainCo Welfare Plan to fully perform, pay and discharge all claims for benefits for RemainCo Participants who are eligible for such benefits as of the Distribution Date, and SpinCo shall cause the appropriate SpinCo Welfare Plan to fully perform, pay and discharge all claims for benefits for SpinCo Participants who are eligible for such benefits as of the Distribution Date.

(iii) Incurred Claim Definition. For purposes of this Section 5.1(e), a claim or liability is deemed to be incurred (A) with respect to medical, dental, vision and/or prescription drug benefits, upon the rendering of health services giving rise to such claim or liability; (B) with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or liability; (C) with respect to long-term disability benefits, upon the date of an individual's disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such claim or liability; and (D) with respect to a period of continuous hospitalization, upon the date of admission to the hospital.

5.2 Reimbursement Account Plan. Effective as of January 1, 2008, SpinCo established a health, dependent care, and adoption reimbursement account plan (the "SpinCo Reimbursement Account Plan") with features that are comparable to those contained in the health, dependent care, and adoption reimbursement account plan maintained by RemainCo immediately prior to January 1, 2008 (the "RemainCo Reimbursement Account Plan"). RemainCo shall cause the RemainCo Reimbursement Account Plan to fully perform, pay and discharge all claims of RemainCo Participants and SpinCo Participants that are incurred (but not reported) prior to January 1, 2008. Except as provided below with respect to Transferred RemainCo Participants and Transferred SpinCo Participants, RemainCo shall cause the RemainCo Reimbursement Account Plan to fully perform, pay and discharge all claims that are

incurred on or after January 1, 2008 by each individual who, at the time the claim is incurred, is an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the RemainCo Group. Except as provided below with respect to Transferred RemainCo Participants and Transferred SpinCo Participants, SpinCo shall cause the SpinCo Reimbursement Account Plan to fully perform, pay and discharge all claims that are incurred on or after January 1, 2008 by each individual who, at the time the claim is incurred, is an employee (or a beneficiary, dependent or alternate payee of an employee) of a member of the SpinCo Group. No more than 45 days following the Distribution Date, RemainCo shall cause to be transferred to SpinCo an amount in cash equal to (i) the sum of all contributions to the RemainCo Reimbursement Account Plan made with respect to calendar year 2008 by or on behalf of all Transferred SpinCo Participants for periods before the date of each such Transferred SpinCo Participant's transfer to the SpinCo Group, reduced by (ii) the sum of all claims incurred in calendar year 2008 and paid by the RemainCo Reimbursement Account Plan with respect to all such Transferred SpinCo Participants, and the SpinCo Reimbursement Account Plan shall fully perform, pay and discharge all claims submitted by Transferred SpinCo Participants on or after the date of the cash transfer; provided, however, that if the amount described in (ii) above is greater than the amount described in (i) above, SpinCo shall cause to be transferred to RemainCo an amount in cash equal to the excess of (ii) over (i). No more than 45 days following the Distribution Date, SpinCo shall cause to be transferred to RemainCo an amount in cash equal to (i) the sum of all contributions to the SpinCo Reimbursement Account Plan made with respect to calendar year 2008 by or on behalf of all Transferred RemainCo Participants for periods before the date of each such Transferred RemainCo Participant's transfer to the RemainCo Group, reduced by (ii) the sum of all claims incurred in calendar year 2008 and paid by the SpinCo Reimbursement Account Plan with respect to all such Transferred RemainCo Participants, and the RemainCo Reimbursement Account Plan shall fully perform, pay and discharge all claims submitted by Transferred RemainCo Participants on or after the date of the cash transfer; provided, however, that if the amount described in (ii) above is greater than the amount described in (i) above, RemainCo shall cause to be transferred to SpinCo an amount in cash equal to the excess of (ii) over (i). All assets or obligations relating to all participants in the RemainCo Reimbursement Account Plan with respect to periods ending on or before December 31, 2007 will be retained by RemainCo.

5.3 Retiree Medical Coverage. Effective as of January 1, 2008, SpinCo adopted a retiree medical plan to provide retiree medical benefits substantially equivalent to those provided under the RemainCo Welfare Plan providing retiree medical benefits (the "RemainCo Retiree Medical Plan") to SpinCo Participants who immediately prior to January 1, 2008 (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group) were participants in the RemainCo Retiree Medical Plan (such retiree medical plan, the "SpinCo Retiree Medical Plan" and such SpinCo Participants, the "SpinCo Retiree Medical Plan Participants"). The SpinCo Retiree Medical Plan shall provide retiree medical benefits to (i) SpinCo Participants who terminate employment on or after January 1, 2008 under conditions entitling them to benefits under such plan, and (ii) other individuals who terminate employment on or after January 1, 2008 under conditions entitling them to benefits under such plan who would have been SpinCo Participants on their date of termination if such date were the Distribution Date. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liabilities for funding) with respect to the SpinCo Retiree Medical Plan. Effective as of January 1, 2008, SpinCo has

caused the SpinCo Retiree Medical Plan to assume, and to fully perform, pay and discharge, all accrued but unpaid benefits as of January 1, 2008, including incurred but unreported claims for benefits, and any credits under the RemainCo Retiree Medical Plan relating to all SpinCo Retiree Medical Plan Participants as of January 1, 2008 (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group).

5.4 Time-Off Benefits. SpinCo shall credit each SpinCo Participant with the amount of accrued but unused vacation time, sick time and other time-off benefits as such SpinCo Participant had with the RemainCo Group as of the Distribution Date (or, with respect to a Transferred SpinCo Participant, the date of such Transferred SpinCo Participant's transfer to the SpinCo Group). Notwithstanding the above, SpinCo shall not be required to credit any SpinCo Participant with any accrual to the extent that a benefit attributable to such accrual is provided by the RemainCo Group. RemainCo shall credit each Transferred RemainCo Participant with the amount of accrued but unused vacation time, sick time and other time-off benefits as such Transferred RemainCo Participant had with the SpinCo Group as of the date of such Transferred RemainCo Participant's transfer to the RemainCo Group. Notwithstanding the above, RemainCo shall not be required to credit any Transferred RemainCo Participant with any accrual to the extent that a benefit attributable to such accrual is provided by the SpinCo Group.

ARTICLE 6.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

6.1 SpinCo Supplemental Pension Plan.

(a) Establishment of SpinCo SERP. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan to benefit SpinCo Participants who have accrued, or were eligible to accrue, benefits under the RemainCo SERP immediately prior to the Distribution Date, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo SERP as in effect immediately prior to the Distribution Date (the "SpinCo SERP"). Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo SERP to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo SERP with respect to all SpinCo Participants therein. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo SERP.

(b) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo SERP to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Participants under the RemainCo SERP to the extent such elections or designations are available under the SpinCo SERP until a new election that by its terms supersedes such original election is made by the SpinCo Participant in accordance with applicable law and the terms and conditions of the SpinCo SERP.

6.2 SpinCo Board of Directors' Deferred Compensation Plan.

(a) Establishment of SpinCo Board of Directors' Deferred Compensation Plan. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo Board of Directors' Deferred Compensation Plan as in effect immediately prior to the Distribution Date (the "SpinCo Board of Directors' Deferred Compensation Plan"). Effective as of the Distribution Date, except as provided in paragraphs (b) and (c) below, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Board of Directors' Deferred Compensation Plan with respect to all individuals who immediately prior to the Distribution were directors of RemainCo and who, after the Distribution Date, will serve as directors of SpinCo but not RemainCo ("SpinCo Directors") who have accrued, or were eligible to accrue, benefits under the RemainCo Board of Directors' Deferred Compensation Plan immediately prior to the Distribution Date. SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Board of Directors' Deferred Compensation Plan.

(b) RemainCo/SpinCo Directors. With respect to each individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Board of Directors' Deferred Compensation Plan with respect to the benefits accrued by such director under the RemainCo Board of Directors' Deferred Compensation Plan immediately prior to the Distribution Date. For periods on and after the Distribution Date, (i) each such director shall be eligible to accrue benefits under the RemainCo Board of Directors' Deferred Compensation Plan and the SpinCo Board of Directors' Deferred Compensation Plan under the terms of each such plan, (ii) SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Board of Directors' Deferred Compensation Plan accrued thereunder by each such director on and after the Distribution Date, and (iii) RemainCo (acting directly or through a member of the RemainCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the RemainCo Board of Directors' Deferred Compensation Plan accrued thereunder by each such director on and after the Distribution Date.

(c) Benefits Payable in Stock. Notwithstanding anything herein to the contrary, effective as of the Distribution Date, with respect to any benefits accrued by a RemainCo director immediately prior to the Distribution Date under the RemainCo Board of Directors' Deferred Compensation Plan that represent RemainCo Deferred Shares, the shares in each such individual's RemainCo Deferred Share Account shall be replaced with adjusted RemainCo Deferred Shares and substitute SpinCo Deferred Shares. Immediately following the Distribution, (i) the number of RemainCo Deferred Shares in such individual's RemainCo Deferred Share Account shall equal the number of RemainCo Deferred Shares in such RemainCo Deferred Share Account immediately prior to the Distribution, and (ii) the substitute

SpinCo Deferred Shares shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Share Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Shares. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the SpinCo Deferred Shares, and RemainCo hereby agrees to cause the RemainCo Board of Directors' Deferred Compensation Plan to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the RemainCo Deferred Shares as adjusted in accordance with this paragraph.

(d) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Board of Directors' Deferred Compensation Plan to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Directors and directors described in paragraph (b) above under the RemainCo Board of Directors' Deferred Compensation Plan to the extent such elections or designations are available under the SpinCo Board of Directors' Deferred Compensation Plan until a new election that by its terms supersedes such original election is made by such a director in accordance with applicable law and the terms and conditions of the SpinCo Board of Directors' Deferred Compensation Plan.

6.3 SpinCo Executive Deferred Compensation Program.

(a) Establishment of SpinCo Executive Deferred Compensation Program. Effective as of the Distribution Date, SpinCo shall, or shall cause a member of the SpinCo Group to, establish a non-qualified deferred compensation plan, the terms of which are substantially comparable, in the aggregate, to the terms of the RemainCo Executive Deferred Compensation Program as in effect immediately prior to the Distribution Date (the "SpinCo Executive Deferred Compensation Program"). SpinCo (acting directly or through a member of the SpinCo Group) shall be responsible for any and all liabilities (including liability for funding) and other obligations with respect to the SpinCo Executive Deferred Compensation Program.

(b) Allocation of Liabilities.

(i) Cash Benefits. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Executive Deferred Compensation Program with respect to benefits accrued thereunder by SpinCo Participants immediately prior to the Distribution Date that are payable in cash. Effective as of the Distribution Date, RemainCo hereby agrees to cause the RemainCo Executive Deferred Compensation Program to retain responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the RemainCo Executive Deferred Compensation Program with respect to benefits accrued thereunder

by RemainCo Participants immediately prior to the Distribution Date that are payable in cash.

(ii) Stock Benefits. Effective as of the Distribution Date, with respect to any benefits accrued by a RemainCo Participant or a SpinCo Participant immediately prior to the Distribution Date under the RemainCo Executive Deferred Compensation Program, the Hillenbrand Industries Stock Award Program, the Hillenbrand Industries Senior Executive Compensation Program, or any other similar program maintained by RemainCo that represent RemainCo Deferred Shares, the shares in each such individual's RemainCo Deferred Share Account shall be replaced with adjusted RemainCo Deferred Shares and substitute SpinCo Deferred Shares. Immediately following the Distribution, the number of RemainCo Deferred Shares in such individual's RemainCo Deferred Share Account shall equal the number of RemainCo Deferred Shares in such RemainCo Deferred Share Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Shares shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Share Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Shares. Effective as of the Distribution Date, SpinCo hereby agrees to cause the SpinCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the SpinCo Deferred Shares, and RemainCo hereby agrees to cause the RemainCo Executive Deferred Compensation Program to assume responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, with respect to the RemainCo Deferred Shares as adjusted in accordance with this paragraph.

(c) Continuation of Elections. As of the Distribution Date, SpinCo (acting directly or through a member of the SpinCo Group) shall cause the SpinCo Executive Deferred Compensation Program to recognize and maintain all elections (including deferral, distribution and investment elections) and beneficiary designations with respect to SpinCo Participants under the RemainCo Executive Deferred Compensation Program to the extent such elections or designations are available under the SpinCo Executive Deferred Compensation Program until a new election that by its terms supersedes such original election is made by the SpinCo Participant in accordance with applicable law and the terms and conditions of the SpinCo Executive Deferred Compensation Program.

ARTICLE 7.

LONG-TERM INCENTIVE AWARDS

7.1 Treatment of Outstanding RemainCo Options.

(a) RemainCo Directors and Employees. RemainCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who,

after the Distribution Date, will serve as a director of RemainCo but not SpinCo, or (2) a RemainCo Participant (other than a Former RemainCo Employee) shall remain an option to purchase RemainCo common stock issued under the RemainCo Stock Plan or the RemainCo 1996 Stock Plan (each such option, a "Remaining RemainCo Option"). Each Remaining RemainCo Option shall be subject to the same terms and conditions after the Distribution as the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such adjustment satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. The exercise price and number of shares subject to each Remaining RemainCo Option shall be adjusted as follows: (i) the number of shares of RemainCo common stock subject to each such Remaining RemainCo Option shall be equal to the product of (x) the number of shares of RemainCo common stock subject to the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the RemainCo Share Ratio, with fractional shares rounded to the nearest whole share and (ii) the per-share exercise price of each such Remaining RemainCo Option shall be equal to the product, rounded to the nearest cent, of (x) the per-share exercise price of the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the RemainCo Price Ratio.

(b) SpinCo Directors and Employees. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of SpinCo but not RemainCo, or (2) a SpinCo Participant (other than a Former SpinCo Employee) shall be replaced with a substitute SpinCo Option (each such option, an "SpinCo Option") issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such substitution satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. The exercise price and number of shares subject to such SpinCo Option shall be determined as follows: (i) the number of shares of SpinCo common stock subject to each such SpinCo Option shall be equal to the product of (x) the number of shares of RemainCo common stock subject to the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the SpinCo Share Ratio, with fractional shares rounded to the nearest whole share and (ii) the per-share exercise price of each such SpinCo Option shall be equal to the product, rounded to the nearest cent, of (x) the per-share exercise price of the corresponding RemainCo Option immediately prior to the Distribution Date and (y) the SpinCo Price Ratio. Such substitute SpinCo Option will take into account all employment with both RemainCo and SpinCo, and their respective subsidiaries and affiliates, for purposes of determining when the SpinCo Option becomes exercisable.

(c) RemainCo/SpinCo Directors, Former RemainCo Directors and Former Employees. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Option held on the Distribution Date by (1) an individual who immediately prior

to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, (2) a Former RemainCo Director, (3) a Former RemainCo Employee, or (4) a Former SpinCo Employee shall be replaced with an adjusted RemainCo Option with an adjusted exercise price (a "Post-Distribution RemainCo Option") and a substitute SpinCo Option issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Option immediately prior to the Distribution, including the terms and conditions relating to vesting and the post-termination exercise period, with the intention that such adjustment and substitution satisfy the requirements of Section 424 of the Code and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. Such replacement will be implemented in a manner such that immediately following the Distribution (i) the number of shares relating to the Post-Distribution RemainCo Option will be equal to the number of shares of RemainCo common stock subject to the RemainCo Option immediately prior to the Distribution, (ii) the number of shares subject to the substitute SpinCo Option will be equal to the number of shares of SpinCo common stock that the option holder would have received in the Distribution had the RemainCo common stock subject to the RemainCo Option represented outstanding shares of RemainCo common stock, and (iii) the per share option exercise price of the original RemainCo Option will be proportionally allocated between the Post-Distribution RemainCo Option and the substitute SpinCo Option based upon the RemainCo Post-Distribution Stock Value and the SpinCo Stock Value and rounded to the nearest cent. Each Post-Distribution RemainCo Option and substituted SpinCo Option adjusted from or substituted for an original RemainCo Option described in this Section 7.1(c), when combined, will preserve the intrinsic value of such original RemainCo Option, and each will preserve the ratio from the original option of the exercise price to the fair market value of the stock subject to the option. Such options will take into account all employment with both RemainCo and SpinCo, and their respective subsidiaries and affiliates, for purposes of determining when the options become exercisable.

(d) Non-U.S. Employees. RemainCo Options held by non-U.S. RemainCo Participants and non-U.S. SpinCo Participants shall be treated in the same manner as set forth in paragraphs (a)-(c) above, as applicable, unless it is determined that such treatment would result in adverse tax consequences under applicable non-U.S. tax laws, in which case such RemainCo Options shall be adjusted in an alternative manner that will, to the extent possible, avoid such adverse tax consequences.

(e) Amendments and Waivers. Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and/or outstanding RemainCo Options, as necessary, to provide that neither the Distribution nor a transfer of employment in connection with the Distribution (i) between members of the RemainCo Group, (ii) between members of the SpinCo Group, (iii) from a member of the RemainCo Group to a member of the SpinCo Group, or (iv) from a member of the SpinCo Group to a member of the RemainCo Group shall constitute a termination of employment for purposes of such RemainCo Options. Prior to the Distribution Date, RemainCo shall waive any applicable exercise or forfeiture restrictions with respect to outstanding RemainCo Options under the RemainCo 1996 Stock Plan held by SpinCo Participants that would otherwise apply as a result of the Distribution or a transfer of employment from a member of the RemainCo Group to a member of the SpinCo Group in

connection with the Distribution so that neither the Distribution nor any such transfer shall cause such RemainCo Options to expire.

(f) Exercise of Options. Upon the exercise of a SpinCo Option, regardless of the holder thereof, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) SpinCo in accordance with the terms of the SpinCo Option, and SpinCo shall be solely responsible for the issuance of SpinCo common stock, for ensuring the withholding of all applicable tax on behalf of the employing entity of such holder, and for ensuring the remittance of such withholding taxes to the employing entity of such holder. Upon the exercise of a Remaining RemainCo Option or a Post-Distribution RemainCo Option, regardless of the holder thereof, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) RemainCo in accordance with the terms of the Remaining RemainCo Option or Post-Distribution RemainCo Option, and RemainCo shall be solely responsible for the issuance of RemainCo common stock, for ensuring the withholding of all applicable tax on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder.

(g) Restriction on Exercisability of Options. The Parties acknowledge and agree that blackout periods may be implemented with respect to the Remaining RemainCo Options, Post-Distribution RemainCo Options and the SpinCo Options for administrative reasons in accordance with the terms of the RemainCo Stock Plan or the SpinCo Stock Plan, as applicable.

7.2 Treatment of Outstanding RemainCo Deferred Stock Awards

(a) RemainCo Directors and Employees. Subject to Section 7.2(d), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that, as of the Distribution Date, the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account of (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of RemainCo but not SpinCo, and (2) a RemainCo Participant (other than a Former RemainCo Employee) shall be adjusted such that the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account shall equal the product of (x) the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account immediately prior to the Distribution, multiplied by (y) the RemainCo Share Ratio. Such adjustment shall be intended to preserve the intrinsic value of the original RemainCo Deferred Stock Award and to avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(b) SpinCo Directors and Employees. Subject to Section 7.2(d), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Deferred Stock Award held by (1) an individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of SpinCo but not RemainCo, and (2) a SpinCo Participant (other than a Former SpinCo Employee) will be replaced with a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent

practicable) to the terms and conditions applicable to the corresponding RemainCo Deferred Stock Award immediately prior to the Distribution, with the intention that such substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. It is intended that each substitute SpinCo Deferred Stock Award will preserve the intrinsic value of the original RemainCo Deferred Stock Award for which it was substituted by representing a number of shares of SpinCo common stock equal to the product of (x) the number of shares of RemainCo Deferred Stock in the RemainCo Deferred Stock Account immediately prior to the Distribution, multiplied by (y) the SpinCo Share Ratio. The Parties agree that unvested RemainCo Deferred Stock Awards (other than performance-based RemainCo Deferred Stock Awards) granted prior to December 2007 and held by individuals who immediately prior to the Distribution are employees of a member of the SpinCo Group shall become fully vested as of the Distribution Date and shall be paid according to their terms as adjusted in accordance with this paragraph.

(c) RemainCo/SpinCo Directors and Former RemainCo Directors. RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that (1) each individual who immediately prior to the Distribution was a director of RemainCo and who, after the Distribution Date, will serve as a director of both RemainCo and SpinCo, and (2) each Former RemainCo Director will have each of his RemainCo Deferred Stock Awards replaced with an adjusted RemainCo Deferred Stock Award and a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan, subject to terms and conditions after the Distribution that are substantially similar (to the extent practicable) to the terms and conditions applicable to the corresponding RemainCo Deferred Stock Award immediately prior to the Distribution, with the intention that such adjustment and substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. Immediately following the Distribution (i) the number of shares of RemainCo Deferred Stock in such individual's RemainCo Deferred Stock Account shall equal the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Stock Award shall represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Stock Account immediately prior to the Distribution, with the intention that such adjustment and substitution avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(d) Deferred Stock Awards with Deferred Payment. Notwithstanding Sections 7.2(a) and (b), RemainCo and SpinCo shall take any and all action as shall be necessary or appropriate, including without limitation approval of the provisions of this Agreement, so that each RemainCo Participant and each SpinCo Participant who has made an election to defer payment of a RemainCo Deferred Stock Award will have the portion of their RemainCo Deferred Stock Awards to which such election applies replaced with an adjusted RemainCo Deferred Stock Award and a substitute SpinCo Deferred Stock Award issued under the SpinCo Stock Plan. Immediately following the Distribution, with respect to the portion of the RemainCo Deferred Stock Awards to which the deferral election applies, (i) the number of shares of RemainCo Deferred Stock in such individual's RemainCo Deferred Stock Account shall equal the number of shares of RemainCo Deferred Stock in such RemainCo Deferred Stock Account immediately prior to the Distribution, and (ii) the substitute SpinCo Deferred Stock Award shall

represent the number of shares of SpinCo common stock that such individual would have received in the Distribution had he held the number of shares in his RemainCo Deferred Stock Account immediately prior to the Distribution, with the intention that such adjustment and substitution preserve the intrinsic value of the original RemainCo Deferred Stock Award and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

(e) Non-U.S. Employees. RemainCo Deferred Stock Awards held by non-U.S. RemainCo Participants and non-U.S. SpinCo Participants shall be treated in the same manner as set forth in paragraphs (a)-(d) above, as applicable, unless it is determined that such treatment would result in adverse tax consequences under applicable non-U.S. tax laws, in which case such RemainCo Deferred Stock Awards shall be adjusted in an alternative manner that will, to the extent possible, avoid such adverse tax consequences.

(f) Amendments. Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and/or outstanding RemainCo Deferred Stock Awards, as necessary, to provide that (i) neither the Distribution nor a transfer of employment in connection with the Distribution (A) between members of the RemainCo Group, (B) between members of the SpinCo Group, (C) from a member of the RemainCo Group to a member of the SpinCo Group, or (D) from a member of the SpinCo Group to a member of the RemainCo Group shall constitute a termination of employment for purposes of such RemainCo Deferred Stock Awards, and (ii) awards that were granted on April 5, 2007 that are subject to vesting based on certain performance goals shall vest based solely on the achievement of the performance goals of each holder's post-Distribution employer (i.e., RemainCo or SpinCo). Prior to the Distribution Date, RemainCo shall amend the RemainCo Stock Plan and RemainCo Deferred Stock Awards held by RemainCo directors who, after the Distribution, will serve as directors of SpinCo, as necessary, to allow such directors to make new elections providing that the underlying common stock will be delivered on the six month anniversary of the date the director ceases to be a director of SpinCo, provided that any such election to defer shall be conditioned on the occurrence of the Distribution.

(g) Vesting and Distribution of Deferred Stock Awards. Except with respect to the RemainCo Deferred Stock Awards that vest as described in Section 7.2(b), upon the vesting of the RemainCo Deferred Stock Awards, RemainCo shall be solely responsible for the settlement of all RemainCo Deferred Stock Awards, regardless of the holder thereof, and for ensuring the satisfaction of all applicable tax withholding requirements on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder. Upon the vesting of the RemainCo Deferred Stock Awards that vest as described in Section 7.2(b) and the SpinCo Deferred Stock Awards, SpinCo shall be solely responsible for the settlement of all such awards, regardless of the holder thereof, and for ensuring the satisfaction of all applicable tax withholding requirements on behalf of the employing entity of such holder and for ensuring the remittance of such withholding taxes to the employing entity of such holder.

7.3 Cooperation. Each of the Parties shall establish an appropriate administration system in order to handle, in an orderly manner, exercises of RemainCo Options and SpinCo Options and the settlement of RemainCo Deferred Stock Awards and SpinCo Deferred Stock Awards. Each of the Parties will work together to unify and consolidate all indicative data and

payroll and employment information on regular timetables and make certain that each applicable entity's data and records in respect of such awards are correct and updated on a timely basis. The foregoing shall include employment status and information required for tax withholding/remittance, compliance with trading windows and compliance with the requirements of the Securities Exchange Act and other applicable laws.

7.4 SEC Registration. The Parties mutually agree to use commercially reasonable efforts to maintain effective registration statements with the SEC with respect to the long-term incentive awards described in this Article VII, to the extent any such registration statement is required by applicable law.

7.5 Savings Clause. The Parties hereby acknowledge that the provisions of this Article VII are intended to achieve certain tax, legal and accounting objectives and, in the event such objectives are not achieved, the Parties agree to negotiate in good faith regarding such other actions that may be necessary or appropriate to achieve such objectives.

ARTICLE 8.

ADDITIONAL COMPENSATION MATTERS; SEVERANCE

8.1 Annual Incentive Awards.

(a) SpinCo Assumption of Annual Incentive Liability. Effective as of the Distribution Date, SpinCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any annual incentive awards that any SpinCo Participant is eligible to receive with respect to fiscal year 2008 and, effective as of the Distribution Date, RemainCo shall have no obligation with respect to any such annual incentive award.

(b) RemainCo Assumption of Annual Incentive Liability. Effective as of the Distribution Date, RemainCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any annual incentive awards that any RemainCo Participant is eligible to receive with respect to fiscal year 2008 and, effective as of the Distribution Date, SpinCo shall have no obligation with respect to any such annual incentive award.

(c) Establishment of SpinCo Annual Incentive Plan. Effective as of the Distribution Date, SpinCo shall have adopted an annual incentive plan which shall permit the issuance of annual incentive awards on terms and conditions substantially comparable to those under the RemainCo Short-Term Incentive Compensation Plan (provided that the payment amounts and individual performance criteria shall be established in the discretion of the SpinCo Board of Directors or the SpinCo Committee).

(d) Adjustment of Outstanding Awards. Effective as of the Distribution Date, RemainCo and SpinCo shall adjust any outstanding annual incentive awards for RemainCo Participants and SpinCo Participants, respectively, so that such awards' payout calculations shall be based solely on the RemainCo Participants' and SpinCo Participants' post-Distribution employer's financial performance.

8.2 Individual Arrangements.

(a) RemainCo Individual Arrangements. RemainCo acknowledges and agrees that, except as otherwise provided herein, it shall have full responsibility with respect to any liabilities and the payment or performance of any obligations arising out of or relating to any employment, consulting, non-competition, retention or other compensatory arrangement previously provided by any member of the RemainCo Group or SpinCo Group to any RemainCo Participant, including life insurance policies not held in any trust and covering any RemainCo Participant.

(b) SpinCo Individual Arrangements. SpinCo acknowledges and agrees that, except as otherwise provided herein, it shall have full responsibility with respect to any liabilities and the payment or performance of any obligations arising out of or relating to any employment, consulting, non-competition, retention or other compensatory arrangement previously provided by any member of the RemainCo Group or SpinCo Group to any SpinCo Participant, including life insurance policies not held in any trust and covering any SpinCo Participant.

8.3 Severance Plans.

(a) Establishment of SpinCo Severance Plans. Effective as of the Distribution Date, SpinCo shall take all steps necessary to establish for SpinCo Employees a severance plan which provides severance benefits comparable to those provided under the RemainCo Severance Plan (such SpinCo severance plan referred to herein as the "SpinCo Severance Plan").

(b) Assumption of Severance Liabilities. Effective as of the Distribution Date, SpinCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any severance benefit to which a SpinCo Participant is entitled under a RemainCo Severance Plan as of the Distribution Date. Likewise, RemainCo shall assume or retain, as applicable, responsibility for all liabilities and fully perform, pay and discharge all obligations, when such obligations become due, relating to any severance benefit to which a RemainCo Participant is entitled under a RemainCo Severance Plan as of the Distribution Date.

(c) Effect of the Separation on Severance. RemainCo and SpinCo acknowledge and agree that the transaction contemplated by the Distribution Agreement, in and of itself, will not constitute a termination of employment of any SpinCo Participant for purposes of any policy, plan, program or agreement of RemainCo or SpinCo or any member of the RemainCo Group or SpinCo Group that provides for the payment of severance, separation pay, salary continuation or similar benefits in the event of a termination of employment.

8.4 Workers' Compensation Liabilities.

(a) Pre-Distribution Date Claims. Except as set forth below, (i) all workers' compensation liabilities relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, before the Distribution Date shall be retained by SpinCo, and (ii) all workers' compensation liabilities relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that

results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, before the Distribution Date shall be retained by RemainCo. Notwithstanding the foregoing, (i) RemainCo shall retain any workers' compensation liability relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, as of a date such that, had such date been the Distribution Date, the individual would have been a RemainCo Participant, and (ii) SpinCo shall retain any workers' compensation liability relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, as of a date such that, had such date been the Distribution Date, the individual would have been a SpinCo Participant.

(b) Post-Distribution Date Claims. All workers' compensation liabilities relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by SpinCo. All workers' compensation liabilities relating to, arising out of, or resulting from any claim by a RemainCo Employee or Former RemainCo Employee that results from an accident, incident or event occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by RemainCo.

(c) General. For purposes of this Section 8.4, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits or an occupational disease becomes manifest, as the case may be. RemainCo and SpinCo shall cooperate in good faith with respect to the notification to appropriate governmental agencies of the Distribution and the issuance of new workers' compensation insurance policies or program of self-insurance and claims handling contracts.

8.5 Sections 162(m)/409A. Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards as described herein), the Parties agree to negotiate in good faith regarding the need for any treatment different from that otherwise provided herein to ensure that (i) a federal income tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is not limited by reason of Section 162(m) of the Code (to the extent that such result is intended under the applicable RemainCo Benefit Plan), and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a tax under Section 409A of the Code.

8.6 Director Fees. RemainCo shall retain responsibility for the payment of any fees payable in respect of service on the RemainCo Board of Directors that are payable but not yet paid as of the Distribution Date, and SpinCo shall have no responsibility for any such payments.

ARTICLE 9.

INDEMNIFICATION

9.1 General Indemnification. Any claim for indemnification under this Agreement shall be governed by, and be subject to, the provisions of Article III of the Distribution Agreement, which provisions are hereby incorporated by reference into this Agreement and any references to "Agreement" in such Article III as incorporated herein shall be deemed to be references to this Agreement.

ARTICLE 10.

GENERAL AND ADMINISTRATIVE

10.1 Separate Plans. Each SpinCo Benefit Plan is intended to constitute a separate, "single employer" plan so that no "multiple employer" plan (as described in Code Section 413(c)) or "multiple employer welfare arrangement" (as defined in ERISA Section 3(40)) shall exist with respect to RemainCo and SpinCo. Notwithstanding the foregoing, RemainCo and SpinCo may arrange with third parties providing services with respect to RemainCo Benefit Plans immediately prior to the Distribution (including, but not limited to, administrative services, claims processing services, trustee services and stop-loss coverage) to continue such services on a shared basis for a period of time after the Distribution Date. RemainCo and SpinCo agree to share the costs of any such shared services during such period on a per-participant basis.

10.2 Sharing Of Information. RemainCo and SpinCo (acting directly or through their respective affiliates) shall provide to the other and their respective agents and vendors all information as the other may reasonably request to enable the requesting Party to administer efficiently and accurately each of its Benefit Plans and to determine the scope of, as well as fulfill, its obligations under this Agreement. Such information shall, to the extent reasonably practicable, be provided in the format and at the times and places requested, but in no event shall the Party providing such information be obligated to incur any out-of-pocket expenses not reimbursed by the Party making such request or make such information available outside of its normal business hours and premises. Any information shared or exchanged pursuant to this Agreement shall be subject to the confidentiality requirements set forth in the Distribution Agreement. The Parties also hereby agree to enter into any business associate agreements that may be required for the sharing of any information pursuant to this Agreement to comply with the requirements of HIPAA.

10.3 Reasonable Efforts/Cooperation. Each of the Parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement, including adopting plans or plan amendments. Each of the Parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the IRS, an advisory opinion from the DOL or any other filing, consent or approval with respect to or by a Governmental Authority.

10.4 Employer Rights. Nothing in this Agreement shall prohibit SpinCo or any SpinCo affiliate from amending, modifying or terminating any SpinCo Benefit Plan at any time within its sole discretion. In addition, nothing in this Agreement shall prohibit RemainCo or any RemainCo affiliate from amending, modifying or terminating any RemainCo Benefit Plan at any time within its sole discretion.

10.5 Effect on Employment. Nothing in this Agreement is intended to confer upon any employee or former employee of RemainCo, SpinCo or either of their respective affiliates any right to continued employment, or any recall or similar rights to an individual on layoff or any type of approved leave.

10.6 Consent Of Third Parties. If any provision of this Agreement is dependent on the consent of any third party and such consent is withheld, the Parties hereto shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the fullest extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision in a mutually satisfactory manner.

10.7 Access To Employees. Following the Distribution Date, RemainCo and SpinCo shall, or shall cause each of their respective affiliates to, make available to each other those of their employees who may reasonably be needed in order to defend or prosecute any legal or administrative action (other than a legal action between RemainCo and SpinCo) to which any employee, director or Benefit Plan of the RemainCo Group or SpinCo Group is a party and which relates to their respective Benefit Plans prior to the Distribution Date. The Party to whom an employee is made available in accordance with this Section 10.7 shall pay or reimburse the other Party for all reasonable expenses which may be incurred by such employee in connection therewith, including all reasonable travel, lodging, and meal expenses, but excluding any amount for such employee's time spent in connection herewith.

10.8 Beneficiary Designation/Release Of Information/Right To Reimbursement To the extent permitted by applicable law and except as otherwise provided for in this Agreement, all beneficiary designations, authorizations for the release of information and rights to reimbursement made by or relating to SpinCo Participants under RemainCo Benefit Plans shall be transferred to and be in full force and effect under the corresponding SpinCo Benefit Plans until such beneficiary designations, authorizations or rights are replaced or revoked by, or no longer apply, to the relevant SpinCo Participant.

10.9 Not A Change In Control. The Parties hereto acknowledge and agree that the transactions contemplated by the Distribution Agreement and this Agreement do not constitute a "change in control" for purposes of any RemainCo Benefit Plan or SpinCo Benefit Plan.

ARTICLE 11.

MISCELLANEOUS

11.1 Effect If Distribution Does Not Occur. Notwithstanding anything in this Agreement to the contrary, if the Distribution Agreement is terminated prior to the Distribution

Date, then all actions and events that are, under this Agreement, to be taken or occur effective prior to, as of or following the Distribution Date, or otherwise in connection with the Distribution, shall not be taken or occur except to the extent specifically agreed to in writing by RemainCo and SpinCo and neither Party shall have any liability or further obligation to the other Party under this Agreement.

11.2 Relationship Of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

11.3 Affiliates. Each of RemainCo and SpinCo shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by each of their affiliates, respectively.

11.4 Notices. All notices, requests, claims, demands and other communications under this Agreement, as between the Parties, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt unless the day of receipt is not a Business Day, in which case it shall be deemed to have been duly given or made on the next following Business Day) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.4):

To RemainCo:

Hillenbrand Industries, Inc. (to be renamed Hill-Rom Holdings, Inc.)
700 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

To SpinCo:

Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.)
One Batesville Boulevard
Batesville, IN 47006-8835
c/o Corporate Secretary

11.5 Entire Agreement. This Agreement, the Distribution Agreement, and each other related agreement, including any annexes, schedules and exhibits hereto and thereto, as well as any other agreements and documents referred to herein and therein, shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. In the event of any inconsistency between this Agreement and any Exhibit hereto, the Exhibit shall prevail.

11.6 Waivers. The failure of any Party to require strict performance by any other Party of any provision in this Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

11.7 Amendments. Subject to the terms of Section 11.8 of this Agreement, this Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

11.8 Termination, Etc. This Agreement (including Article IX hereof (Indemnification)) may be terminated and abandoned at any time prior to the Distribution Date by and in the sole discretion of RemainCo without the approval of SpinCo or the stockholders of RemainCo and it shall be deemed terminated if and when the Distribution Agreement is terminated. In the event of such termination, no Party shall have any liability of any kind to any other Party or any other Person. After the Distribution Date, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

11.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies.

11.10 Dispute Resolution. Any controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or otherwise arising out of, or in any way related to this Agreement or the transactions contemplated hereby, including any claim based on contract, tort, statute or constitution (but excluding any controversy, dispute or claim arising out of any contract relating to the use or lease of real property if any third party is a necessary party to such controversy, dispute or claim) (collectively, "Agreement Dispute"), shall be governed by, and be subject to, the provisions of Article VI of the Distribution Agreement, which provisions (and related defined terms) are hereby incorporated by reference into this Agreement and any references to "Agreement" in such Article VI as incorporated herein shall be deemed to be references to this Agreement; provided, however, any references to "Agreement" or "Agreement Disputes" in such Article VI as incorporated herein shall be deemed to be references to this Agreement and Agreement Disputes as defined in this Agreement. Notwithstanding the foregoing provisions of this Section 11.10, (i) disputes regarding the amount of the Final Pension Plan Transfer Amount or True-Up Amount shall be determined exclusively pursuant to the dispute resolution procedures set out in Section 3.2 of this Agreement, (ii) no notice of dispute relating to the characterization of an individual as a RemainCo Employee, SpinCo Employee, Former RemainCo Employee or Former SpinCo Employee may be provided under this Section 11.10 more than one hundred eighty (180) days after the Distribution, and (iii) no notice of dispute may be provided under this Section 11.10 after the second anniversary of the Distribution Date.

11.11 Titles and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

11.12 Counterparts. This Agreement may be executed in more than one counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties.

11.13 Assignment. Except as otherwise provided for in this Agreement, this Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided, that, a Party may assign this Agreement in connection with a merger transaction in which such Party is not the surviving entity or the sale by such Party of all or substantially all of its assets; and provided, further, that the surviving entity of such merger or the transferee of such assets shall agree in writing, reasonably satisfactory to the other Parties, to be bound by the terms of this Agreement as if named as a "Party" hereto.

11.14 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

11.15 Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors and permitted transferees and assigns.

11.16 Exhibits. The Exhibits shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

11.17 Specific Performance. The Parties agree that irreparable damage would occur in the event that the provisions of this Agreement were not performed in accordance with their specific terms. Accordingly, it is hereby agreed that the Parties shall be entitled to (i) an injunction or injunctions to enforce specifically the terms and provisions hereof in any arbitration in accordance with Section 11.10 of this Agreement, (ii) provisional or temporary injunctive relief in accordance therewith in any Indiana Court, and (iii) enforcement of any such award of an arbitral tribunal or an Indiana Court in any court of the United States, or any other any court or tribunal sitting in any state of the United States or in any foreign country that has jurisdiction, this being in addition to any other remedy or relief to which they may be entitled.

11.18 Waiver of Jury Trial. SUBJECT TO SECTIONS 11.10 AND 11.17 OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY COURT PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF AND PERMITTED UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR

OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.18.

11.19 Force Majeure. No Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other Party of the nature and extent of any such Force Majeure condition and (b) use due diligence to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

11.20 Authorization. Each of the Parties hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party, that this Agreement constitutes a legal, valid and binding obligation of each such Party and that the execution, delivery and performance of this Agreement by such Party does not contravene or conflict with any provision of law or of its charter or bylaws or any material agreement, instrument or order binding on such Party.

11.21 No Third-Party Beneficiaries. Except as otherwise expressly provided in this Agreement, this Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

11.22 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

HILLENBRAND INDUSTRIES, INC.

By: _____
Name: Peter H. Soderberg
Title: President and Chief Executive Officer

BATESVILLE HOLDINGS, INC.

By: _____
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

EXHIBIT A

Assumptions And Valuation Methodology for Purposes of Section 3.2(b)

Mortality Rates — Per PBGC Regulation Section 4044.53.

Interest Rates — Per PBGC Regulation Section 4044.52 and Appendix B thereto.

Expected Retirement Age — Per Regulation Section 4044.55 and assuming beginning-of-year decrement. Early retirement subsidies will be taken into account in the value of accrued benefits by reflecting a grow-in of early retirement eligibility by including projected future eligibility service.

Preretirement Withdrawal/Disability Rates — None assumed.

Expense Loading — None assumed.

EXHIBIT B

RemainCo Welfare Plans

Medical Plan

Dental Plan

Vision Plan

Basic Employee Life Insurance

Supplemental Life and Dependent Life Insurance

Basic Employee AD&D

Voluntary AD&D and Dependent AD&D

Long Term Disability

Voluntary Long Term Disability

Short Term Disability

Employee Assistance Program

Health Care Flexible Spending Account

Dependent Care Flexible Spending Account

Adoption Assistance Flexible Spending Account

Limited Scope Flexible Spending Account

Business Travel Accident

Tuition Reimbursement

Vacation and Holiday Policies

EXHIBIT C

Transferred RemainCo Participants

Back, Brigid
Betz, Mike K.
Bibee, Nicole
Breheim, Ken A.
Briggs, Steven R.
Clayton, David D.
Crawford, Barbara L.
Fletcher, Jerry
Harris, Jermaine W.
McClanahan, Shawn P.
Merkel, Laura
Newman, Heather R.
Patterson, Marci M.
Schneider, Frank T.
Seagren, Lynne M.
Shaw, Anna
Todd, Michael A.
Wolter, Adam J.

EXHIBIT D

Transferred SpinCo Participants

Barnhorst, Scott
Bischoff, Mary
Bowers, Sue
Brack, Robert
Branstetter, Gayle
Clarke, Dan
Faust, Richard
Goins, Glenn
Heinlein, Merrilee
Kinker, Michael
Kuntz, Eric
Lake, Barry
Lanning, Mark
Mehlon, Gerald
Russell, Kay
Vankirk, James

Exhibit 10.3

JUDGMENT SHARING AGREEMENT

BY AND AMONG

HILLENBRAND INDUSTRIES, INC.

BATESVILLE HOLDINGS, INC.

AND

BATESVILLE CASKET COMPANY, INC.

Dated as of March ___, 2008

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JUDGMENT SHARING AGREEMENT

THIS JUDGMENT SHARING AGREEMENT, dated as of March 14, 2008 (this "Agreement"), is entered into by and among Hillenbrand Industries, Inc., an Indiana corporation ("HI"), Batesville Holdings, Inc., an Indiana corporation ("BSI Parent"), and Batesville Casket Company, Inc., an Indiana corporation ("BSI"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article I.

WITNESSETH:

WHEREAS, HI currently owns all the issued and outstanding capital stock of BSI Parent, and BSI is an indirect wholly owned subsidiary of BSI Parent;

WHEREAS, the Board of Directors of HI is currently considering (a) the spin-off of its entire ownership interest in BSI Parent through a distribution of all the outstanding shares of capital stock of BSI Parent to the shareholders of HI (the "Distribution") and (b) the change of the names of HI and BSI Parent to Hill-Rom Holdings, Inc. and Hillenbrand, Inc., respectively, prior to the consummation of the Distribution; and

WHEREAS, HI and BSI are each named as codefendants in the BSI Litigation Matters and as such, may become jointly and severally liable for the payment of damages assessed in that litigation;

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

1.01 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

AAA: as defined in Section 3.04(a).

Action: any claim, suit, action, mediation, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any mediator, arbitrator or Governmental Authority.

affiliate: with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group and no officer or director of any member of either Group shall be deemed to be an affiliate of any member of the other Group.

Agreement: as defined in the preamble to this Agreement.

Applicable Deadline: as defined in Section 3.03(b).

Applicable Rate: the rate of interest applicable from time to time to the indebtedness outstanding under a Person's senior bank credit facility or, if no such indebtedness is outstanding, the Base Rate.

Arbitration Act: the United States Arbitration Act, 9 U.S.C. ss.ss 1-16, as the same may be amended from time to time.

Arbitration Demand Date: as defined in Section 3.03(a).

Arbitration Demand Notice: as defined in Section 3.03(a).

Base Rate: the rate which Citibank, N.A. (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its base lending rate, as in effect from time to time.

best efforts: a Person's good faith best efforts to achieve a goal as expeditiously as possible, which may require the incurrence of expense or hardship in order to achieve the reasonable expectations of another party as agreed hereunder.

BSI: as defined in the preamble of this Agreement, including its successors and permitted assigns.

BSI Funding Component: with respect to each BSI Litigation Matter, the sum of the Initial BSI Funding Tranche and the Second BSI Funding Tranche, if any.

BSI Group: BSI Parent and the BSI Subsidiaries.

BSI Litigation Funding Obligation: with respect to each BSI Litigation Matter, the aggregate amount that HI and/or BSI are required to pay or post in cash (a) to satisfy in whole a claim (including, if any, interest, penalties, attorneys fees and court costs) arising from such BSI Litigation Matter if and only upon such claim being Finally Determined, or (b) to post a supersedeas bond (including the cost of the bond, cash collateral or letter of credit that must be provided or posted, fees and other costs), in the event HI or BSI elects to do so, to defer the execution of any judgment which may be entered in connection with such BSI Litigation Matter pending its Final Determination.

BSI Litigation Matter: To the extent not covered by collectible insurance: (a) each Action listed on Schedule 2.01; (b) each additional Action hereafter asserted prior to the consummation of the Distribution against both a member of the HI Group and a member of the BSI Group seeking damages for alleged violations of state and federal antitrust laws based upon the BSI Group's method of distributing caskets exclusively through licensed funeral directors; and (c) any other Action consolidated for purposes of trial with any Action referred to in clause (a) or (b) above.

BSI Parent: as defined in the preamble of this Agreement, including its successors and permitted assigns.

BSI Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the BSI Group, and any other Subsidiaries of BSI Parent, in each case including their successors and permitted assigns.

Business Day: any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Indiana are authorized or obligated by law or executive order to close.

Deposit Date: as defined in Section 2.01(b).

Distribution: as defined in the second "Whereas" clause of this Agreement.

Escalation Notice: as defined in Section 3.02(a).

Final Determination or Finally Determined: with respect to any Action, threatened Action or other matter, that the outcome or resolution of that Action, threatened Action or matter has either (a) been decided by an arbitrator or Governmental Authority of competent jurisdiction by judgment, order, award or other ruling or (b) has been settled or voluntarily dismissed and, in the case of each of clauses (a) and (b), the claimants' rights to maintain that Action, threatened Action or other matter have been finally adjudicated, waived, discharged, settled, or extinguished as to all members of the HI Group and the BSI Group, and that judgment, order, ruling, award, settlement or dismissal (whether mandatory or voluntary, but if voluntary that dismissal must be final, binding and with prejudice as to all claims specifically pleaded in that Action) is subject to no further appeal, vacatur proceeding or discretionary review.

Funding Bank Account: a demand deposit account with a financial institution located in the continental United States designated mutually by HI and BSI for the deposit of their respective Funding Components and from which account the parties may withdraw funds based only upon their joint instructions.

Funding Components: the BSI Funding Component and the HI Funding Component applicable to any BSI Litigation Matter.

Governmental Authority: any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, authority (including, but not limited to, any central bank or taxing authority) or instrumentality (including, but not limited to, any court, tribunal or grand jury) exercising executive, prosecutorial, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other regulatory, administrative or governmental authority.

Group: the HI Group or the BSI Group, as the context requires.

HI: as defined in the preamble to this Agreement, including its successors and permitted assigns.

HI Funding Component: with respect to each BSI Litigation Matter, the HI Funding Tranche.

HI Funding Tranche: as defined in Section 2.01(c).

HI Group: HI and the HI Subsidiaries.

HI Subsidiaries: all of the corporations, limited liability companies or other entities listed on Exhibit A as members of the HI Group, and any other Subsidiaries of HI, in each case including their successors and permitted assigns.

Initial BSI Funding Tranche: as defined in Section 2.01(c).

Maximum Funding Obligation: with respect to each BSI Litigation Matter, the aggregate maximum amount that either HI or BSI is obligated to contribute to the satisfaction of a BSI Litigation Funding Obligation determined in accordance with the provisions of Section 2.01(c).

Maximum Funding Proceeds: the maximum amount of cash and cash proceeds that a Person and its Subsidiaries have on hand and/or have raised, using their best efforts (without any requirement to sell assets other than cash equivalents), to satisfy a BSI Litigation Funding Obligation, including all cash on hand, all cash equivalents that can be converted to cash, all available internally generated funds, the drawing of all undrawn capacity under existing credit facilities, the creation of and drawdown under new secured and unsecured credit facilities and term loans to the maximum extent practicable under the circumstances and the aggregate net proceeds from the issuance and sale of additional equity, debt and hybrid securities; provided, however, that (a) for a Person and its Subsidiaries this definition of Maximum Funding Proceeds shall exclude a Normal Operating Cash Balance and (b) for purposes of calculating the amount of Maximum Funding Proceeds, a Person and its Subsidiaries shall not be required to issue and sell more equity securities than can be underwritten on a firm commitment basis by one or more Qualified Investment Bankers at normal discount rates. For this purpose, such Person and its Subsidiaries shall be required to use their best efforts to raise the maximum amount of cash and net proceeds from such transactions, borrowings and debt securities sales as expeditiously as possible. In negotiating the terms of such transactions, borrowings and debt securities sales, the maximization of cash and net proceeds shall be given priority over the minimization of the costs of raising such proceeds, the minimization of restrictive covenants, the avoidance of the creation of liens on assets or the preservation of a debt rating.

Normal Operating Cash Balance: the amount of operating cash required to sustain the business of a Person and its Subsidiaries after the date of the Distribution, including amounts required to service all indebtedness incurred by such Person and its Subsidiaries after that date, currently estimated to be $40 million in the case of the HI Group and $30 million in the case of the BSI Group, in each case as determined by a Qualified Solvency Expert with reference to the levels of operating cash required by each Group from and after the date of this Agreement.

Person: an individual, a limited or general partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, or a Governmental Authority.

Qualified Investment Banker: Citigroup Global Markets Inc. or Goldman, Sachs & Co., including in each case its successors and assigns, or any other investment banking firm of national stature in the United States mutually approved by HI and BSI.

Qualified Solvency Expert: Duff & Phelps, Inc. or its successor or any other firm of solvency experts of national reputation in the United States mutually approved by HI and BSI.

Rules: as defined in Section 3.05.

representative: with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

Required Funding Obligation: the lesser of the aggregate amount of a Person's Maximum Funding Proceeds or such smaller amount that such Person is required to contribute to the satisfaction of a BSI Litigation Funding Obligation pursuant to Section 2.01.

Second BSI Funding Tranche: as defined in Section 2.01(c).

Settlement Agreement: as defined in Section 2.04.

Solvency Threshold: one dollar short of the level at which an additional liability or obligation of a Person incurred for less than equivalent value would become subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of applicable state law, all as determined by a Qualified Solvency Expert.

Subsidiary: with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body, in each case including its successors or permitted assigns; provided, however, that for purposes of this Agreement, no member of the BSI Group shall be deemed to be a Subsidiary of any member of the HI Group.

1.02 References to Time. All references in this Agreement to times of the day shall be to Batesville, Indiana time, except as otherwise specifically provided herein.

ARTICLE II.

BSI LITIGATION FUNDING OBLIGATIONS

2.01 Funding Methodology.

(a) Expenses. BSI and the BSI Subsidiaries shall bear, at their sole expense, all joint attorneys', accountants', consultants', expert witnesses' and other professionals' fees and expenses and all other out-of-pocket costs incurred on behalf of themselves and HI and the HI Subsidiaries in the investigation, defense and/or evaluation of each BSI Litigation Matter.

(b) Deposit of Funds. At least fifteen days prior to the date that funds representing a BSI Funding Component and an HI Funding Component are required to be available to pay a claim or post a supersedeas bond in connection with a BSI Litigation Matter (a "Deposit Date"), BSI and HI shall specify in writing (i) their good faith best estimates of the amounts of the Initial BSI Funding Tranche, the HI Funding Tranche and the Second BSI Funding Tranche, if any, and the key assumptions used in calculating each such estimate, in each

case as determined as of such date, (ii) the clause of the definition of BSI Litigation Funding Obligation to which the foregoing Funding Components relate and (iii) the relevant Deposit Date. Both the HI Group and the BSI Group are committed to generate additional Maximum Funding Proceeds pursuant to Section 2.01(d) between the date of such specification and the relevant Deposit Date. Therefore, on the Business Day prior to each Deposit Date, if the amount of Maximum Funding Proceeds generated by either the HI Group or the BSI Group has increased since the date of the foregoing specification, HI and BSI shall further specify in writing the different amounts, if any, of the two components of the BSI Funding Component and the HI Funding Component and the reasons for each increase therein, and such different amounts shall, for all purposes, be the two components of the BSI Funding Component and the HI Funding Component with respect to such BSI Litigation Matter. On each Deposit Date, BSI and HI shall deposit immediately available funds in the Funding Bank Account in the amounts of the BSI Funding Component and the HI Funding Component, as the case may be, applicable to the BSI Litigation Matter to which such Deposit Date relates. Notwithstanding any other provision in this Agreement, (x) in the event that the Maximum Funding Proceeds that could be generated by the HI Group and the BSI Group would not be adequate in the aggregate to satisfy a BSI Litigation Funding Obligation, no party to this Agreement shall be obligated to engage in activities to generate Maximum Funding Proceeds, (y) if the Maximum Funding Proceeds that have been generated by BSI and HI in connection with a BSI Litigation Matter are not adequate to satisfy in full a BSI Litigation Funding Obligation, no party to this Agreement shall be obligated to deposit funds so generated in the Funding Bank Account on the related Deposit Date and (z) neither HI nor BSI shall be obligated to raise more funds than are required to satisfy in full its Required Funding Obligation with respect to any BSI Litigation Matter.

(c) Sources of Funding for BSI Litigation Funding Obligation Notwithstanding any other provision of this Agreement to the contrary, HI and BSI agree that between themselves the following allocation principles shall be used in determining the sources of the funding of each BSI Litigation Funding Obligation, if any, depending on the amount of that obligation: (i) first, the BSI Group shall contribute an amount equal to its Maximum Funding Proceeds minus the difference between $50 million and the Normal Operating Cash Balance of the BSI Group to the extent that the BSI Group's Normal Operating Cash Balance is less than $50 million (the "Initial BSI Funding Tranche"); (ii) second, the HI Group shall contribute an amount equal to its Maximum Funding Proceeds (the "HI Funding Tranche"); and (iii) third, the BSI Group shall contribute the balance of its Maximum Funding Proceeds (the "Second BSI Funding Tranche"); provided, however, that HI and BSI agree between themselves that (x) the respective funding obligations of each member of each Group under this Section 2.01(c) shall never exceed its respective Solvency Threshold, (y) neither Group shall be required to apply any portion of its Normal Operating Cash Balance to the satisfaction of a BSI Litigation Funding Obligation and (z) neither Group shall be required to issue and sell a percentage of its total outstanding equity securities that is greater than the percentage of outstanding total equity securities that the other Group is obligated to issue and sell under the definition of Maximum Funding Proceeds.

(d) Obligations to Maximize Funding Proceeds. Between the date on which a judgment is entered with respect to any BSI Litigation Matter and the related Deposit Date, each member of the HI Group and the BSI Group shall use its best efforts to raise the Maximum Funding Proceeds. Prior to using any funds deposited by HI to satisfy a BSI Litigation Funding

Obligation, BSI shall first use all of the Maximum Funding Proceeds from the Initial BSI Funding Tranche for such purpose. Prior to using any funds deposited by BSI with respect to the Second BSI Funding Tranche, HI shall use all funds deposited by HI with respect to the HI Funding Tranche.

(e) Repayment of Excess Funds. As soon as it can be determined, HI and BSI shall promptly ascertain the portions, if any, of the amounts deposited by HI and BSI in satisfaction of a Finally Determined BSI Litigation Funding Obligation that exceed their respective Funding Components. Any portion of the amount deposited by either HI or BSI that exceeds its respective Funding Component shall be remitted promptly to HI or BSI, as the case may be.

2.02 Rights of Contribution. In the event that any provisions of Section 2.01 are held to be unenforceable in accordance with their terms by a Governmental Authority, HI and BSI agree between themselves to contribute to the satisfaction of any BSI Litigation Funding Obligation based upon principles of general common law contribution determined with reference to their respective fault, if any, as reflected in the trial record of the BSI Litigation Matter, or failing to reach such an agreement, pursuant to an arbitration initiated and conducted in accordance with Article III.

2.03 Termination of Agreement. If either HI or BSI shall be dismissed as a defendant in any BSI Litigation Matter (except where a party is dismissed or otherwise released, whether by release, covenant not to sue or otherwise, as a result of its entry into a Settlement Agreement) or shall be found upon conclusion of trial not to be responsible for the payment of any damages to the plaintiffs in such lawsuit, all obligations under this Article II of the party so dismissed or found not to be responsible for the payment of any damages with respect to such BSI Litigation Matter shall terminate once such dismissal or finding of no liability for the payment of damages has been Finally Determined.

2.04 Settlement. Either HI or BSI may settle alone, the claims against it in any BSI Litigation Matter or enter into a judgment sharing or similar agreement with one or more codefendants in any BSI Litigation Matter (collectively a "Settlement Agreement"), but no such Settlement Agreement shall release the signatory thereto from its obligations under this Article II to the other party to this Agreement unless such Settlement Agreement results in a Final Determination.

2.05 Exclusive Remedy. The terms of this Article II are in lieu of any other rights of contribution, indemnity, reimbursement or sharing, or any other claims, suits or causes of action by or on behalf of the parties to this Agreement relating to all BSI Litigation Matters.

2.06 Further Assurances. Unless otherwise expressly provided in this Agreement, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

ARTICLE III.

ARBITRATION; DISPUTE RESOLUTION

3.01 Agreement to Arbitrate. The procedures for discussion, negotiation and arbitration set forth in this Article III shall be the final, binding and exclusive means to resolve, and shall apply to all disputes, controversies or claims (whether in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article III shall be the final, binding and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any dispute, controversy or claim covered by this Section 3.01.

3.02 Escalation.

(a) Expeditious Resolution. It is the intent of the two Groups to use their respective commercially reasonable efforts to resolve expeditiously any dispute, controversy or claim between them with respect to the matters covered by this Agreement that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the two Groups at a senior level of management (or if the parties agree, of the appropriate business function or division within such entity). A copy of any such Escalation Notice shall be delivered addressed to the General Counsel, or like chief legal officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedure for such discussions or negotiations between the parties may be established by agreement of the parties from time to time; provided, however, that the parties shall use their reasonable best efforts to meet within three days of the Escalation Notice.

(b) Good Faith Negotiations. Following delivery of an Escalation Notice, the parties shall undertake good faith, diligent efforts to negotiate a commercially reasonable resolution of the dispute, controversy or claim. The parties may, by mutual consent, retain a mediator to aid the parties in their discussions and negotiations. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators selected by the parties or by other agreement of the parties. All third-party costs of the mediation shall be borne equally by the parties involved in the matter, and each party shall be responsible for its own expenses. Mediation is not a prerequisite to an Arbitration Demand Notice under Section 3.03.

3.03 Demand for Arbitration.

(a) Initiation of Process. At any time following three days after the date of an Escalation Notice (the "Arbitration Demand Date"), any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Escalation Notice) may deliver a notice demanding arbitration of such dispute, controversy or claim (an "Arbitration Demand Notice"). Delivery of an Escalation Notice by a party shall be a prerequisite to delivery of an Arbitration Demand Notice by that party or the other party, provided, however, that in the event that any party shall deliver an Arbitration Demand Notice to another party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No party may assert that the failure to resolve any matter during any prior discussions or negotiations, the course of conduct during such prior discussions or negotiations, or the failure to agree on a mutually acceptable time, agenda, location or procedure for a meeting is a prerequisite to an Arbitration Demand Notice under Section 3.03. In the event that any party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrators in their sole discretion determine that it is impracticable or otherwise inadvisable to do so.

(b) Limitation Periods. Any Arbitration Demand Notice may be given until the date that is two years after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the occurrence of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Section 3.08, upon delivery of an Arbitration Demand Notice pursuant to Section 3.03(a) prior to the Applicable Deadline, the dispute, controversy or claim, and all substantive and procedural issues related thereto, shall be decided by a three member panel of arbitrators in accordance with this Article III.

3.04 Arbitrators.

(a) Selection. The party delivering the Arbitration Demand Notice shall notify the American Arbitration Association ("AAA") and the other parties in writing describing in reasonable detail the nature of the dispute. Within five days of the date of the Arbitration Demand Notice, the members of each Group shall select one arbitrator from the members of a panel of arbitrators of the AAA. The selected arbitrators shall then jointly select a third arbitrator from the members of a panel of arbitrators of the AAA, and such third arbitrator shall be disinterested with respect to each of the parties and shall be experienced in complex commercial arbitration. In the event that the parties' selected arbitrators are unable to agree on the selection of the third arbitrator, the AAA shall select the third arbitrator, within ten days of the date of the

Arbitration Demand Notice. In the event that any arbitrator is unable to serve, his replacement will be selected in the same manner as the arbitrator to be replaced. The vote of two of the three arbitrators shall be required for any decision under this Article III.

(b) Time. The arbitrators will set a time for the hearing of the matter which will commence no later than ten days after the date of appointment of the third arbitrator and which hearing will be no longer than three days (unless in the judgment of the arbitrators the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than five days). The final decision of such arbitrators will be rendered in writing to the parties not later than five days after the last day of the hearing, unless otherwise agreed by the parties in writing.

(c) Place. The place of any arbitration hereunder will be Indianapolis, Indiana, and the language of any arbitration hereunder will be English. Unless otherwise agreed by the parties, the arbitration hearing shall be conducted on consecutive days.

3.05 Hearings. Within the time period specified in Section 3.04(b), the matter shall be presented to the arbitrators at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrators or both of the Groups. If the arbitrators deem it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrators shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrators may, in their discretion, set time and other limits on the presentation of each Group's case, its memoranda or other submissions, and may refuse to receive any proffered evidence, which the arbitrators, in their discretion, find to be cumulative, unnecessary, irrelevant or of low probative nature. Any arbitration hereunder shall be conducted in accordance with the Commercial Arbitration Rules of the AAA ("Rules") in effect on the date the Arbitration Demand Notice is served. The decision of the arbitrators will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at the Applicable Rate plus 2% per annum, subject to any maximum amount permitted by applicable law. To the extent that the provisions of this Agreement and the prevailing Rules conflict, the provisions of this Agreement shall govern.

3.06 Discovery and Certain Other Matters.

(a) Production of Documents. Any party involved in a dispute, controversy or claim subject to this Article III may request document production from the other party or parties of specific and expressly relevant documents, with the reasonable expenses of the producing party incurred in such production paid by the requesting party. Any such discovery shall be conducted in accordance with the Rules, subject to the discretion of the arbitrators. Any such discovery shall be conducted expeditiously and shall not cause the hearing to be adjourned except upon consent of all parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a party to the proceeding. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the

parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrators for resolution. Subject to the terms of this Agreement, all discovery requests will be subject to the parties' rights to claim any applicable privilege, and no joint privilege may be waived without the prior written consent of all parties to this Agreement. The arbitrators will adopt procedures to protect the proprietary rights of the parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrators shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) Authority of Arbitrators. The arbitrators shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement; it being understood, however, that the arbitrators will have full authority to implement the provisions of this Agreement, and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the arbitrators shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive damages. It is the intention of the parties that in rendering a decision the arbitrators give effect to the applicable provisions of this Agreement and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrators' award). In resolving any arbitration initiated pursuant to Section 2.02, the arbitrators shall resolve the matter solely with reference to the respective fault, if any, of HI and BSI as reflected in the trial record of the BSI Litigation Matter to which such arbitration relates.

(c) Effect of Failure to Participate. If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrators may hear and determine the controversy upon evidence produced by the appearing party.

(d) Costs. Arbitration costs will be borne equally by each party involved in the matter, and each party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of any expert witnesses selected by such party.

3.07 Certain Additional Matters.

(a) Nature of Award. Any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Confidentiality of Proceedings. Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of this Section 3.07(b) and except as may be required in order

to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

3.08 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article III, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act, as amended, and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 4.02.

ARTICLE IV.

MISCELLANEOUS

4.01 Complete Agreement. This Agreement, the Exhibit and the Schedule hereto shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

4.02 Governing Law. The validity and enforceability of the judgment sharing provisions of this Agreement shall be governed by and construed in accordance with federal law relating to judgment sharing agreements in antitrust matters, such as *In re Brand Name Prescriptions Drugs Antitrust Litig*, Nos. 94 C 897, MDL 997, 1995 WL 221853, (N.D. Ill. April 11, 1995); *Cimarron Pipeline Const., Inc. v. National Council on Compensation Ins.*,No. Civ-89-822-T, 1992 WL 350612 (W.D. Okl. April 10, 1992); and *California v. Infineon Technologies* AG, No C 06-4333 PJH, (N.D. Cal. November 29, 2007) (Slip Copy, Docket No. 296). This Agreement shall otherwise be governed by and construed in accordance with the laws of the State of Indiana (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies; provided, however, that the Arbitration Act shall govern the matters described in Article III.

4.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person (including a nationally recognized delivery service) by facsimile, electronic mail or other standard form of telecommunications (provided confirmation is delivered to the recipient the next Business Day in the case of facsimile, electronic mail or other standard form of telecommunications) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to HI:
Hillenbrand Industries, Inc.
1069 State Route 46 East
Batesville, IN 47006-8835
c/o Corporate Secretary

If to BSI:
Batesville Casket Company, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

If to BSI Parent: Batesville Holdings, Inc.
One Batesville Boulevard
Batesville, IN 47006-8835
c/o General Counsel

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 4.03.

4.04 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by each of the parties hereto.

4.05 Successors and Assigns: No Third Party Beneficiaries This Agreement is made and shall be binding on and inure solely to the benefit of HI, BSI and BSI Parent and their respective successors or permitted assigns and does not otherwise confer any rights or defenses upon any other Person including any other codefendants in the BSI Litigation. Neither HI nor BSI nor BSI Parent may assign any of its rights or obligations under this Agreement to another Person without the consent of the other parties to this Agreement, which consents may be withheld for any reason or no reason. Subject to the foregoing: (a) this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns; and (b) each party to this Agreement shall require any Person or Persons that, as a result of any merger, purchase of assets, reorganization or other transaction, acquires or succeeds to all or substantially all of its business or assets to assume its obligations under this Agreement pursuant to a written assumption agreement in form and substance reasonably satisfactory to the other parties.

4.06 Counterparts. This Agreement may be executed in three or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.07 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

4.08 Legal Enforceability. Each party agrees that it shall not, directly or indirectly, challenge the enforceability of this Agreement on any grounds or under any circumstances. Without limiting the effect of the immediately preceding sentence, if any provision of this Agreement is determined by a Governmental Authority or the arbitrators selected under Section 3.04 to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each party acknowledges that money damages would be an inadequate remedy for any breach of the provisions of this Agreement and agrees that the obligations of the parties hereunder shall be specifically enforceable.

4.09 Performance Standard. Each of HI, BSI Parent and BSI agrees to at all times exercise good faith and fair dealing in the performance of its rights and obligations under this Agreement and to cause the members of its respective Group to do likewise.

4.10 Authority. Each of the parties hereto represents to the others that: (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement; (b) the execution, delivery and performance of this Agreement by it have been, duly authorized by all necessary corporate or other actions; (c) it has duly and validly executed and delivered this Agreement; and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

4.11 No Admission of Liability. Nothing contained in this Agreement is intended to be, nor shall it be deemed to be, an admission of liability to anyone or an admission of the existence of facts upon which liability could be based other than to HI, BSI and BSI Parent pursuant to the terms of this Agreement.

4.12 Limitation on Damages. Neither the BSI Group nor the HI Group (or any member thereof) shall be obligated to pay damages (when aggregated with all damages paid by each other member of such Group, and all amounts paid which reduce a BSI Litigation Funding Obligation) to the other for any breach of this Agreement in an amount that exceeds its aggregate Funding Component hereunder (plus applicable costs and accrued interest) with respect to all BSI Litigation Matters. In addition, no party shall be liable to any other party to this Agreement for the payment of punitive, indirect, incidental or consequential damages, including (without limitation) lost profits or lost opportunity damages with respect to any breach of this Agreement.

4.13 Joint Authorship. This Agreement shall be treated as though it were jointly drafted by HI, on the one hand, and BSI and BSI Parent, on the other hand, and any ambiguities shall not be construed for or against any party hereto on the basis of attributed authorship.

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4.14 References; Construction. Any reference to an "Article," "Exhibit," "Schedule" or "Section," without more, is to an Article, Exhibit, Schedule and Section to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" set forth examples only and in no way limit the generality of the matters thus exemplified. References to "and" and "or" in this Agreement shall in each instance include both the conjunctive and the disjunctive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HILLENBRAND INDUSTRIES, INC.

By: _____
Name: Peter H. Soderberg
Title: President and Chief Executive Officer

BATESVILLE HOLDINGS, INC.

By: _____
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

BATESVILLE CASKET COMPANY, INC.

By: _____
Name: Kenneth A. Camp
Title: President and Chief Executive Officer

EXHIBIT A

BSI Subsidiaries

[To Come]

HI Subsidiaries

[To Come]

SCHEDULE 2.01

Actions Comprising BSI Litigation Matters

[To Come]

EXHIBIT-10.4

AMENDED EMPLOYMENT AGREEMENT

P R E A M B L E

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.) ("Company") and Kenneth A. Camp ("Employee").

W I T N E S S E T H:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North American including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee as, and Employee agrees to serve as, President and CEO. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the normal responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform

any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or any other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conduct, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Seventeen Thousand Fifty Dollars and Forty Six Cents ($17,050.46), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Board of Directors of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

(c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethical Business Code or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probably civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him, other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively refereed to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in these circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employees of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation,

benefits, policies or perquisites subject to Employee's understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of such a disability and the occurrence of one or more of the following events.

(a) Employee become eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that employee is and will likely remain able to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's

receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Notwithstanding any other provision contained herein to the contrary, any severance pay benefits paid pursuant to this Agreement shall not be subject to termination upon re-employment (However, all other severance benefits, e.g. continued healthcare, shall cease upon reemployment).

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright thereon, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright thereon. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright protection in such Works and will assist the Company or its nominees in the filing applications to register claims of copyright in such Works. The Company shall free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof of know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of is inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' produces and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes, or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the curse of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their

legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the twenty-four (24) month period preceding Employee's date of separation or about whom Employee possesses, or had assess to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (of any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (of any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

    (e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

    (f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof) prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

    (g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

    (a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship

prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interest or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the twenty-four (24) month period preceding Employee's date of separation;

(c) Employee shall not market, sell or otherwise offer or provide any Competitive Products within his Geographic territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the twenty-four (24) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purpose of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the twenty-four (24) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not limited to) any entity identified on the Company's Illustrative Competitor List and the Hill-Rom Illustrative Competitor List, attached hereto as Exhibits B and C, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request). However, if Employee is still employed by Company as of September 30, 2009, the term Competitor shall no longer include the Companies listed on the Hill-Rom Illustrative Competitor List;

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise

had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesman, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct.

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/ka Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by the Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management
- Newcomer Funeral Homes and

Corporation

- Northstar Memorial Group
- Pioneer Enterprises, Inc.
- Security National Financial Corporation
- Stewart Enterprises, Inc.
- Vertin Companies Family Funeral Homes
- Wilson Financial Group, Inc.

Crematories

- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Rollings Funeral Service, Inc.
- Service Corporation International
- StoneMor Partners, L.P.
- Washburn-McReavy Funeral Chapels

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by the Employee for the benefit of the Company.

29. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer such that the above-referenced restrictive covenants (as well as other terms and conditions contained herein)

shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

30. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification of any new employer of Employee's rights and obligations under this Agreement.

31. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed to broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

32. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to force the terms of this Agreement.

33. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

34. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with the employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action of such shorter period that may be specified by law.

35. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that a claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

36. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

37. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and

enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

38. Titles. Titles are used for the purposes of convenience in this Agreement and shall be ignored in any construction of it.

39. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

40. Assignment-Notices. The rights and obligation of the Company under this Agreement shall insure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

41. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both parties. The waiver by the Company or Employee of a breach of any provisions of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made part of this Agreement.

42. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

43. Voluntary and Knowing Execution. Employee acknowledged that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

44. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and

contemporaneous agreements between the parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secret Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc.)	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

EXHIBIT A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT("Agreement") is entered into by and between Kenneth Camp ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective **[date of termination]** (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[For 409A Severance Pay for Specified Employees Only]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[For Non-409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**___**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall being on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participate in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period may be made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate all Company-paid or Company-provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys' fees.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, costs or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, KENNETH CAMP on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc., (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Act of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12, 101 et seq.; the Fair Labor Standards Act 290 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 U.S.C. § 1514, A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment, (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restriction on an employer's right to separate its employees; (vii) any claims for personally injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

    (a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

    (b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has

waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. [ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER] The parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Prot4ection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

    (a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

    (b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

    (c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

    (d) He has been offered at least [**twenty-one*21)/forty-five (45)]** [SELECT 21 FOR AN INDIVIDUAL TERMINATION AND 45 FOR A GROUP TERMINATION] days within which to review and consider this Agreement.

15. [ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER] The Parties agrees that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance benefits provided hereunder and rending this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. [ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA] Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights he has to benefits which can not be waived by law, any coverage provided under any Director and Officers ("D&"O) policy, any rights Employee may have under any indemnification agreement he has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees:* Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of his Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the parties' rights with respect to such equity based awards.]**

20. **[Option A]** Employee acknowledges that his termination and Severance Benefits officers hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[Option B] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 16215.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee here acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any information that is otherwise made public through no fault of Employer or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return

of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consent and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests of (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful test6imony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associates with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or case in a negative light so as to do harm to the personal and professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or case in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that the Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and

that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein hall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provisions of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED]**Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied upon any representation or statement made by the Company or by any of the Company's employees, officers, agents stockholders, directors or attorneys with regard to the subject matter, basis of effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc.
  (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

Exhibit C

HILL-ROM ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Amico Corporation
- Anodyne Medical Device, Inc.
- APEX Medical Corp.
- Apria Healthcare Inc.
- Aramark Corporation
- Ascom (Ascom US, Inc.)
- Barton Medical Corporation
- B.G. Industries, Inc.
- CareMed Supply, Inc.
- Comfortex, Inc.
- Corona Medical SAS
- Custom Medical Solutions
- Dukane Communication Systems, a division of Edwards Systems Technology, Inc.
- Freedom Medical, Inc.
- Gaymar Holding Company, LLC (Gaymar Industries, Inc.)
- GF Health Products, Inc. (Graham Field)
- Getinge Group (Arjo; Getinge; Maquet; Pegasus; Huntleigh Technology Plc (Huntleigh Healthcare, LLC))
- Intego Systems, Inc. (formerly known as Wescom Products, Inc.)
- Industrie Guido Malvestio S.P.A.
- Invacare Corporation
- Joerns Healthcare, Inc.
- Joh. Stiegelmeyer & Co., GmbH (Stiegelmeyer)
- Kinetic Concepts, Inc. (KCI)
- Linet (Linet France, Linet Far East)
- MedaSTAT, LLC
- Medline Industries, Inc.
- Merivaara Corporation
- Modular Services Company
- Nemschoff Chairs, Inc.
- Nurture by Steelcase, Inc.
- Paramount Bed Company, Ltd.
- Pardo
- Pegasus Airwave, Inc.
- Premise Corporation
- Radianse, Inc.
- Rauland-Borg Corporation
- Recovercare, LLC (Stenbar)
- SIZEwise Rentals, LLC
- Statcom (Jackson Healthcare Solutions)
- Stryker Corporation

- Tele-Tracking Technologies, Inc.
- Tempur-Pedic Medical, Inc.
- Universal Hospital Services, Inc.
- Voelker AG

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

EXHIBIT-10.5

EMPLOYMENT AGREEMENT

P R E A M B L E

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.) ("Company") and Cynthia L. Lucchese ("Employee").

W I T N E S S E T H:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement, and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Vice President and Chief Financial Officer. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling

within the normal responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote her full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eleven Thousand, Five Hundred Thirty Eight Dollars and Forty Six Cents ($11,538.46), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises her right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that she is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting her ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed her not to disclose or use such confidential or proprietary information. Based on her understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16, 17 and and 18, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of her duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

    (c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to her other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's failure to separate Batesville Casket Company, Inc. from Hill-Rom, Inc. or the Company's decision to terminate Employee for cause);

(b) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(c) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(d) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(e) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of her position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of her duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing her post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that she has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that her severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate

taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if she is a "specified employee" at the time of her termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that she shall have the responsibility for, and she agrees to pay, any and all appropriate income tax or other tax obligations for which she is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to her or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide her with any legal or financial advice concerning taxes or any other matter, and that she has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon her base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to six (6) months (whichever is longer). Severance pay benefits under this paragraph shall (i) be paid in one lump sum on the day following the date which is six (6) months following Employee's Effective Termination Date if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to

clause (i), begin upon the next regularly scheduled payroll following the expiration of forty-five (45) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon Employee's reemployment.

17. Enhanced Severance. In the event the proposed separation of Batesville Casket Company, Inc. from Hill-Rom,, Inc. does not occur by December 31, 2008 and if the parties do not reach agreement on another position for Employee within Batesville Services, Inc. or its related entities by January 31, 2009, Employee may elect to terminate this Agreement upon sixty (60) days' written notice. In the event Employee elects to terminate this Agreement pursuant to the provisions of this paragraph, Employee shall be eligible to receive severance pay based upon her base salary at the time of termination for period of up to twelve (12) months. Severance pay benefits under this paragraph shall be in lieu of any severance under paragraph 16 and shall be paid as follows: (i) if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A, the first six (6) months of severance shall be paid in one lump sum (less applicable deductions and withholdings) on the day following the date which is six (6) months following Employee's Effective Termination Date and the remainder of the benefits, if any, will be paid out in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon Employee's reemployment

18. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee is terminated for cause or if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above), or without fulfilling the conditions set out in Paragraph 17, above. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective

Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

19. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by her during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive

property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of her rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of her inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

20. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

21. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of her employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include

information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

22. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

23. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by her knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

24. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately

preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

(e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

(f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

25. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within her Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

26. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by her at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

27. Employment by National or Regional Accounts. Employee acknowledges that she will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide her with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict her from seeking any employment or any other business relationship with such national or regional account,

whether or not serviced by Employee, for the duration of her Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management Corporation
- Newcomer Funeral Homes and Crematories
- Northstar Memorial Group
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Pioneer Enterprises, Inc.
- Rollings Funeral Service, Inc.
- Security National Financial Corporation
- Service Corporation International
- Stewart Enterprises, Inc.
- StoneMor Partners, L.P.
- Vertin Companies Family Funeral Homes
- Washburn-McReavy Funeral Chapels
- Wilson Financial Group, Inc.

28. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any

argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

29. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

30. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, she agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from her effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of her effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of her transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of her consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

31. Post-Termination Notification. For the duration of her Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of her acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with her non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which she is providing any consulting services; (ii) a description of her intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with her non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice

shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

32. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

33. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

34. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing her personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

35. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that

might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

36. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

37. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

38. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

39. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

40. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

41. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but her personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

42. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

43. Outside Representations. Employee represents and acknowledges that in signing this Agreement she does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

44. Voluntary and Knowing Execution. Employee acknowledges that she has been offered a reasonable amount of time within which to consider and review this Agreement; that she has carefully read and fully understands all of the provisions of this Agreement; and that she has entered into this Agreement knowingly and voluntarily.

45. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e. g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc.)	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between EMPLOYEE'S FULL NAME("Employee") and Company Name (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination](Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to her following her Effective Termination Date and that her receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims she may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that she has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that her severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if she is a "specified employee" at the time of her termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non- 409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**_____**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly). The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for her execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of her Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of her Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at her sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. In the event Employee is deemed to be a highly compensated employee under applicable law, Employee acknowledges that the value of the benefits provided hereunder may be subject to taxation. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), her intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with her non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to her or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided her with any legal or financial advice concerning taxes or any other matter, and that she has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that she shall have the responsibility for, and she agrees to pay, any and all appropriate income tax or other tax obligations for which she is

individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, EMPLOYEE FULL NAME on behalf of himself/herself, her heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Company Name (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626, the knowing and voluntary nature of her release of any age claims in this

Agreement in court of before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by her in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **(ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER) The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:**

    (a) She has carefully read and fully understands all of the provisions of this Agreement and that she has entered into this Agreement knowingly and voluntarily;

    (b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which she would have otherwise been legally entitled absent the execution of this Agreement;

    (c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of her choice concerning its terms and conditions; and

    (d) She has been offered at least [twenty-one (21)/forty-five (45)] [SELECT 21 FOR AN INDIVIDUAL TERMINATION AND 45 FOR A GROUP TERMINATION] days within which to review and consider this Agreement.

15. **(ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER) The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after she has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety.** This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. [ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA] Employee specifically acknowledges that, as a condition of this Agreement, she expressly releases all rights and claims that she knows about as well as those she may not know about. Employee

expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in her favor at the time of executing the release which if known, must have materially affected her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after she signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [she] has with the Company prior to the date hereof, any rights she has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. [Optional provision for equity-eligible employees: Except as provided herein, Employee acknowledges that she will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]

20. **[*Option A*]** Employee acknowledges that her termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[*Option B*] Employee represents and agrees that she has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges her continued obligations to comply with the post-termination covenants contained in her Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to her and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in her Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and she has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in her possession or control relating to the Company or its business, including but not limited to any and all contracts,

reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that she received, prepared, helped prepare, or directed preparation of in connection with her employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event she is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting her personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM**

OF THIS AGREEMENT. Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that she shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than her spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of her employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits her from further discussing the specifics of her separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in her Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, she agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by her in any wholly successful effort (i.e. entry of a judgment in her favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED] Employee acknowledges that she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that she has carefully read and fully understands all of the provisions of this Agreement; and that she has entered into this Agreement knowingly and voluntarily.**

36. Employee represents and acknowledges that in signing this Agreement she does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		COMPANY NAME	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during her relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of her Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

EXHIBIT-10.6

EMPLOYMENT AGREEMENT

P R E A M B L E

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this 31st day of March, 2008 is entered into by and between Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.) ("Company") and John R. Zerkle ("Employee").

W I T N E S S E T H:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement, and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as Vice President & General Counsel. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the

normal responsibilities of, an individual employed in the above-referenced position, which may include providing relevant business and legal advice to the Company and any of its parent, subsidiary and affiliated entities (e.g., Batesville Holdings, Inc. (to be renamed Hillenbrand, Inc.), Batesville Services, Inc. and subsidiary entities thereof). Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Eight Thousand Four Hundred Three Dollars and No Cents ($8,403.00), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this

Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves

conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

(c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his/her successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue

Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to six (6) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

    (a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a

Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of his inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are

excluded from this requirement. Further, sample legal forms and other related items developed by the Employee during the legal term of his employment may be retained and used by him thereafter provided they are not used to compete against the Company.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

    (e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

    (f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

    (g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period while serving in any capacity other than as legal counsel for the Company or another client not to directly or indirectly engage in the following competitive activities:

    (a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not,

jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within his Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is

terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings,Inc.
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)
- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management Corporation
- Newcomer Funeral Homes and Crematories
- Northstar Memorial Group
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services

(Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)

- Pioneer Enterprises, Inc.
- Rollings Funeral Service, Inc.
- Security National Financial Corporation
- Service Corporation International
- Stewart Enterprises, Inc.
- StoneMor Partners, L.P.
- Vertin Companies Family Funeral Homes
- Washburn-McReavy Funeral Chapels
- Wilson Financial Group, Inc.

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Ethical Obligations. Notwithstanding anything contained herein to the contrary, Employee acknowledges that he has certain independent ethical obligation concerning confidentiality and conflicts of interest imposed by the applicable provisions of the Indiana Rules of Professional Conduct (as well as possibly other model rules of professional conduct), which prevent or limit Employee in his capacity as an attorney from representing or otherwise working for any direct or indirect competitor of the Company whose interest may be materially adverse to the interest of the Company as well as prohibit Employee from disclosing, relying upon or otherwise using Company information for the benefit of such competitors. Employee acknowledges that such ethical obligations, specifically including Rules 1.6 through 1.9 of the Indiana Rule of Professional Conduct, shall be deemed part of this Agreement and shall run concurrent with all other restrictive covenant obligations contained herein.

29. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other

relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

30. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of his effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

31. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

32. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction. The Parties agree that the foregoing restrictions shall not be construed to prohibit Employee from the general practice of law provided, however, that any such practice of law must be consistent with Employee's

ethical obligations to maintain as confidential information protected by the attorney-client privilege, attorney work product doctrine or similar doctrines.

33. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

34. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

35. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

36. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited

to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

37. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

38. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

39. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

40. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

41. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

42. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

43. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

44. Voluntary and Knowing Execution. Employee acknowledges that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

45. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE HOLDINGS, INC. (to be renamed Hillenbrand, Inc.)	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between John R. Zerkle ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____ Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non- 409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**___**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall begin on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration

for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company—provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. .In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes

or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, JOHN R. ZERKLE on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc. (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER]**The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

(a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

(b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

(c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

(d) He has been offered at least **[twenty-one (21)/forty-five (45)]** days within which to review and consider this Agreement.

15. **[ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER]**The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA]**Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [he/she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [he/she] has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees*: Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [his/her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

[*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any

information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company

or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis

and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED]**Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries,Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

EXHIBIT-10.7

EMPLOYMENT AGREEMENT

P R E A M B L E

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this__ day of _____, 20__ is entered into by and between Batesville Services, Inc. ("Company") and _____ ("Employee").

W I T N E S S E T H:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position and Employee desires to be employed by the Company in such capacity based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement, and as a continuation of Employee's past employment with the Company, if applicable, it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve as_____. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the normal

responsibilities of, an individual employed in the above-referenced position. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both this title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote his full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conducts, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of_____($_____), less usual and ordinary deductions;

   (b) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

   (c) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises his right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that he is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting his ability to secure employment with any third party. Alternatively, should any such agreement exist, Employee warrants that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed him not to disclose or use such confidential or proprietary information. Based on his understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay"). In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of his separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

    (a) Acted with gross neglect or willful misconduct in the discharge of his duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

    (b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule;

    (c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to him other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

(a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in his reporting relationship to the CEO or his/her successor;

(b) The failure to elect or reelect Employee as Vice President or other officer of the Company (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

(c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

(d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

(e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

(f) A failure by the Company to perform its obligations under this Employment Agreement (other than inadvertent failures that are cured by the Company promptly upon notice from the Employee).

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination that Employee cannot perform the essential functions of his position as a result of a such a disability and the occurrence of one or more of the following events:

(a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

(b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of his duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing his post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that

distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon his base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to six (6) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, Severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to the Employee's salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), begin upon the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by him during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in

such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of his rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of his inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective

customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of his employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants. Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by his knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

(b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

(c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

(d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

(e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

(f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within his Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, sister company, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by him at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that he will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or

regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide him with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict him from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of his Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Buckner Management Services
- Carriage Funeral Holdings, Inc.
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Family Choices
- Keystone Group Holdings, Inc.
- Memory Gardens Management Corporation
- Northstar Memorial Group
- Pioneer Enterprises, Inc.
- Security National Financial Corporation
- Stewart Enterprises, Inc.
- Vertin Companies Family Funeral Homes
- Wilson Financial Group, Inc.
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Calvert Group
- Celebris Memorial Services, Inc. (Urel Bourgie)
- Concord Family Services, Inc.
- Gibralter Mausoleum Company (A division of Matthews International)
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Newcomer Funeral Homes and Crematories
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Rollings Funeral Service, Inc.
- Service Corporation International
- StoneMor Partners, L.P.
- Washburn-McReavy Funeral Chapels

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

29. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, sister corporation or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, he agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from his effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of his effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of his transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of his consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

30. Post-Termination Notification. For the duration of his Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of his acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with his non-compete obligations and must include at a minimum the following

information: (i) the name of the employer or entity for which he is providing any consulting services; (ii) a description of his intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

31. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

32. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

33. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing his personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

34. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not

limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

35. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

36. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

37. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

38. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

39. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public

policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

40. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but his personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

41. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

42. Outside Representations. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

43. Voluntary and Knowing Execution. Employee acknowledges that he has been offered a reasonable amount of time within which to consider and review this Agreement; that he has carefully read and fully understands all of the provisions of this Agreement; and that he has entered into this Agreement knowingly and voluntarily.

44. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between_____ ("Employee") and Batesville Services, Inc. (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.
2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.
3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.
4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

(a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[**_____**]** Cents ($_____), less applicable deductions or other set offs, payable as follows:

[*For 409A Severance Pay for Specified Employees Only*]

(i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($**_____) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____Dollars and _____Cents ($_____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (___) weeks or until the Employee becomes reemployed, whichever comes first.

[*For Non-409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

(i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[**_____**]** Dollars and **[**_____**]** Cents ($**[**_____**]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[**___**]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

(b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

(c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly) and shall begin on the first normally scheduled payroll following Employee's Effective Termination Date or the effective date of this Agreement, whichever occurs last. The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration

for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company-provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes

or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, _____on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Batesville Services, Inc. (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

(a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

(b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of his/her release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER]**The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:

(a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

(b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

(c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

(d) He has been offered at least **[twenty-one (21)/forty-five (45)]** days within which to review and consider this Agreement.

15. **[ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER]**The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA]**Employee specifically acknowledges that, as a condition of this Agreement, he/she expressly releases all rights and claims that he/she knows about as well as those he/she may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:

    "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release which if known, must have materially affected his/her settlement with the debtor."

    Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in his/her favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights [he/she] has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement [he/she] has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees:* Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of [his/her] Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

    [*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any

information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. Similarly, in response to any written inquiry from any prospective employer or in connection with a written inquiry in connection with any future business relationship involving Employee, the Company agrees not to provide any information that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of Employee. The Parties acknowledge, however, that nothing contained herein shall be construed to prevent or prohibit the Company

or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis

and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **[USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED]** Employee acknowledges that he/she has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that he/she has carefully read and fully understands all of the provisions of this Agreement; and that he/she has entered into this Agreement knowingly and voluntarily.

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		BATESVILLE SERVICES, INC.	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____

Dated: _____ Dated: _____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Goliath Casket, Inc.
- Milso Industries, LLC
- R and S Marble Designs
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- Thacker Caskets, Inc.
- The Victoriaville Group
- Aurora Casket Company, Inc.
- Milso Industries, Inc.
- New England Casket Company
- Reynoldsville Casket Company
- SinoSource International, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

Exhibit 10.8

TIER 1 — CEO

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (the "Agreement") is made and entered into as of_____ (date) by and between Hillenbrand, Inc., an Indiana corporation (the "Company"), and _____ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster continuous employment by the Company and its subsidiaries of their key management personnel;

WHEREAS, the Compensation and Management Development Committee (the "Committee") of the Board of Directors (the "Board") of the Company has recommended, and the Board has approved, that the Company enter into Change in Control Agreements with key executives of the Company and its subsidiaries who are from time to time designated by the management of the Company and approved by the Committee;

WHEREAS, the Committee and the Board believe that Executive has made valuable contributions to the productivity and profitability of the Company and consider it essential to the best interests of the Company and its shareholders that Executive be encouraged to remain with the Company; and

WHEREAS, the Board believes it is in the best interests of the Company and its shareholders that Executive continue in employment with the Company in the event of any proposed Change in Control (as defined below) and be in a position to provide assessment and advice to the Board regarding any proposed Change in Control without concern that Executive might be unduly distracted by the personal uncertainties and risks created by any proposed Change in Control:

NOW, THEREFORE, the Company and Executive agree as follows:

1. **Termination following a Change in Control.** After the occurrence of a Change in Control, the Company will provide or cause to be provided to Executive the rights and benefits described in Section 2 hereof in the event that Executive's employment with the Company and its subsidiaries is terminated:

(a) by the Company for any reason other than on account of his death, permanent disability, retirement or for Cause at any time prior to the third anniversary of a Change in Control;

(b) by Executive for Good Reason at any time prior to the third anniversary of a Change in Control; or

(c) by Executive for any reason at any time prior to the 30th day following the first anniversary of the Change in Control.

Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive's employment with the Company is terminated by the Company, without Cause, prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control which subsequently occurs within 3 months of such termination, then for purposes of this Agreement (including Section 3 hereof) a Change in Control shall be deemed to have occurred on the day immediately prior to such termination of employment and all references in Section 2 to payments within a specified period as allowed by law following "Termination" shall instead be references to the specified period following the Change in Control.

The rights and benefits described in Section 2 and 3 hereof shall be in lieu of any severance payments otherwise payable to Executive under any employment agreement or severance plan or program of the Company or any of its subsidiaries but shall not otherwise affect Executive's rights to compensation or benefits under the Company's compensation and benefit programs except to the extent expressly provided herein.

2. **Rights and Benefits Upon Termination.**

In the event of the termination of Executive's employment under any of the circumstances set forth in Section 1 hereof ("Termination"), the Company shall provide or cause to be provided to Executive the following rights and benefits provided that Executive executes and delivers to the Company within 45 days of the Termination a Release in the form attached hereto as Exhibit A ("Release"):

(a) a lump sum payment in cash in the amount of three times Executive's Annual Base Salary (as defined below), payable (i) on the date which is six (6) months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended ("Code") (Section 409A of the Code is hereunder referred to as "Section 409A") and the Treasury Regulations promulgated thereunder, or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee" (or such payment is exempt from Section 409A); provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination;

(b) for the 36 months following Termination, continued health and medical insurance coverage for Executive and his dependents substantially comparable (with regard to both benefits and employee contributions) to the coverage provided by the Company immediately prior to the Change in Control for active employees of equivalent rank. From the end of such 36-month period until Executive attains Social Security Retirement Age, Executive shall have the right to purchase (at COBRA rates applicable to such coverage) continued coverage for himself and his dependents under one or more plans maintained by the Company for its active employees, to the extent Executive would have been eligible to purchase continued

coverage under the plan in effect immediately prior to the Change in Control had his employment terminated 36 months following Termination. The payment of any health or medical claims for the health and medical coverage provided in this subparagraph (b) shall be made to the Executive as soon as administratively practicable after the Executive has provided the appropriate claim documentation, but in no event shall the payment for any such health or medical claim be paid later than the last day of the calendar year following the calendar year in which the expense was incurred. Notwithstanding anything herein to the contrary, to the extent required by Section 409A: (1) the amount of medical claims eligible for reimbursement or to be provided as an in-kind benefit under this Agreement during a calendar year may not affect the medical claims eligible for reimbursement or to be provided as an in-kind benefit in any other calendar year, and (2) the right to reimbursement or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit;

(c) continuation for Executive, for a period of three years following Termination, of the Executive Life Insurance Bonus Plan (if any) provided for Executive by the Company immediately prior to the Change in Control and the group term life insurance program provided for executive immediately prior to the Change in Control. The payment of any claim for death benefits provided under this subparagraph (c) shall be paid in accordance with the appropriate program, provided, however that if the death benefit is subject to Section 409A, then the death benefit shall be paid, as determined by the Company in its complete and absolute discretion, no later than the later to occur of (i) the last day of calendar year in which the death of the Executive occurs or (ii) the 90th day following the Executive's death;

(d) a lump sum payment in cash, payable within 30 days after Termination, equal to all accrued and unpaid vacation, reimbursable business expenses, and similar miscellaneous benefits as of the Termination, provided, however, that to the extent that any such miscellaneous benefits are subject to Section 409A, such benefits shall be paid in one lump sum (i) on the date which is six months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee;" provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination; and

(e) a monthly pension annuity benefit commencing as of the first day of the calendar month following the later to occur of (i) the Executive attaining age 62 or (ii) the six month anniversary date of the Executive's Termination (the "Pension Benefit Starting Date") and paid on the first day of each succeeding month (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married in the form of a joint and 50% survivor annuity) equal to the actuarially equivalent difference between (i) the monthly Pension Plan annuity benefit, the monthly Supplemental Pension Plan annuity benefit if Executive is a participant in the Supplemental Pension Plan, and any additional pension benefit provided in an offer letter (or other written document signed by an authorized officer of the Company other than

Executive) if Executive is subject to any such letter or document, which Executive will receive starting at the Pension Benefit Starting Date (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married in the form of a joint and 50% survivor annuity), and (ii) the monthly pension annuity benefit he would have received starting at the Pension Benefit Starting Date under such plan(s) and/or offer letter, as in effect on or after the date hereof (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married in the form of a joint and 50% survivor annuity), calculated as if Executive had earned two additional years of service and pay at his Annual Base Salary (and for purposes of calculating Average Monthly Earnings as defined in the Pension Plan, Executive Annual Base Salary shall be annualized for any portion of the imputed service period which is less than a full calendar year and such portion of the year shall be eligible to be counted). Unless the Executive (who also must be a participant in the Supplemental Pension Plan) elects a form of annuity set forth on Annex A attached to the Supplemental Pension Plan prior to his or her Pension Benefit Starting Date, Executive, if unmarried, shall receive a life annuity with guaranteed payment for 24 months, or, if married, a 50% joint and survivor annuity. The benefit provided for in this paragraph shall be funded in a rabbi trust prior to the Change in Control. For purposes of this subparagraph (e), the benefit under clause (ii) will be calculated as though the Pension Plan and any applicable Supplemental Pension Plan as in effect on or after date hereof, remained the same.

(f) a lump sum payment in cash for amounts accrued as of the Termination and an additional amount equal to the amounts accrued for the last 12 months times three (3) immediately prior to the Termination Date in any of the Defined Contribution, Matching Account and/or Supplemental Contribution Account, payable (i) on the date which is six (6) months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee" (or such payment is exempt from Section 409A); provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination.

3. **Additional Benefits Upon A Change in Control.**

Upon the occurrence of a Change in Control, so long as Executive is an employee of the Company at that time, the Company will provide or cause to be provided to Executive the following rights and benefits whether or not Executive's employment with the Company or its subsidiaries is later terminated:

(a) a lump sum payment in cash equal to the amount of Short-Term Incentive Compensation which would be payable to Executive if the company performance targets (at 100%) with respect to such incentive compensation in effect for the entire year in which the Change in Control occurred had been achieved, payable within 30 days of the Change in Control;

(b) the number of shares of common stock of the Company that would be payable to Executive under the Company's Stock Incentive Plan provided, however, that if the Change in Control involves a merger, acquisition or other corporate restructuring where the Company is not the surviving entity (or survives as a wholly-owned subsidiary of another entity), then, in lieu of such shares of common stock of the Company, Executive shall be entitled to receive the consideration he would have received in such transaction in exchange for such shares of common stock; and provided, further, that the Company shall in any case have the right to substitute cash for such shares of common stock of the Company or merger consideration in an amount equal to the fair market value of such shares or merger consideration as determined by the Company including:

(i) immediate vesting of all Bonus Stock Awards (as defined in the Company's Stock Incentive Plan) held by Executive;

(ii) immediate vesting of all outstanding Stock Options held by Executive under the Company's Stock Incentive Plan;

(iii) immediate vesting of all awards of Restricted Stock held by Executive under any Stock Award Agreements (as defined in the Company's Stock Incentive Plan) with Executive and Hillenbrand, Inc.;

(iv) immediate vesting of all awards of Deferred Stock (as defined in the Company's Stock Incentive Plan) (also known as Restricted Stock Units) held by Executive under the Company's Stock Incentive Plan; and

(v) the exercise of any Stock Appreciation Right (as defined in the Company's Stock Incentive Plan) within 60 days of a Change in Control as provided by section 7.2 of the Stock Incentive Plan.

Any distribution to be made under this Section 3 shall be made no later than the 15th day of the third month following the Company's first taxable year in which the Change in Control occurs.

4. **Gross-Up on Excess Parachute Payment.**

(a) If any benefit or payment by the Company or its subsidiaries to Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, including any acceleration of vesting or payment) (a "Payment") is determined to be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being herein collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that the net amount of such additional payment retained by Executive, after payment of all federal, state and local income and employment taxes (including, without limitation, any federal, state, and local income and employment taxes and Excise Tax imposed on the Gross-Up

Payment), shall be equal to the Excise Tax imposed on the Payment. The payment of any Gross-Up Payment shall be made prior to the date the Executive is to remit the Excise Tax as provided under the Code.

(b) Subject to the provisions of Section 4(c) hereto, all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent accounting firm of nationally recognized standing selected by the Company and which is not serving as accountant or auditor for the Company or the individual, entity or group effecting the Change in Control (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 30 business days of the receipt of the notice from Executive that there hasbeen a Payment or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments will not have been made by the Company which should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) hereof and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and the amount of the Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and

expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or federal, state and local income and employment tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive, on an after-tax basis, and shall hold Executive harmless from any Excise Tax or federal, state or local income or employment tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company's control of the contest, however, shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder, and Executive shall be entitled to settle or contest, as the case may by, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 4(c), Executive becomes entitled to receive any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) In the event that the Excise Tax is subsequently determined to be less than initially determined by the Accounting Firm, Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is determined (but, if previously paid to the taxing authorities, not prior to the time the amount of such reduction is refunded to Executive or otherwise realized as a benefit by Executive) the portion of the Gross-Up Payment that would not have been paid if the Excise Tax as subsequently determined had been applied in initially calculating the Gross-Up Payment, with the amount of such repayment determined by the Accounting Firm.

5. **Confidentiality; Non-Competition.**

(a) Executive shall not at any time without the prior approval of the Company disclose to any person, firm, corporation or other entity any trade secret, confidential customer information, or other proprietary information not known within the industry or by the public generally regarding the business then being conducted by the Company, including, without limitation, financial information, marketing and sales information and business and strategic plans.

(b) Executive shall not at any time during the term of this Agreement and within three years following the termination of his employment with the Company, (i) solicit any persons who are employed by the Company to terminate their employment with the Company, and (ii) directly or indirectly (either individually or as an agent, employee, director, officer, stockholder, partner or individual proprietor, consultant or as an investor who has made advances of loan capital or contributions to equity capital), engage in any activity which he knows (or reasonably should have known) to be competitive with the business of the Company as then being carried on. Nothing in this Agreement, however, shall prevent Executive from owning, as an investment, up to two percent (2%) of the outstanding equity capital of any competitor of the Company, shares of which are regularly traded on a national securities exchange or in over-the-counter markets. The restrictions set forth in this Section 5 shall not apply in the event of a termination of Executive's employment pursuant to Section 1.

6. Section 409A Acknowledgement.

Executive acknowledges that he has been advised of Section 409A, which has significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Executive has been advised that Executive's severance pay and other Termination benefits may be treated by the Internal Revenue Service as "nonqualified deferred compensation," subject to Section 409A. In that event, several provisions in Section 409A may affect Executive's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" (as defined in Section 409A) on account of separation from service may not be made earlier than six (6) months after the effective date of separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% excise tax. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Executive agrees that if Executive is a "specified employee" at the time of Executive's termination and if severance payments are covered as "nonqualified deferred compensation" or otherwise not exempt, such severance pay (and other benefits to the extent applicable) due Executive at time of termination shall not be paid until a date at least six (6) months after Executive's effective termination date. Executive acknowledges that, notwithstanding anything contained herein to the contrary, both Executive and the Company shall each be independently responsible for accessing their own risks and liabilities under Section 409A that may be associated with any payment made under the

terms of this Agreement which may be deemed to trigger Section 409A. To the extent applicable, Executive understands and agrees that Executive shall have the responsibility for, and Executive agrees to pay, any and all appropriate income tax or other tax obligations for which Executive is individually responsible and/or related to receipt of any benefits provided in this Agreement. Executive agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to Executive or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Executive understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide Executive with any legal or financial advice concerning taxes or any other matter, and that Executive has not relied on any such advice in deciding whether to enter into this Agreement. Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Executive to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Executive regarding such amendments or modifications prior to the effective date of any such change.

7. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

(a) "Annual Base Salary" means the annualized amount of Executive's rate of base salary in effect immediately before the Change in Control or immediately before the date of Termination, whichever is greater.

(b) "Cause" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries.

(c) A "Change in Control" shall be deemed to occur on:

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or indirectly, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 ("Beneficial Owner"), of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting

Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any of its Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, (y) the acquisition of securities of the Company directly from the Company, or (z) the acquisition of Company securities by one or more members of the Hillenbrand Family (which term shall mean descendants of John A. Hillenbrand and their spouses, trusts primarily for their benefit or entities controlled by them);

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Company's Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which a majority of the members of the Board consist of persons other than Current Directors (which term shall mean any member of the Board on the date hereof and any member whose nomination or election has been approved by a majority of Current Directors then on the Board);

(iv) the consummation of a sale or other disposition of all or substantially all of the assets of the Company; or

(v) the date of approval by the shareholders of the Company of a plan of complete liquidation of the Company.

(d) "Good Reason" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries

(e) "Normal Retirement Benefit" shall have the meaning set forth in the Pension Plan.

(f) "Pension Plan" means the Hillenbrand, Inc. Pension Plan as amended from time to time.

(g) "Section 409A" means Section 409A of the Internal Revenue Code.

(h) "Short-Term Incentive Compensation" means the Incentive Compensation payable under the Short-Term Incentive Compensation Program, or any successor or other short-term incentive plan or program.

(i) "Early Retirement Benefits" early retirement benefits shall have the meaning set forth in the pension plan which defines the age at which full, unreduced benefits are available without any early retirement reduction being applied

(j) "Executive Life Insurance Bonus Program" shall mean a program under which the Company pays the annual premium for a whole life insurance policy on the life of Executive.

(k) "Supplemental Pension Plan" means the SERP or any successor long-term supplemental pension plan or program or any other commitment made by the company to provide retirement benefits in addition to those provided by the pension plan trust.

(l) "Defined Contribution Accounts", "Matching Accounts", and "Supplemental Contribution Accounts"shall have the meanings set forth in the Company's Supplemental Executive Retirement Program ("SERP").

8. **Notice.**

(a) Any discharge or termination of Executive's employment pursuant to Section 1 shall be communicated in a written notice to the other party hereto setting forth the effective date of such discharge or termination (which date shall not be more than 30 days after the date such notice is delivered) and, in the case of a discharge for Cause or a termination for Good Reason the basis for such discharge or termination.

(b) For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to One Batesville Boulevard, Batesville, Indiana 47006 provided that all notices to the Company shall be directed to the attention of the Board with a copy to Vice

President and General Counsel, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. **No Duty to Mitigate.** Executive is not required to seek other employment or otherwise mitigate the amount of any payments to be made by the Company pursuant to this Agreement.

10. **Assignment.**

(a) This Agreement is personal to Executive and shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, to expressly assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it if no such succession had taken place.

11. **Arbitration.** Any dispute or controversy arising under, related to or in connection with this Agreement shall be settled exclusively by arbitration before a single arbitrator in Cincinnati, Ohio, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator's award shall be final and binding on all parties to this Agreement. Judgment may be entered on an arbitrator's award in any court having competent jurisdiction.

12. **Integration.** This Agreement supersedes and replaces any prior oral or written agreements or understandings in respect of the matters addressed hereby.

13. **Amendment.** This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

14. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

15. **Withholding.** The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of Indiana without reference to principles of conflict of laws.

17. **Attorney's Fees.** If any legal proceeding (whether in arbitration, at trial or on appeal) is brought under or in connection with this Agreement, each party shall pay its own expenses, including attorneys' fees.

18. **Term of Agreement.** The term of this Agreement shall be one (1) year commencing on the date hereof; provided however, that this Agreement shall be automatically renewed for successive one-year terms commencing on each anniversary of the date of this Agreement unless the Company shall have given notice of non-renewal to Executive at least 30 days prior to the scheduled termination date; and further provided that notwithstanding the foregoing, this Agreement shall not terminate (i) within three years after a Change in Control or (ii) during any period of time when a transaction which would result in a Change in Control is pending or under consideration by the Board. The termination of this Agreement shall not adversely affect any rights to which Executive has become entitled prior to such termination. In addition, Section 5(a) shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above set forth.

HILLENBRAND, INC.

By _____
Title Chairman of the Board of Directors

_____
Executive

Exhibit 10.9

TIER 2 — Senior Exec

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (the "Agreement") is made and entered into as of_____ (date) by and between Hillenbrand, Inc., an Indiana corporation (the "Company"), and _____ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster continuous employment by the Company and its subsidiaries of their key management personnel;

WHEREAS, the Compensation and Management Development Committee (the "Committee") of the Board of Directors (the "Board") of the Company has recommended, and the Board has approved, that the Company enter into Change in Control Agreements with key executives of the Company and its subsidiaries who are from time to time designated by the management of the Company and approved by the Committee;

WHEREAS, the Committee and the Board believe that Executive has made valuable contributions to the productivity and profitability of the Company and consider it essential to the best interests of the Company and its shareholders that Executive be encouraged to remain with the Company; and

WHEREAS, the Board believes it is in the best interests of the Company and its shareholders that Executive continue in employment with the Company in the event of any proposed Change in Control (as defined below) and be in a position to provide assessment and advice to the Board regarding any proposed Change in Control without concern that Executive might be unduly distracted by the personal uncertainties and risks created by any proposed Change in Control:

NOW, THEREFORE, the Company and Executive agree as follows:

1. **Termination following a Change in Control.** After the occurrence of a Change in Control, the Company will provide or cause to be provided to Executive the rights and benefits described in Section 2 hereof in the event that Executive's employment with the Company and its subsidiaries is terminated:

(a) by the Company for any reason other than on account of his death, permanent disability, retirement or for Cause at any time prior to the second anniversary of a Change in Control; or

(b) by Executive for Good Reason at any time prior to the second anniversary of a Change in Control.

Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive's employment with the Company is terminated by the Company, without Cause, prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control which subsequently occurs within 3 months of such termination, then for purposes of this Agreement (including Section 3 hereof) a Change in Control shall be deemed to have occurred on the day immediately prior to such termination of employment and all references in Section 2 to payments within a specified period as allowed by law following "Termination" shall instead be references to the specified period following the Change in Control.

The rights and benefits described in Section 2 and 3 hereof shall be in lieu of any severance payments otherwise payable to Executive under any employment agreement or severance plan or program of the Company or any of its subsidiaries but shall not otherwise affect Executive's rights to compensation or benefits under the Company's compensation and benefit programs except to the extent expressly provided herein.

2. **Rights and Benefits Upon Termination.**

In the event of the termination of Executive's employment under any of the circumstances set forth in Section 1 hereof ("Termination"), the Company shall provide or cause to be provided to Executive the following rights and benefits provided that Executive executes and delivers to the Company within 45 days of the Termination a Release in the form attached hereto as Exhibit A:

(a) a lump sum payment in cash in the amount of two times Executive's Annual Base Salary (as defined below), payable (i) on the date which is six (6) months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended ("Code") (Section 409A of the Code is hereunder referred to as "Section 409A"), and the Treasury Regulations promulgated thereunder, or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee" (or such payment is exempt from Section 409A); provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination.;

(b) for the 24 months following Termination, continued health and medical insurance coverage for Executive and his dependents substantially comparable (with regard to both benefits and employee contributions) to the coverage provided by the Company immediately prior to the Change in Control for active employees of equivalent rank. From the end of such 24-month period until Executive attains Social Security Retirement Age, Executive shall have the right to purchase (at COBRA rates applicable to such coverage) continued coverage for himself and his dependents under one or more plans maintained by the Company for its active employees, to the extent Executive would have been eligible to purchase continued

coverage under the plan in effect immediately prior to the Change in Control had his employment terminated 24 months following Termination. The payment of any health or medical claims for the health and medical coverage provided in this subparagraph (b) shall be made to the Executive as soon as administratively practicable after the Executive has provided the appropriate claim documentation, but in no event shall the payment for any such health or medical claim be paid later than the last day of the calendar year following the calendar year in which the expense was incurred. Notwithstanding anything herein to the contrary, to the extent required by Section 409A: (1) the amount of medical claims eligible for reimbursement or to be provided as an in-kind benefit under this Agreement during a calendar year may not affect the medical claims eligible for reimbursement or to be provided as an in-kind benefit in any other calendar year, and (2) the right to reimbursement or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit;

(c) continuation for Executive, for a period of two years following Termination, of the Executive Life Insurance Bonus Plan (if any) provided for Executive by the Company immediately prior to the Change in Control and the group term life insurance program provided for executive immediately prior to the Change in Control. The payment of any claim for death benefits provided under this subparagraph (c) shall be paid in accordance with the appropriate program, provided, however that if the death benefit is subject to Section 409A, then the death benefit shall be paid, as determined by the Company in its complete and absolute discretion, no later than the later to occur of (i) the last day of calendar year in which the death of the Executive occurs or (ii) the 90th day following the Executive's death;

(d) a lump sum payment in cash, payable within 30 days after Termination, equal to all accrued and unpaid vacation, reimbursable business expenses, and similar miscellaneous benefits as of the Termination, provided, however, that to the extent that any such miscellaneous benefits are subject to Section 409A, such benefits shall be paid in one lump sum (i) on the date which is six months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(b)(i) or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee;" provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination; and

(e) a monthly pension annuity benefit commencing as of the first day of the calendar month following the later to occur of (i) the Executive attaining age 62 or (ii) the six month anniversary date of the Executive's Termination (the "Pension Benefit Starting Date") and paid on the first day of each succeeding month (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married (in the form of a joint and 50% survivor annuity) equal to the actuarially equivalent difference between (i) the monthly Pension Plan annuity benefit, the monthly Supplemental Pension Plan annuity benefit if Executive is a participant in the Supplemental Pension Plan, and any additional pension benefit provided in an offer letter (or other written document signed by an authorized officer of the Company other than

Executive) if Executive is subject to any such letter or document, which Executive will receive starting at the Pension Benefit Starting Date (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married in the form of a joint and 50% survivor annuity), and (ii) the monthly pension annuity benefit he would have received starting at the Pension Benefit Starting Date under such plan(s) and/or offer letter, as in effect on or after the date hereof (if unmarried, in the form of a life annuity with guaranteed payments for 24 months, or if married in the form of a joint and 50% survivor annuity) calculated as if Executive had earned two additional years of service and pay at his Annual Base Salary (and for purposes of calculating Average Monthly Earnings as defined in the Pension Plan, Executive Annual Base Salary shall be annualized for any portion of the imputed service period which is less than a full calendar year and such portion of the year shall be eligible to be counted). Unless the Executive (who also must be a participant in the Supplemental Pension Plan) elects a form of annuity set forth on Annex A attached to the Supplemental Pension Plan prior to his or her Pension Benefit Starting Date, Executive, if unmarried, shall receive a life annuity with guaranteed payment for 24 months, or, if married, a 50% joint and survivor annuity. The benefit provided for in this paragraph shall be funded in a rabbi trust prior to the Change in Control. For purposes of this subparagraph (e), the benefit under clause (ii) will be calculated as though the Pension Plan and any applicable Supplemental Pension Plan as in effect on or after date hereof, remained the same.

(f) a lump sum payment in cash for amounts accrued as of the Termination and an additional amount equal to the amounts accrued for the last 12 months times two (2) immediately prior to the Termination Date in any of the Defined Contribution, Matching Account and/or Supplemental Contribution Account, payable (i) on the date which is six (6) months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee" (or such payment is exempt from Section 409A); provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination..

3. **Additional Benefits Upon A Change in Control.**

Upon the occurrence of a Change in Control, so long as Executive is an employee of the Company at that time, the Company will provide or cause to be provided to Executive the following rights and benefits whether or not Executive's employment with the Company or its subsidiaries is later terminated:

(a) a lump sum payment in cash equal to the amount of Short-Term Incentive Compensation which would be payable to Executive if the company performance targets (at 100%) with respect to such incentive compensation in effect for the entire year in which the Change in Control occurred had been achieved, payable within 30 days of the Change in Control;

(b) the number of shares of common stock of the Company that would be payable to Executive under the Company's Stock Incentive Plan provided, however, that if the Change in Control involves a merger, acquisition or other corporate restructuring where the Company is not the surviving entity (or survives as a wholly-owned subsidiary of another entity), then, in lieu of such shares of common stock of the Company, Executive shall be entitled to receive the consideration he would have received in such transaction in exchange for such shares of common stock; and provided, further, that the Company shall in any case have the right to substitute cash for such shares of common stock of the Company or merger consideration in an amount equal to the fair market value of such shares or merger consideration as determined by the Company including:

(i) immediate vesting of all Bonus Stock Awards (as defined Company's Stock Incentive Plan) held by Executive;

(ii) immediate vesting of all outstanding Stock Options held by Executive under the Company's Stock Incentive Plan;

(iii) immediate vesting of all awards of Restricted Stock held by Executive under any Stock Award Agreements (as defined in the Company's Stock Incentive Plan) with Executive and Hillenbrand, Inc.;

(iv) immediate vesting of all awards of Deferred Stock (as defined in the Company's Stock Incentive Plan) (also known as Restricted Stock Units) held by Executive under the Company's Stock Incentive Plan; and

(v) the exercise of any Stock Appreciation Right (as defined in the Company's Stock Incentive Plan) within 60 days of a Change in Control as provided by section 7.2 of the Stock Incentive Plan.

Any distribution to be made under this Section 3 shall be made no later than the 15th day of the third month following the Company's first taxable year in which the Change in Control occurs.

4. **Gross-Up on Excess Parachute Payment.**

(a) If any benefit or payment by the Company or its subsidiaries to Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, including any acceleration of vesting or payment) (a "Payment") is determined to be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being herein collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that the net amount of such additional payment retained by Executive, after payment of all federal, state and local income and employment taxes (including, without limitation, any federal, state, and local income and employment taxes and Excise Tax imposed on the Gross-Up

Payment), shall be equal to the Excise Tax imposed on the Payment. Notwithstanding the foregoing provisions of this Section 4(a), if it shall be determined that Executive is entitled to a Gross-Up Payment, but that the net present value of the Payments (calculated at the discount rate in effect under Code Section 280G) do not exceed 120% of the "Reduced Amount," then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount. For purposes of this Section, the term "Reduced Amount" shall mean the greatest amount that could be paid to the Executive such that the receipt of Payments would not give rise to any Excise Tax. The payment of any Gross-Up Payment shall be made prior to the date the Executive is to remit the Excise Tax as provided under the Code.

(b) Subject to the provisions of Section 4(c) hereto, all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent accounting firm of nationally recognized standing selected by the Company and which is not serving as accountant or auditor for the Company or the individual, entity or group effecting the Change in Control (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 30 business days of the receipt of the notice from Executive that there has been a Payment or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments will not have been made by the Company which should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) hereof and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and the amount of the Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without

limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or federal, state and local income and employment tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive, on an after-tax basis, and shall hold Executive harmless from any Excise Tax or federal, state or local income or employment tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company's control of the contest, however, shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder, and Executive shall be entitled to settle or contest, as the case may by, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 4(c), Executive becomes entitled to receive any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) In the event that the Excise Tax is subsequently determined to be less than initially determined by the Accounting Firm, Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is determined (but, if previously paid to the taxing authorities, not prior to the time the amount of such reduction is refunded to Executive or otherwise realized as a benefit by Executive) the portion of the Gross-Up Payment that would not have been paid if the Excise Tax as subsequently determined had been applied in initially calculating the Gross-Up Payment, with the amount of such repayment determined by the Accounting Firm.

5. **Confidentiality; Non-Competition.**

(a) Executive shall not at any time without the prior approval of the Company disclose to any person, firm, corporation or other entity any trade secret, confidential customer information, or other proprietary information not known within the industry or by the public generally regarding the business then being conducted by the Company, including, without limitation, financial information, marketing and sales information and business and strategic plans.

(b) Executive shall not at any time during the term of this Agreement and within three years following the termination of his employment with the Company, (i) solicit any persons who are employed by the Company to terminate their employment with the Company, and (ii) directly or indirectly (either individually or as an agent, employee, director, officer, stockholder, partner or individual proprietor, consultant or as an investor who has made advances of loan capital or contributions to equity capital), engage in any activity which he knows (or reasonably should have known) to be competitive with the business of the Company as then being carried on. Nothing in this Agreement, however, shall prevent Executive from owning, as an investment, up to two percent (2%) of the outstanding equity capital of any competitor of the Company, shares of which are regularly traded on a national securities exchange or in over-the-counter markets. The restrictions set forth in this Section 5 shall not apply in the event of a termination of Executive's employment pursuant to Section 1.

6. Section 409A Acknowledgement.

Executive acknowledges that he has been advised of Section 409A, which has significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Executive has been advised that Executive's severance pay and other Termination benefits may be treated by the Internal Revenue Service as "nonqualified deferred compensation," subject to Section 409A. In that event, several provisions in Section 409A may affect Executive's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" (as defined in Section 409A) on account of separation from service may not be made earlier than six (6) months after the effective date of separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% excise tax. As a result of the requirements imposed by the American Jobs Creation Act

of 2004, Executive agrees that if Executive is a "specified employee" at the time of Executive's termination and if severance payments are covered as "nonqualified deferred compensation" or otherwise not exempt, such severance pay (and other benefits to the extent applicable) due Executive at time of termination shall not be paid until a date at least six (6) months after Executive's effective termination date. Executive acknowledges that, notwithstanding anything contained herein to the contrary, both Executive and the Company shall each be independently responsible for accessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement which may be deemed to trigger Section 409A. To the extent applicable, Executive understands and agrees that Executive shall have the responsibility for, and Executive agrees to pay, any and all appropriate income tax or other tax obligations for which Executive is individually responsible and/or related to receipt of any benefits provided in this Agreement. Executive agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to Executive or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Executive understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide Executive with any legal or financial advice concerning taxes or any other matter, and that Executive has not relied on any such advice in deciding whether to enter into this Agreement. Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Executive to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Executive regarding such amendments or modifications prior to the effective date of any such change.

7. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

(a) "Annual Base Salary" means the annualized amount of Executive's rate of base salary in effect immediately before the Change in Control or immediately before the date of Termination, whichever is greater.

(b) "Cause" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries.

(c) A "Change in Control" shall be deemed to occur on:

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or indirectly, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 ("Beneficial Owner"), of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any of its Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, (y) the acquisition of Company securities directly from the Company, or (z) the acquisition of Company securities by one or more members of the Hillenbrand Family (which term shall mean descendants of John A. Hillenbrand and their spouses, trusts primarily for their benefit or entities controlled by them);

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Company's Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which a majority of the members of the Board consist of persons other than Current Directors (which term shall mean

any member of the Board on the date hereof and any member whose nomination or election has been approved by a majority of Current Directors then on the Board);

(iv) the consummation of a sale or other disposition of all or substantially all of the assets of the Company; or

(v) the date of approval by the shareholders of the Company of a plan of complete liquidation of the Company.

(d) "Good Reason" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries

(e) "Normal Retirement Benefit" shall have the meaning set forth in the Pension Plan.

(f) "Pension Plan" means the Hillenbrand Inc. Pension Plan as amended from time to time.

(g) "Section 409A" means Section 409A of the Internal Revenue Code.

(h) "Short-Term Incentive Compensation" means the Incentive Compensation payable under the Short-Term Incentive Compensation Program, or any successor or other short-term incentive plan or program.

(i) "Early Retirement Benefits" early retirement benefits shall have the meaning set forth in the pension plan which defines the age at which full, unreduced benefits are available without any early retirement reduction being applied

(j) "Executive Life Insurance Bonus Program" shall mean a program under which the Company pays the annual premium for a whole life insurance policy on the life of Executive.

(k) "Supplemental Pension Plan" means the SERP or any successor long-term supplemental pension plan or program or any other commitment made by the company to provide retirement benefits in addition to those provided by the pension plan trust.

(l) "Defined Contribution Accounts", "Matching Accounts", and "Supplemental Contribution Accounts" shall have the meanings set forth in the Company's Supplemental Executive Retirement Program ("SERP").

8. **Notice.**

(a) Any discharge or termination of Executive's employment pursuant to Section 1 shall be communicated in a written notice to the other party hereto setting forth the

effective date of such discharge or termination (which date shall not be more than 30 days after the date such notice is delivered) and, in the case of a discharge for Cause or a termination for Good Reason the basis for such discharge or termination.

(b) For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to One Batesville Boulevard, Batesville, Indiana 47006 provided that all notices to the Company shall be directed to the attention of the Board with a copy to Vice President and General Counsel, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. **No Duty to Mitigate.** Executive is not required to seek other employment or otherwise mitigate the amount of any payments to be made by the Company pursuant to this Agreement.

10. **Assignment.**

(a) This Agreement is personal to Executive and shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, to expressly assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it if no such succession had taken place.

11. **Arbitration.** Any dispute or controversy arising under, related to or in connection with this Agreement shall be settled exclusively by arbitration before a single arbitrator in Cincinnati, Ohio, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator's award shall be final and binding on all parties to this Agreement. Judgment may be entered on an arbitrator's award in any court having competent jurisdiction.

12. **Integration.** This Agreement supersedes and replaces any prior oral or written agreements or understandings in respect of the matters addressed hereby.

13. **Amendment.** This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

14. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

15. **Withholding.** The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of Indiana without reference to principles of conflict of laws.

17. **Attorney's Fees.** If any legal proceeding (whether in arbitration, at trial or on appeal) is brought under or in connection with this Agreement, each party shall pay its own expenses, including attorneys' fees.

18. **Term of Agreement.** The term of this Agreement shall be one (1) year commencing on the date hereof; provided however, that this Agreement shall be automatically renewed for successive one-year terms commencing on each anniversary of the date of this Agreement unless the Company shall have given notice of non-renewal to Executive at least 30 days prior to the scheduled termination date; and further provided that notwithstanding the foregoing, this Agreement shall not terminate (i) within three years after a Change in Control or (ii) during any period of time when a transaction which would result in a Change in Control is pending or under consideration by the Board. The termination of this Agreement shall not adversely affect any rights to which Executive has become entitled prior to such termination. In addition, Section 5(a) shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above set forth.

HILLENBRAND, INC.

By _____
Title President and Chief Executive Officer

_____
Executive

EXHIBIT 10.10

OFFICER INDEMNITY AGREEMENT

THIS AGREEMENT is made as of _____, 20_____, by and between Hillenbrand, Inc., an Indiana corporation (the "Corporation"), and _____ (the "Officer").

WHEREAS, the Corporation is aware that competent and experienced persons are increasingly reluctant to serve as officers of corporations unless they are protected by officer liability insurance and/or indemnification, due to the increasing amount of litigation against officers and the increasing expense of defending such claims; and

WHEREAS, it is essential to the Corporation to retain and attract as officers the most capable and qualified persons available; and

WHEREAS, the Corporation's articles of incorporation and the Indiana Business Corporation Law, by their nonexclusive nature, permit contracts between the Corporation and its officers with respect to indemnification of officers.

NOW, THEREFORE, the Corporation and the Officer agree as follows:

1. **Definitions**. As used in this Agreement:

(a) "expenses" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements and other out-of-pocket costs) actually and reasonably incurred by the Officer in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement; provided, however, that expenses shall not include any judgments, fines, ERISA excise taxes or penalties or amounts paid in settlement of a proceeding.

(b) "proceeding" includes, without limitation, any threatened, pending, or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, whether by a third party or by or in the right of the Corporation, by reason of the fact that the Officer is or was an officer of the Corporation or, while an officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, or an affiliate of the Corporation, whether for profit or not.

2. **Indemnity**. The Corporation shall indemnify the Officer in accordance with the provisions of this Section 2 if the Officer is a party to or threatened to be made a party to any proceeding against all expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Officer in connection with such proceeding, but only (a) if the Officer

acted in good faith, and (b) (i) in the case of conduct in the Officer's official capacity with the Corporation, if the Officer acted in a manner which the Officer reasonably believed to be in the best interests of the Corporation, or (ii) in the case of conduct other than in the Officer's official capacity with the Corporation, if the Officer acted in a manner which the Officer reasonably believed was at least not opposed to the best interests of the Corporation, and (c) in the case of a criminal proceeding, the Officer had reasonable cause to believe that the Officer's conduct was lawful or had no reasonable cause to believe that the Officer's conduct was unlawful, and (d) if required by the Indiana Business Corporation Law, as amended or as may be amended, revised or superseded (the "Act"), the Corporation makes a determination that indemnification of the Officer is permissible because the Officer has met the standard of conduct as set forth in the Act.

3. **Indemnification of Expenses of Successful Party**. Notwith-standing any other provisions of this Agreement, to the extent that the Officer has been wholly successful, on the merits or otherwise, in the defense of any proceeding or in defense of any claim, issue or matter therein, including the dismissal of an action without prejudice, the Corporation shall indemnify the Officer against all expenses incurred in connection therewith.

4. **Additional Indemnification**. Notwithstanding any limitation in Sections 2 or 3, the Corporation shall indemnify the Officer to the full extent authorized or permitted by any amendments to or replacements of the Act adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers if the Officer is a party to or threatened to be made a party to any proceeding against all expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Officer in connection with such proceeding.

5. **Exclusions**. Notwithstanding any provision in this Agreement, the Corporation shall not be obligated under this Agreement to make any indemnity or advance expenses in connection with any claim made against the Officer:

(a) for which payment has actually been made to or on behalf of the Officer under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under such insurance or other indemnity provision;

(b) if a court having jurisdiction in the matter shall finally determine that the Officer derived an improper personal benefit from any transaction;

(c) if a court having jurisdiction in the matter shall finally determine that the Officer is liable for disgorgement of profits resulting from the purchase and sale or sale and purchase by the Officer of securities of the Corporation in violation of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law or common law;

(d) if a court having jurisdiction in the matter shall finally determine that such indemnification is not lawful under any applicable statute or public policy (in this respect, if applicable, both the Corporation and the Officer have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under the

federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication); or

(e) in connection with any proceeding (or part thereof) initiated by the Officer against the Corporation or its directors, officers or employees, unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Corporation, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, or (iv) the proceeding is initiated pursuant to Section 8 hereof and the Officer is successful in whole or in part in such proceeding.

6. **Advancement of Expenses**. The expenses incurred by the Officer in any proceeding shall be paid promptly by the Corporation upon demand and in advance of final disposition of the proceeding at the written request of the Officer, if (a) the Officer furnishes the Corporation with a written affirmation of the Officer's good faith belief that the Officer has met the standard of conduct required by the Act or this Agreement, (b) the Officer furnishes the Corporation with a written undertaking to repay such advance to the extent that it is ultimately determined that the Officer did not meet the standard of conduct that would entitle the Officer to indemnification, and (c) if required by the Act, the Corporation makes a determination that the facts known to those making the determination would not preclude indemnification under the Act. Such advances shall be made without regard to the Officer's ability to repay such expenses.

7. **Notification and Defense of Claim**. As soon as practicable after receipt by the Officer of notice of the commencement of any proceeding, the Officer will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of the commencement thereof; provided, however, that the omission so to notify the Corporation will not relieve the Corporation from any liability which it may have to the Officer otherwise than under this Agreement. With respect to any such proceeding as to which the Officer notifies the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense.

(b) Except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with legal counsel reasonably satisfactory to the Officer. The Officer shall have the right to employ separate counsel in such proceeding, but the Corporation shall not be liable to the Officer under this Agreement, including Section 6 hereof, for the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense, unless (i) the Officer reasonably concludes that there may be a conflict of interest between the Corporation and the Officer in the conduct of the defense of such proceeding or (ii) the Corporation does not employ counsel to assume the defense of such proceeding. The Corporation shall not be entitled to assume the defense of any proceeding brought by the Corporation or as to which the Officer shall have made the conclusion provided for in (i) above.

(c) If two or more persons who may be entitled to indemnification from the Corporation, including the Officer, are parties to any proceeding, the Corporation may require the Officer to engage the same legal counsel as the other parties. The Officer shall have the right

to employ separate legal counsel in such proceeding, but the Corporation shall not be liable to the Officer under this Agreement, including Section 6 hereof, for the fees and expenses of such counsel incurred after notice from the Corporation of the requirement to engage the same counsel as other parties, unless the Officer reasonably concludes that there may be a conflict of interest between the Officer and any of the other parties required by the Corporation to be represented by the same legal counsel.

(d) The Corporation shall not be liable to indemnify the Officer under this Agreement for any amounts paid in settlement of any proceeding effected without its written consent in advance which consent shall not be unreasonably withheld. The Corporation shall be permitted to settle any proceeding the defense of which it assumes, except the Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on the Officer without the Officer's written consent, which consent shall not be unreasonably withheld.

8. **Enforcement**. Any right to indemnification or advances granted by this Agreement to the Officer shall be enforceable by or on behalf of the Officer in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of a written request therefor. The Officer, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. Neither the failure of the Corporation (including its Board of Directors or its shareholders) to make a determination prior to the commencement of such enforcement action that indemnification of the Officer is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors or its shareholders) that such indemnification is improper, shall be a defense to the action or create a presumption that the Officer is not entitled to indemnification under this Agreement or otherwise. The termination of any proceeding by judgment, order of court, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Officer is not entitled to indemnification under this Agreement or otherwise.

9. **Partial Indemnification**. If the Officer is entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Officer in the investigation, defense, appeal or settlement of any proceeding but not, however, for the total amount thereof, the Corporation shall indemnify the Officer for the portion of such expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement to which the Officer is entitled.

10. **Term**. The term of this Agreement shall begin on the date first written above and shall terminate at such time as the Officer no longer serves as an officer of the Corporation, subject to the survival of rights of indemnification set forth in paragraph 11 below.

11. **Nonexclusivity; Survival; Successors and Assigns**. The indemnification and advance payment of expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Officer may be entitled under the Corporation's articles of incorporation, the by-laws, any other agreement, any vote of shareholders or directors, the Act, or otherwise, both as to action in the Officer's official capacity and as to action in another capacity while holding such office. The right of the Officer to indemnification under this

Agreement shall vest at the time of occurrence or performance of any event, act or omission or any alleged event, act or omission giving rise to any action, suit or proceeding and, once vested, shall survive any actual or purported termination of this Agreement by the Corporation or its successors or assigns whether by operation of law or otherwise and shall survive termination of the Officer's services to the Corporation and shall inure to the benefit of the heirs, personal representatives and estate of the Officer. This Agreement shall be binding, and the Corporation shall take such action to ensure that it is binding, upon all successors and assigns of the Corporation, including any transferee of all or substantially all of its assets and any successor by merger, consolidation, or operation of law.

12. **Severability**. If this Agreement or any portion thereof is invali-dated on any ground by any court of competent jurisdiction, the Corporation shall indemnify the Officer as to expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement with respect to any proceeding to the full extent permitted by any applicable portion of this Agreement that is not invalidated or by any other applicable law.

13. **Subrogation**. In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Officer, who shall execute all documents required and shall do all acts necessary or desirable to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights.

14. **Modification and Waiver**. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provisions hereof (whether or nor similar) nor shall such waiver constitute a continuing waiver.

15. **Notices**. All notices, requests, demands and other communica-tions hereunder shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, at the time of such delivery, or (ii) if mailed by certified or registered mail, return receipt requested, with postage prepaid, three (3) business days after deposit into the United States mail if to an address in the United States, or if delivered by recognized overnight courier three (3) business days after receipt by such courier if to an address outside the United States:

(a) If to the Officer, at the address indicated above.

(b) If to the Corporation, to:

Hillenbrand, Inc.
One Batesville Boulevard
Batesville, Indiana 47006
Attention: General Counsel

or to such other address as may have been furnished to either party by the other party.

16. **Counterparts**. This Agreement may be executed in any number of counterparts, which shall together constitute one agreement.

17. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to conflicts of laws principles requiring application of the substantive laws of another jurisdiction.

18. **Scope of Agreement**. This Agreement constitutes the entire agreement between the parties hereto for the purposes herein contained, and this Agreement shall supercede any other agreements, understandings, representations, or warranties, oral or written, relating to the subject matter of this Agreement, which shall be deemed to exist or to bind any of the parties hereto or their respective successors or assigns, except as expressly referred to herein.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

HILLENBRAND, INC.

By: _____

John R. Zerkle,
Senior Vice President, General
Counsel and Secretary

OFFICER

_____

EXHIBIT 10.11

DIRECTOR INDEMNITY AGREEMENT

THIS AGREEMENT is made as of _____, 20_____, by and between Hillenbrand, Inc., an Indiana corporation (the "Corporation"), and _____ (the "Director").

WHEREAS, the Corporation is aware that competent and experienced persons are increasingly reluctant to serve as directors of corporations unless they are protected by director liability insurance and/or indemnification, due to the increasing amount of litigation against directors and the increasing expense of defending such claims, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors; and

WHEREAS, it is essential to the Corporation to retain and attract as directors the most capable and qualified persons available; and

WHEREAS, it is now and has been the express policy of the Corporation to indemnify its directors so as to provide them with the maximum possible protection permitted by law; and

WHEREAS, the Corporation's articles of incorporation and the Indiana Business Corporation Law, by their nonexclusive nature, permit contracts between the Corporation and its directors with respect to indemnification of directors.

NOW, THEREFORE, the Corporation and the Director agree as follows:

1. **Definitions**. As used in this Agreement:

(a) "expenses" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements and other out-of-pocket costs) actually and reasonably incurred by the Director in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement; provided, however, that expenses shall not include any judgments, fines, ERISA excise taxes or penalties or amounts paid in settlement of a proceeding.

(b) "proceeding" includes, without limitation, any threatened, pending, or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, whether by a third party or by or in the right of the Corporation, by reason of the fact that the Director is or was a director of the Corporation or, while a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, or an affiliate of the Corporation, whether for profit or not.

2. **Indemnity**. The Corporation shall indemnify the Director in accordance with the provisions of this Section 2 if the Director is a party to or threatened to be made a party to any proceeding against all expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Director in connection with such proceeding, but only (a) if the Director acted in good faith, and (b) (i) in the case of conduct in the Director's official capacity with the Corporation, if the Director acted in a manner which the Director reasonably believed to be in the best interests of the Corporation, or (ii) in the case of conduct other than in the Director's official capacity with the Corporation, if the Director acted in a manner which the Director reasonably believed was at least not opposed to the best interests of the Corporation, and (c) in the case of a criminal proceeding, the Director had reasonable cause to believe that the Director's conduct was lawful or had no reasonable cause to believe that the Director's conduct was unlawful, and (d) if required by the Indiana Business Corporation Law, as amended or as may be amended, revised or superseded (the "Act"), the Corporation makes a determination that indemnification of the Director is permissible because the Director has met the standard of conduct as set forth in the Act.

3. **Indemnification of Expenses of Successful Party**. Notwithstanding any other provisions of this Agreement, to the extent that the Director has been wholly successful, on the merits or otherwise, in the defense of any proceeding or in defense of any claim, issue or matter therein, including the dismissal of an action without prejudice, the Corporation shall indemnify the Director against all expenses incurred in connection therewith.

4. **Additional Indemnification**. Notwithstanding any limitation in Sections 2 or 3, the Corporation shall indemnify the Director to the full extent authorized or permitted by any amendments to or replacements of the Act adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its directors if the Director is a party to or threatened to be made a party to any proceeding against all expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Director in connection with such proceeding.

5. **Exclusions**. Notwithstanding any provision in this Agreement, the Corporation shall not be obligated under this Agreement to make any indemnity or advance expenses in connection with any claim made against the Director:

(a) for which payment has actually been made to or on behalf of the Director under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under such insurance or other indemnity provision;

(b) if a court having jurisdiction in the matter shall finally determine that the Director derived an improper personal benefit from any transaction;

(c) if a court having jurisdiction in the matter shall finally determine that the Director is liable for disgorgement of profits resulting from the purchase and sale or sale and purchase by the Director of securities of the Corporation in violation of Section 16(b) of the Securities

Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law or common law;

(d) if a court having jurisdiction in the matter shall finally determine that such indemnification is not lawful under any applicable statute or public policy (in this respect, if applicable, both the Corporation and the Director have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication); or

(e) in connection with any proceeding (or part thereof) initiated by the Director against the Corporation or its directors, officers or employees, unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Corporation, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, or (iv) the proceeding is initiated pursuant to Section 8 hereof and the Director is successful in whole or in part in such proceeding.

6. **Advancement of Expenses**. The expenses incurred by the Director in any proceeding shall be paid promptly by the Corporation upon demand and in advance of final disposition of the proceeding at the written request of the Director, if (a) the Director furnishes the Corporation with a written affirmation of the Director's good faith belief that the Director has met the standard of conduct required by the Act or this Agreement, (b) the Director furnishes the Corporation with a written undertaking to repay such advance to the extent that it is ultimately determined that the Director did not meet the standard of conduct that would entitle the Director to indemnification, and (c) if required by the Act, the Corporation makes a determination that the facts known to those making the determination would not preclude indemnification under the Act. Such advances shall be made without regard to the Director's ability to repay such expenses.

7. **Notification and Defense of Claim**. As soon as practicable after receipt by the Director of notice of the commencement of any proceeding, the Director will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of the commencement thereof; provided, however, that the omission so to notify the Corporation will not relieve the Corporation from any liability which it may have to the Director otherwise than under this Agreement. With respect to any such proceeding as to which the Director notifies the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense.

(b) Except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with legal counsel reasonably satisfactory to the Director. The Director shall have the right to employ separate counsel in such proceeding, but the Corporation shall not be liable to the Director under this Agreement, including Section 6 hereof, for the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the

defense, unless (i) the Director reasonably concludes that there may be a conflict of interest between the Corporation and the Director in the conduct of the defense of such proceeding or (ii) the Corporation does not employ counsel to assume the defense of such proceeding. The Corporation shall not be entitled to assume the defense of any proceeding brought by the Corporation or as to which the Director shall have made the conclusion provided for in (i) above.

(c) If two or more persons who may be entitled to indemnification from the Corporation, including the Director, are parties to any proceeding, the Corporation may require the Director to engage the same legal counsel as the other parties. The Director shall have the right to employ separate legal counsel in such proceeding, but the Corporation shall not be liable to the Director under this Agreement, including Section 6 hereof, for the fees and expenses of such counsel incurred after notice from the Corporation of the requirement to engage the same counsel as other parties, unless the Director reasonably concludes that there may be a conflict of interest between the Director and any of the other parties required by the Corporation to be represented by the same legal counsel.

(d) The Corporation shall not be liable to indemnify the Director under this Agreement for any amounts paid in settlement of any proceeding effected without its written consent in advance which consent shall not be unreasonably withheld. The Corporation shall be permitted to settle any proceeding the defense of which it assumes, except the Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on the Director without the Director's written consent, which consent shall not be unreasonably withheld.

8. **Enforcement**. Any right to indemnification or advances granted by this Agreement to the Director shall be enforceable by or on behalf of the Director in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of a written request therefor. The Director, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. Neither the failure of the Corporation (including its Board of Directors or its shareholders) to make a determination prior to the commencement of such enforcement action that indemnification of the Director is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors or its shareholders) that such indemnification is improper, shall be a defense to the action or create a presumption that the Director is not entitled to indemnification under this Agreement or otherwise. The termination of any proceeding by judgment, order of court, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Director is not entitled to indemnification under this Agreement or otherwise.

9. **Partial Indemnification**. If the Director is entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Director in the investigation, defense, appeal or settlement of any proceeding but not, however, for the total amount thereof, the Corporation shall indemnify the Director for the portion of such expenses,

judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement to which the Director is entitled.

10. **Term**. The term of this Agreement shall begin on the date first written above and shall terminate at such time as the Director no longer serves as a director of the Corporation, subject to the survival of rights of indemnification set forth in paragraph 11 below.

11. **Nonexclusivity; Survival; Successors and Assigns**. The indemnification and advance payment of expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Director may be entitled under the Corporation's articles of incorporation, the by-laws, any other agreement, any vote of shareholders or disinterested directors, the Act, or otherwise, both as to action in the Director's official capacity and as to action in another capacity while holding such office. The right of the Director to indemnification under this Agreement shall vest at the time of occurrence or performance of any event, act or omission or any alleged event, act or omission giving rise to any action, suit or proceeding and, once vested, shall survive any actual or purported termination of this Agreement by the Corporation or its successors or assigns whether by operation of law or otherwise and shall survive termination of the Director's services to the Corporation and shall inure to the benefit of the heirs, personal representatives and estate of the Director. This Agreement shall be binding, and the Corporation shall take such action to ensure that it is binding, upon all successors and assigns of the Corporation, including any transferee of all or substantially all of its assets and any successor by merger, consolidation, or operation of law.

12. **Severability**. If this Agreement or any portion thereof is invalidated on any ground by any court of competent jurisdiction, the Corporation shall indemnify the Director as to expenses, judgments, fines (including any excise tax or penalty assessed with respect to any employee benefit plan) and amounts paid in settlement with respect to any proceeding to the full extent permitted by any applicable portion of this Agreement that is not invalidated or by any other applicable law.

13. **Subrogation**. In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Director, who shall execute all documents required and shall do all acts necessary or desirable to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights.

14. **Modification and Waiver**. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provisions hereof (whether or nor similar) nor shall such waiver constitute a continuing waiver.

15. **Notices**. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, at the time of such delivery, or (ii) if mailed by certified or registered mail, return receipt requested, with postage prepaid, three (3) business days after deposit into the United States mail

if to an address in the United States, or if delivered by recognized overnight courier three (3) business days after receipt by such courier if to an address outside the United States:

(a) If to the Director, at the address indicated above.

(b) If to the Corporation, to:

Hillenbrand, Inc.
One Batesville Boulevard
Batesville, Indiana 47006
Attention: General Counsel

or to such other address as may have been furnished to either party by the other party.

16. **Counterparts**. This Agreement may be executed in any number of counterparts, which shall together constitute one agreement.

17. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to conflicts of laws principles requiring application of the substantive laws of another jurisdiction.

18. **Scope of Agreement**. This Agreement constitutes the entire agreement between the parties hereto for the purposes herein contained, and this Agreement shall supercede any other agreements, understandings, representations, or warranties, oral or written, relating to the subject matter of this Agreement, which shall be deemed to exist or to bind any of the parties hereto or their respective successors or assigns, except as expressly referred to herein.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

HILLENBRAND, INC.

By: _____
John R. Zerkle,
Senior Vice President, General Counsel
and Secretary

DIRECTOR

_____

EXHIBIT 10.12

HILLENBRAND, INC.
STOCK INCENTIVE PLAN

R E C I T A L S

WHEREAS, in accordance with that certain Distribution Agreement (as defined below), Hillenbrand Industries, Inc. (to be re-named Hill-Rom Holdings, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "RemainCo" or "Hill-Rom Holdings, Inc.") proposes to distribute its entire ownership interest in Batesville Holdings, Inc. (to be re-named Hillenbrand, Inc. prior to or effective upon the Distribution and hereinafter referred to in these recitals as "SpinCo or "Hillenbrand, Inc.") through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock ("Distribution"); and

WHEREAS, RemainCo and SpinCo have entered into that certain Employee Matters Agreement (as defined below) for the purpose of continuing benefits for the pre-Distribution directors, employees and consultants of RemainCo and its subsidiaries; and

WHEREAS, in accordance with Section 2.5 of the Employee Matters Agreement, SpinCo is to adopt and implement a Stock Incentive Plan with features that are comparable to the Hillenbrand Industries, Inc. Stock Incentive Plan, as amended, to be effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement.

SECTION 1. Purpose and Types of Awards

1.1 The purposes of the Hillenbrand, Inc. Stock Incentive Plan (the "***Plan***") are to enable Hillenbrand, Inc. (the "***Company***") to attract, retain and reward its employees, officers and directors, and strengthen the mutuality of interests between such persons and the Company's shareholders by offering such persons an equity interest in the Company and thereby enabling them to participate in the long-term success and growth of the Company.

1.2 Awards under the Plan may be in the form of (i) Stock Options; (ii) Stock Appreciation Rights; (iii) Restricted Stock; (iv) Deferred Stock; and/or (v) Bonus Stock. Awards may be free-standing or granted in tandem. If two awards are granted in tandem, the award holder may exercise (or otherwise receive the benefit of) one award only to the extent he or she relinquishes the tandem award.

SECTION 2. Definitions

"***Board***" shall mean the Board of Directors of the Company.

"***Bonus Stock***" shall mean an award described in Section 10 of the Plan.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"***Committee***" shall mean the committee of the Board designated by the Board to administer the Plan, or if no committee is designated, and in any case with respect to awards to non-employee directors, the entire Board.

"***Common Stock***" shall mean the common stock of the Company, without par value.

"***Company***" shall mean Hillenbrand, Inc. and its successors.

"***Deferred Stock***" shall mean an award described in Section 9 of the Plan and also known as Restricted Stock Units.

"***Distribution***" shall have the meaning set forth in the recitals.

"***Distribution Agreement***" shall mean the Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March ___, 2008.

*"**Effective Date**"* shall mean the date of the consummation of the transactions contemplated by the Distribution Agreement.

*"**Effective Time**"* shall mean the occurrence of the consummation of the transaction contemplated by the Distribution Agreement.

"***Employee***" shall mean an employee of the Company or of any Subsidiary of the Company.

"***Employee Matters Agreement***" shall mean the Employee Matters Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of ___, 2008.

"***Fair Market Value***" of the Common Stock on any date shall mean the value determined in good faith by the Committee, by formula or otherwise; provided, however, that unless the Committee determines to use a different measure, the fair market value of the Common Stock shall be the average of the high and the low sales prices of the Common Stock (on such exchange or market as is determined by the Board to be the primary market for the Common Stock) on the date in question (or if shares of Common Stock were not traded on such date, then on the next preceding trading day on which a sale of Common Stock occurred).

"***Hillenbrand Industries Common Stock***" shall have the meaning set forth in Section 5.3.

"***Hillenbrand Industries Deferred Stock***" shall have the meaning set forth in Section 5.3.

"***Hillenbrand Industries Options***" shall have the meaning set forth in Section 5.3.

"***Hillenbrand Industries Stock Incentive Plan***" shall mean the Hillenbrand Industries, Inc. Stock Incentive Plan, as amended, which is in effect immediately prior to the Effective Time.

"***Incentive Option***" shall mean a Stock Option granted under the Plan which both is designated as an Incentive Option and qualifies as an incentive stock option within the meaning of Section 422 of the Code.

*"**Non-Employee Director**"* shall mean a director of the Company who is not employed by the Company or any of its Subsidiaries.

"***Non-Qualified Option***" shall mean a Stock Option granted under the Plan, which either is designated as a Non-Qualified Option or does not qualify as an incentive stock option within the meaning of Section 422 of the Code.

"***Optionee***" shall mean any person who has been granted a Stock Option under the Plan or who is otherwise entitled to exercise a Stock Option.

"***Option Period***" shall mean, with respect to any portion of a Stock Option, the period after such portion has become exercisable and before it has expired or terminated.

"***Plan***" shall mean the Hillenbrand, Inc. Stock Incentive Plan.

"***Prior Plans***" shall mean the Hillenbrand Industries, Inc. 1996 Stock Option Plan and the Hillenbrand Industries Stock Incentive Plan.

"***Relationship***" shall mean the status of employee, officer, or director of the Company or any Subsidiary of the Company.

"***Restricted Stock***" shall mean an award described in Section 8 of the Plan.

"***Spinoff Awards***" shall have the meaning set forth in Section 5.5.

"***Spinoff Deferred Stock***" shall have the meaning set forth in Section 5.3.

"***Spinoff Options***" shall have the meaning set forth in Section 5.3.

"***Stock Appreciation Right***" shall mean an award described in Section 7 of the Plan.

"***Stock Option***" shall mean an Incentive Option or a Non-Qualified Option, and, unless the context requires otherwise, shall include Director Options.

"***Subsidiary***" shall mean any corporation, partnership, joint venture or other entity in which the Company owns, directly or indirectly, more than 50% of the ownership interests.

SECTION 3. Administration

3.1 The Plan shall be administered by the Committee. Notwithstanding anything to the contrary contained herein, only the Board shall have authority to grant awards to Non-Employee Directors and to amend and interpret such awards.

3.2 The Committee shall have the following authority and discretion with respect to awards under the Plan: to grant and amend (provided however that no amendment shall impair the rights of the award holder without his or her written consent) awards to eligible persons under the Plan; to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall deem advisable; to interpret the terms and provisions of the Plan and any award granted under the Plan; and to make all factual and other determinations necessary or advisable for the administration of the Plan. In particular, and without limiting its authority and powers, the Committee shall have the authority and discretion:

(a) to select the persons to whom awards will be granted from among those eligible;

(b) to determine the number of shares of Common Stock to be covered by each award granted hereunder subject to the limitations contained herein;

(c) to determine the terms and conditions of any award granted hereunder, including, but not limited to, any vesting or other restrictions based on such continued employment, performance objectives and such other factors as the Committee may establish, and to determine whether the terms and conditions of the award have been satisfied;

(d) to determine the treatment of awards upon an Employee's retirement, disability, death, termination for cause or other termination of employment, or during a leave of absence or upon a Non-Employee Director's termination of Relationship as allowed by law;

(e) to determine that the award holder has no rights with respect to any dividends declared with respect to any shares covered by an award or that amounts equal to the amount of any dividends declared with respect to the number of shares covered by an award (i) will be paid to the award holder currently or (ii) will be deferred and deemed to be reinvested or (iii) will otherwise be credited to the award holder;

(f) to determine whether, to what extent, and under what circumstances Common Stock and other amounts payable with respect to an award will be deferred either automatically or at the election of an award holder, including providing for and determining the amount (if any) of deemed earnings on any deferred amount during any deferral period;

(g) to amend the terms of any award, prospectively or retroactively; provided, however, that no amendment shall impair the rights of the award holder without his or her written consent;

(h) after considering any accounting impact to the Company, to substitute new Stock Options for previously granted Stock Options, or for options granted under other plans or agreements, in each case including previously granted options having higher option prices;

(i) to determine, pursuant to a formula or otherwise, the Fair Market Value of the Common Stock on a given date;

(j) after considering any accounting impact to the Company, to provide that the shares of Common Stock received as a result of an award shall be subject to a right of repurchase by the Company and/or a right of first refusal, in each case subject to such terms and conditions as the Committee may specify;

(k) to adopt one or more sub-plans, consistent with the Plan, containing such provisions as may be necessary or desirable to enable awards under the Plan to comply with the laws of other jurisdictions and/or qualify for preferred tax treatment under such laws; and

(l) to delegate such administrative duties as it may deem advisable to one or more of its members or to one or more Employees or agents.

3.3 The Committee shall have the right to designate awards as "Performance Awards." The grant or vesting of a Performance Award shall be subject to the achievement of performance objectives established by the Committee based on one or more of the following criteria, in each case applied to the Company on a consolidated basis and/or to a business unit and which the Committee may use as an absolute measure, as a measure of improvement relative to prior performance, or as a measure of comparable performance relative to a peer group of companies: sales, operating profits, operating profits before taxes, operating profits before interest expense and taxes, net earnings, earnings per share, return on equity, return on assets, return on invested capital, total shareholder return, cash flow, debt to equity ratio, market share, stock price, economic value added, and market value added.

3.4 All determinations and interpretations made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and award holders. Determinations by the Committee under the Plan relating to the form, amount, and terms and conditions of awards need not be uniform, and may be made selectively among persons who receive or are eligible to receive awards under the Plan, whether or not such persons are similarly situated.

3.5 The Committee shall act by a majority of its members at a meeting (present in person or by conference telephone) or by majority written consent.

3.6 No member of the Board or the Committee, nor any officer or Employee of the Company or its Subsidiaries acting on behalf of the Board or the Committee, shall be personally liable for any action, determination or interpretation taken or made with respect to the Plan or any award hereunder. The Company shall indemnify all members of the Board and the Committee and all such officers and Employees acting on their behalf, to the extent permitted by law, from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of such persons' duties, responsibilities and obligations under the Plan.

SECTION 4. Stock Subject to Plan

4.1 The total number of shares of Common Stock which may be issued under the Plan shall be 4,635,436, subject to adjustment as provided in Section 4.4. Such shares may consist of authorized but unissued shares or shares that have been issued and reacquired by the Company. The exercise of a Stock Appreciation Right for cash or the payment of any award in cash shall not count against this share limit.

4.2 To the extent a Stock Option is surrendered for cash or terminates without having been exercised, or an award terminates without the holder having received payment of the award, or shares awarded are forfeited, the shares subject to such award shall again be available for distribution in connection with future awards under the Plan. Shares of Common Stock equal in number to the shares surrendered in payment of the option price, and shares of Common Stock which are withheld in order to satisfy federal, state or local tax liability shall count against the share limit set forth in Section 4.1.

4.3 No Employee shall be granted Stock Options and/or Stock Appreciation Rights with respect to more than 400,000 shares of Common Stock in any fiscal year, and no Employee shall be granted Restricted Stock, Deferred Stock and/or Bonus Stock awards with respect to more than 200,000 shares of Common Stock in any fiscal year, subject to adjustment as provided in Section 4.4. Notwithstanding the foregoing, any Spinoff Awards (as defined in Section 5.3) shall not count against the foregoing fiscal year award limits.

4.4 In the event of any merger, reorganization, consolidation, sale of substantially all assets, recapitalization, stock dividend, stock split, spin-off, split-up, split-off, distribution of assets or other change in corporate structure affecting the Common Stock such that an adjustment is determined by the Board in its discretion to be appropriate, after considering any accounting impact to the Company, in order to prevent dilution or enlargement of benefits under the Plan, then the Board shall, in such a manner as it may in its discretion deem equitable, adjust any or all of (i) the aggregate number and kind of shares reserved for issuance under the Plan, and (ii) the number and kind of shares as to which awards may be granted to any individual in any fiscal year. In the event of any merger, reorganization, consolidation, sale of substantially all assets, recapitalization, stock dividend, stock split, spin-off, split-up, split-off, distribution of assets or other change in corporate structure affecting the Common Stock subject to an outstanding award, the number and kind of shares of Common Stock or other securities which are subject to this Plan or subject to any awards theretofore granted, and the exercise prices, shall be appropriately and equitably adjusted by the Board so as to maintain the proportionate number of shares or other securities without changing the aggregate exercise price, if any.

In addition, upon the dissolution or liquidation of the Company or upon any reorganization, merger, or consolidation as a result of which the Company is not the surviving corporation (or survives as a wholly-owned subsidiary of another corporation), or upon a sale of substantially all the assets of the Company, the Board may, after considering any accounting impact to the Company, take such action as it in its discretion deems appropriate to (i) accelerate the time when awards vest and/or may be exercised and/or may be paid, (ii) cash out outstanding Stock Options and/or other awards at or immediately prior to the date of such event, (iii) provide

for the assumption of outstanding Stock Options or other awards by surviving, successor or transferee corporations, (iv) provide that in lieu of shares of Common Stock of Company, the award recipient shall be entitled to receive the consideration he would have received in such transaction in exchange for such shares of Common Stock (or the Fair Market Value thereof in cash), and/or (v) provide that Stock Options shall be exercisable for a period of at least 10 business days from the date of receipt of a notice from the Company of such proposed event, following the expiration of which period any unexercised Stock Options shall terminate.

The Board's determination as to which adjustments shall be made under this Section 4.4 and the extent thereof shall be final, binding and conclusive.

4.5 No fractional shares shall be issued or delivered under the Plan. The Committee shall determine whether the value of fractional shares shall be paid in cash or other property, or whether such fractional shares and any rights thereto shall be cancelled without payment.

SECTION 5. Eligibility and Spinoff Awards

5.1 The persons who are eligible for awards under Sections 6, 7, 8, 9, and 10 of the Plan are Employees, officers and directors of the Company or of any Subsidiary of the Company. In addition, awards under such Sections may be granted to prospective Employees, officers, or directors but such awards shall not become effective until the recipient's commencement of employment or service with the Company or a Subsidiary. Incentive Options may be granted only to Employees and prospective Employees. Award recipients under the Plan shall be selected from time to time by the Committee, in its sole discretion, from among those eligible.

5.2 Non-Employee Directors shall be granted awards under Section 12 in addition to any awards which may be granted to them under other Sections of the Plan.

5.3 In connection with the Distribution and except as provided below, Stock Options to purchase Common Stock ("Spinoff Options") are granted as of the Effective Time in accordance with the terms of the Employee Matters Agreement to holders of options ("Hillenbrand Industries Options") to purchase shares of common stock, no par value, of Hillenbrand Industries, Inc. ("Hillenbrand Industries Common Stock") under the Prior Plans. The Spinoff Options granted to such holders shall be under the same terms as the corresponding options to purchase Hillenbrand Industries Common Stock held by such holders, including the rate at which the options vest and the expiration date of such options, provided that the number of shares of Common Stock under the Spinoff Options and the exercise prices of the Spinoff Options compared to their Hillenbrand Industries Option counterparts will reflect the Distribution in the manner set forth in the Employee Matters Agreement. In addition and except as provided below, Deferred Stock awards ("Spinoff Deferred Stock") is granted as of the Effective Time in accordance with the terms of the Employee Matters Agreement to holders of deferred stock relating to Hillenbrand Industries Common Stock ("Hillenbrand Industries Deferred Stock") under the Hillenbrand Industries Stock Incentive Plan. The Spinoff Deferred Stock awards granted to such holders shall be under the same terms as the corresponding deferred stock relating to Hillenbrand Industries Common Stock held by such holders, including

the rate at which the awards vest, provided that the number of shares of Common Stock under the Spinoff Deferred Stock awards compared to their Hillenbrand Industries Deferred Stock counterparts will reflect the Distribution in the manner set forth in the Employee Matters Agreement. It is intended that all grants of Spinoff Options and Spinoff Deferred Stock described in this paragraph satisfy the requirements of Section 424 of the Code, to the extent applicable, and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code. For purposes of this Section 5.3, a director of Hillenbrand Industries, Inc., who will not be a director of the Company after the Effective Time, and an employee of Hillenbrand Industries, Inc. or its Subsidiaries, who will not be an employee of the Company or its Subsidiaries after the Effective Time, shall not be treated as a holder of Hillenbrand Industries Options and/or Hillenbrand Industries Deferred Stock, even though he or she may be such a holder prior to the Effective Time and shall not be entitled to Spinoff Options and Spinoff Deferred Stock hereunder as set forth above. Notwithstanding anything herein to the contrary and except for Spinoff Option agreements and Spinoff Deferred Stock agreements for the individuals who are receiving Spinoff Options and Spinoff Deferred Stock pursuant to Section 7.1(c) and/or Sections 7.2(c) or (d), respectively, of the Employee Matters Agreement, all other Spinoff Option agreements and Deferred Stock agreements for the grants of Spinoff Options and Spinoff Deferred Stock as set forth in this Section 5.3 shall provide that as of the Effective Time, the corresponding Hillenbrand Industries Options and Hillenbrand Industries Deferred Stock are cancelled and shall have no further force or effect.

5.4 In connection with the Distribution, Spinoff Deferred Stock is granted as of the Effective Time in accordance with Section 7.2(d) of the Employee Matters Agreement to holders of Hillenbrand Industries Deferred Stock who have made an election to defer payment of the Hillenbrand Industries Deferred Stock pursuant to and under the Hillenbrand Industries Stock Incentive Plan. The Spinoff Deferred Stock Awards granted to such holders shall be under the same terms as the corresponding Hillenbrand Industries Deferred Stock held by such holders, provided that the number of shares of Common Stock under the Spinoff Deferred Stock awards compared to their Hillenbrand Industries Deferred Stock counterparts will reflect the Distribution in the manner set forth in the Employee Matters Agreement. It is intended that all grants of Spinoff Deferred Stock described in this paragraph satisfy the requirements of Section 424 of the Code, to the extent applicable, and avoid treatment as nonqualified deferred compensation subject to Section 409A of the Code.

5.5 Spinoff Options and Spinoff Deferred Stock granted pursuant to Section 5.3 and 5.4 above shall be referred to collectively herein as “Spinoff Awards.”

SECTION 6. Stock Options

6.1 The Stock Options awarded to eligible persons under the Plan may be of two types: (i) Incentive Options and (ii) Non-Qualified Options. To the extent that any Stock Option granted to an Employee does not qualify as an Incentive Option, it shall constitute a Non-Qualified Option. All Stock Options awarded to persons who are not Employees shall be Non-Qualified Options.

6.2 Subject to the following provisions, Stock Options awarded under Section 6 of the Plan shall be in such form and shall have such terms and conditions as the Committee may determine.

(a) Option Price. The option price per share of Common Stock purchasable under a Stock Option (other than a Spinoff Option) shall be determined by the Committee and may not be less than the Fair Market Value of the Common Stock on the date of the award of the Stock Option (or, with respect to awards to prospective Employees, on the first date of employment).

(b) Option Term. The term of each Stock Option shall be fixed by the Committee.

(c) Exercisability. Stock Options shall be exercisable and shall vest at such time or times and subject to such terms and conditions as shall be determined by the Committee. The Committee may impose different schedules for exercisability and vesting. After considering any accounting impact to the Company, the Committee may waive any exercise or vesting provisions or accelerate the exercisability or vesting of the Stock Option at any time in whole or in part.

(d) Method of Exercise. Stock Options may be exercised in whole or in part at any time during the Option Period by giving the Company notice of exercise in the form approved by the Committee (which may be written or electronic) specifying the number of whole shares to be purchased, accompanied by payment of the aggregate option price for such shares. Payment of the option price shall be made in such manner as the Committee may provide in the award, which may include (i) cash (including cash equivalents), (ii) delivery (either by actual delivery of the shares or by providing an affidavit affirming ownership of the shares) of shares of Common Stock already owned by the Optionee for at least six months, (iii) broker-assisted "cashless exercise" in which the Optionee delivers a notice of exercise together with irrevocable instructions to a broker acceptable to the Company to sell shares of Common Stock (or a sufficient portion of such shares) acquired upon exercise of the Stock Option and remit to the Company a sufficient portion of the sale proceeds to pay the total option price and any withholding tax obligation resulting from such exercise, (iv) any other manner permitted by law, or (v) any combination of the foregoing.

(e) No Shareholder Rights. An Optionee shall have no rights to dividends or other rights of a shareholder with respect to shares subject to a Stock Option until the Optionee has duly exercised the Stock Option and a certificate for such shares has been duly issued (or the Optionee has otherwise been duly recorded as the owner of the shares on the books of the Company).

(f) Termination of Employment or Relationship. Following the termination of an Optionee's employment or other Relationship with the Company or its Subsidiaries, the Stock Option shall be exercisable to the extent determined by the Committee. The Committee may provide different post-termination exercise provisions which may vary based on the nature of and reason for the termination. The Committee

may provide that, notwithstanding the option term fixed pursuant to Section 6.2(b), a Non-Qualified Option which is outstanding on the date of an Optionee's death shall remain outstanding for an additional period after the date of such death. The Committee shall have absolute discretion to determine the date and circumstances of any termination of employment or other Relationship.

(g) Non-transferability. Unless otherwise provided by the Committee, (i) Stock Options shall not be transferable by the Optionee other than by will or by the laws of descent and distribution, and (ii) during the Optionee's lifetime, all Stock Options shall be exercisable only by such Optionee. The Committee, in its sole discretion, may permit Stock Options to be transferred to such other transferees and on such terms and conditions as may be determined by the Committee.

(h) Surrender Rights. The Committee may, after considering any accounting impact to the Company, provide that Stock Options may be surrendered for cash upon any terms and conditions set by the Committee.

6.3 Notwithstanding the provisions of Section 6.2, Incentive Options shall be subject to the following additional restrictions:

(a) Option Term. No Incentive Option shall be exercisable more than ten years after the date such Incentive Stock Option is awarded.

(b) Additional Limitations for 10% Shareholders. No Incentive Option granted to an Employee who owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its parent or subsidiary corporations, as defined in Section 424 of the Code, shall (i) have an option price which is less than 110% of the Fair Market Value of the Common Stock on the date of award of the Incentive Option or (ii) be exercisable more than five years after the date such Incentive Option is awarded.

(c) Exercisability. The aggregate Fair Market Value (determined as of the time the Incentive Option is granted) of the shares with respect to which Incentive Options (granted under the Plan and any other plans of the Company, its parent corporation or subsidiary corporations, as defined in Section 424 of the Code) are exercisable for the first time by an Optionee in any calendar year shall not exceed $100,000.

(d) Notice of Disqualifying Disposition. An Optionee's right to exercise an Incentive Option shall be subject to the Optionee's agreement to notify the Company of any "disqualifying disposition" (for purposes of Section 422 of the Code) of the shares acquired upon such exercise.

(e) Non-transferability. Incentive Options shall not be transferable by the Optionee, other than by will or by the laws of descent and distribution. During the Optionee's lifetime, all Incentive Options shall be exercisable only by such Optionee.

(f) Last Grant Date. No Incentive Option shall be granted more than ten years after the earlier of the date of adoption of the Plan by the Board or approval of the Plan by the Company's shareholders.

The Committee may, with the consent of the Optionee, amend an Incentive Option in a manner that would cause loss of Incentive Option status, provided the Stock Option as so amended satisfies the requirements of Section 6.2.

6.4 Substitute Options. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Committee may grant Stock Options in substitution for any options or other stock awards or stock-based awards granted by such entity or an affiliate thereof. Such substitute Stock Options may be granted on such terms as the Committee deems appropriate in the circumstances, notwithstanding any limitations on Stock Options contained in other provisions of this Section 6.

SECTION 7. Stock Appreciation Rights

7.1 A Stock Appreciation Right shall entitle the holder thereof to receive, for each share as to which the award is granted, payment of an amount, in cash, shares of Common Stock, or a combination thereof, as determined by the Committee, equal in value to the excess of the Fair Market Value of a share of Common Stock on the date of exercise over the Fair Market Value of a share of Common Stock on the day such Stock Appreciation Right was granted. Any such award shall be in such form and shall have such terms and conditions as the Committee may determine. The grant shall specify the number of shares of Common Stock as to which the Stock Appreciation Right is granted.

7.2 The Committee may provide that a Stock Appreciation Right may be exercised only within the 60-day period following occurrence of a Change in Control (as defined in Section 14.2) (such Stock Appreciation Right being referred to herein as a "***Limited Stock Appreciation Right***"). The Committee may also provide that in the event of a Change in Control the amount to be paid upon exercise of a Stock Appreciation Right shall be based on the Change in Control Price (as defined in Section 14.3).

SECTION 8. Restricted Stock

Subject to the following provisions, all awards of Restricted Stock shall be in such form and shall have such terms and conditions as the Committee may determine:

(a) The Restricted Stock award shall specify the number of shares of Restricted Stock to be awarded, the price, if any, to be paid by the recipient of the Restricted Stock and the date or dates on which, or the conditions upon the satisfaction of which, the Restricted Stock will vest. The grant and/or the vesting of Restricted Stock may be conditioned upon the completion of a specified period of service with the Company and/or its Subsidiaries, upon the attainment of specified performance objectives, or upon such other criteria as the Committee may determine.

(b) Stock certificates representing the Restricted Stock awarded under the Plan shall be registered in the award holder's name, but the Committee may direct

that such certificates be held by the Company on behalf of the award holder. Except as may be permitted by the Committee, no share of Restricted Stock may be sold, transferred, assigned, pledged or otherwise encumbered by the award holder until such share has vested in accordance with the terms of the Restricted Stock award. At the time Restricted Stock vests, a certificate for such vested shares shall be delivered to the award holder (or his or her designated beneficiary in the event of death), free of all restrictions.

(c) The Committee may provide that the award holder shall have the right to vote and/or receive dividends on Restricted Stock. Unless the Committee provides otherwise, Common Stock received as a dividend on, or in connection with a stock split of, Restricted Stock shall be subject to the same restrictions as the Restricted Stock.

(d) Except as may be provided by the Committee, in the event of an award holder's termination of employment or other Relationship before all of his or her Restricted Stock has vested, or in the event any conditions to the vesting of Restricted Stock have not been satisfied prior to any deadline for the satisfaction of such conditions set forth in the award, the shares of Restricted Stock which have not vested shall be forfeited, and the Committee may provide that (i) any purchase price paid by the award holder shall be returned to the award holder or (ii) a cash payment equal to the Restricted Stock's Fair Market Value on the date of forfeiture, if lower, shall be paid to the award holder.

(e) The Committee may waive, in whole or in part, any or all of the conditions to receipt of, or restrictions with respect to, any or all of the award holder's Restricted Stock (except that the Committee may not waive conditions or restrictions with respect to awards intended to qualify under Section 162(m) of the Code unless such waiver would not cause the award to fail to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code).

SECTION 9. Deferred Stock Awards (also known as Restricted Stock Units)

Subject to the following provisions, all awards of Deferred Stock shall be in such form and shall have such terms and conditions as the Committee may determine:

(a) The Deferred Stock award shall specify the number of shares of Deferred Stock to be awarded and the duration of the period (the "***Deferral Period***") during which, and the conditions under which, receipt of the Common Stock will be deferred. The Committee may condition the grant or vesting of Deferred Stock, or receipt of Common Stock or cash at the end of the Deferral Period, upon the completion of a specified period of service with the Company and/or its Subsidiaries, upon the attainment of specified performance objectives, or upon such other criteria as the Committee may determine.

(b) Except as may be provided by the Committee, Deferred Stock awards may not be sold, assigned, transferred, pledged or otherwise encumbered during the Deferral Period.

(c) At the expiration of the Deferral Period, the award holder (or his or her designated beneficiary in the event of death) shall receive (i) certificates for the number of shares of Common Stock equal to the number of shares covered by the Deferred Stock award, (ii) cash equal to the Fair Market Value of such Common Stock, or (iii) a combination of shares and cash, as the Committee may determine.

(d) Except as may be provided by the Committee, in the event of an award holder's termination of employment or other Relationship before the Deferred Stock has vested, his or her Deferred Stock award shall be forfeited.

(e) The Committee may waive, in whole or in part, any or all of the conditions to receipt of, or restrictions with respect to, Common Stock or cash under a Deferred Stock award (except that the Committee may not waive conditions or restrictions with respect to awards intended to qualify under Section 162(m) of the Code unless such waiver would not cause the award to fail to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code).

SECTION 10. Bonus Stock Awards

The Committee may award Bonus Stock to any eligible award recipient subject to such terms and conditions as the Committee shall determine. The grant of Bonus Stock may, but need not, be conditioned upon the attainment of specified performance objectives or upon such other criteria as the Committee may determine. The Committee may waive such conditions in whole or in part (except that the Committee may not waive conditions or restrictions with respect to awards intended to qualify under Section 162(m) of the Code unless such waiver would not cause the award to fail to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code). Unless otherwise specified by the Committee, no money shall be paid by the recipient for the Bonus Stock. Alternatively, the Committee may, after considering any accounting impact to the Company, offer eligible employees the opportunity to purchase Bonus Stock at a discount from its Fair Market Value. The Bonus Stock award shall be satisfied by the delivery of the designated number of shares of Common Stock which are not subject to restriction.

SECTION 11. Election to Defer Deferred Stock Awards or Bonus Stock Awards

The Committee may permit an award recipient to elect to defer payment of an award for a specified period or until a specified event, upon such terms as are determined by the Committee. An award holder may elect to defer the distribution date of a Deferred Stock Award or Bonus Stock Award provided that such election is made and delivered to the Company in compliance with Section 409A of the Code, when applicable.

SECTION 12. Non-Employee Director Awards

The Board shall have the discretion to determine the number and types of awards to be granted to Non-Employee Directors and the terms of such awards, including but not limited to the exercisability and the effect of a director's termination of service.

SECTION 13. Tax Withholding

13.1 Each award holder shall, no later than the date as of which an amount with respect to an award first becomes includible in such person's gross income for applicable tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any federal, state, local or other taxes of any kind required by law to be withheld with respect to the award. The obligations of the Company under the Plan shall be conditional on such payment or arrangements. The Company (and, where applicable, its Subsidiaries), shall, to the extent permitted by law, have the right to deduct the minimum amount of any required tax withholdings from any such taxes from any payment of any kind otherwise due to the award holder.

13.2 To the extent permitted by the Committee, and subject to such terms and conditions as the Committee may provide, an Employee may elect to have the minimum amount of any required tax withholdings with respect to any awards hereunder, satisfied by (i) having the Company withhold shares of Common Stock otherwise deliverable to such person with respect to the award or (ii) delivering to the Company shares of unrestricted Common Stock already owned by the Employee for at least six months. Alternatively, the Committee may require that a portion of the shares of Common Stock otherwise deliverable be applied to satisfy the withholding tax obligations with respect to the award.

SECTION 14. Change in Control

14.1 In the event of a Change in Control, unless otherwise determined by the Committee at the time of grant or by amendment (with the award holder's consent) of such grant:

(a) all outstanding Stock Options (including Director Options) and all outstanding Stock Appreciation Rights (including Limited Stock Appreciation Rights) awarded under the Plan shall become fully exercisable and vested;

(b) the restrictions and vesting conditions applicable to any outstanding Restricted Stock and Deferred Stock awards under the Plan shall lapse and such shares and awards shall be deemed fully vested;

(c) the Committee may, in its sole discretion, accelerate the payment date of all Restricted Stock and Deferred Stock awards; and

(d) to the extent the cash payment of any award is based on the Fair Market Value of Common Stock, such Fair Market Value shall be the Change in Control Price.

14.2 A ***"Change in Control"*** shall be deemed to occur on:

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or. indirectly, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 ("Beneficial Owner"), of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any of its Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, (y) the acquisition of securities of the Company directly from the Company, or (z) the acquisition of securities of the Company by one or more members of the Hillenbrand Family (which term shall mean descendants of John A. Hillenbrand and their spouses, trusts primarily for their benefit or entities controlled by them);

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Company's Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which a majority of the members of the Board consist of persons other than Current Directors (which term shall mean any member of the Board on the date hereof and any member whose nomination or election has been approved by a majority of Current Directors then on the Board);

(iv) the consummation of a sale or other disposition of all or substantially all of the assets of the Company; or

(v) the date of approval of the shareholders of the Company of a plan of complete liquidation of the Company.

14.3 "***Change in Control Price***" means the highest price per share of Common Stock paid in any transaction reported on any national market or securities exchange where the Common Stock is traded, or paid or offered in any transaction related to a Change in Control at

any time during the 90-day period ending with the Change in Control. Notwithstanding the foregoing sentence, in the case of Stock Appreciation Rights granted in tandem with Incentive Options, the Change in Control Price shall be the highest price paid on the date on which the Stock Appreciation Right is exercised.

SECTION 15. General Provisions

15.1 Each award under the Plan shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the Common Stock subject or related thereto upon any securities exchange or market or under any state or federal law, or (ii) the consent or approval of any government regulatory body or (iii) an agreement by the recipient of an award with respect to the disposition of Common Stock, is necessary or desirable in order to satisfy any legal requirements, or (iv) the issuance, sale or delivery of any shares of Common Stock is or may in the circumstances be unlawful under the laws or regulations of any applicable jurisdiction, the right to exercise such Stock Option shall be suspended, such award shall not be granted and such shares will not be issued, sold or delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee, and the Committee determines that the issuance, sale or delivery of the shares is lawful. The application of this Section shall not extend the term of any Stock Option or other award. The Company shall have no obligation to effect any registration or qualification of the Common Stock under federal or state laws or to compensate the award holder for any loss caused by the implementation of this Section 15.1.

15.2 The Committee may provide, at the time of grant or by amendment with the award holder's consent, that an award and/or Common Stock acquired under the Plan shall be forfeited, including after exercise or vesting, if within a specified period of time the award holder engages in any of the conduct described below ("Disqualifying Conduct"). Disqualifying Conduct shall mean (i) the award holder's performance of service for a competitor of the Company and/or its Subsidiaries, including service as an employee, director, or consultant, or the establishing by the award holder of a business which competes with the Company and/or its Subsidiaries, (ii) the award holder's solicitation of employees or customers of the Company and/or its Subsidiaries (iii) the award holder's improper use or disclosure of confidential information of the Company and/or its Subsidiaries or (iv) material misconduct by the award holder in the performance of such award holder's duties for the Company and/or its Subsidiaries, as determined by the Committee.

15.3 Nothing set forth in this Plan shall prevent the Board from adopting other or additional compensation arrangements.

15.4 Nothing in the Plan nor in any award hereunder shall confer upon any award holder any right to continuation of his or her employment by or other Relationship with the Company or its Subsidiaries, or interfere in any way with the rights of any such company to terminate such employment or other Relationship.

15.5 Neither the Plan nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or Subsidiary

and an award recipient, and no award recipient will, by participation in the Plan, acquire any right in any specific Company property, including any property the Company may set aside in connection with the Plan. To the extent that any award recipient acquires a right to receive payments from the Company or any Subsidiary pursuant to an award, such right shall not be greater than the right of an unsecured general creditor of the Company or its Subsidiaries.

15.6 The Plan and all awards hereunder shall be governed by the laws of the State of Indiana without giving effect to conflict of laws principles.

SECTION 16. Amendments and Termination

16.1 The Plan shall be of unlimited duration. The Board may discontinue the Plan at any time and may amend it from time to time. No amendment or discontinuation of the Plan shall adversely affect any award previously granted without the award holder's written consent. Amendments may be made without shareholder approval except as required to satisfy applicable laws or regulations or the requirements of any stock exchange or market on which the Common Stock is listed or traded.

16.2 The Committee may amend the terms of any award prospectively or retroactively; provided, however, that no amendment shall impair the rights of the award holder without his or her written consent.

SECTION 17. Effective Date of Plan

17.1 The Plan is effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement ("Effective Date").

Exhibit 10.13

HILLENBRAND, INC.

BOARD OF DIRECTORS'

DEFERRED COMPENSATION PLAN

HILLENBRAND, INC.
BOARD OF DIRECTORS'
DEFERRED COMPENSATION PLAN

RECITALS

WHEREAS, in accordance with that certain Distribution Agreement (as defined below), Hillenbrand Industries, Inc. (to be re-named Hill-Rom Holdings, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "RemainCo" or "Hill-Rom Holdings, Inc.") proposes to distribute its entire ownership interest in Batesville Holdings, Inc. (to be re-named Hillenbrand, Inc. prior to or effective upon the Distribution and hereinafter referred to in these recitals as "SpinCo or "Hillenbrand, Inc.") through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock ("Distribution"); and

WHEREAS, RemainCo and SpinCo have entered into that certain Employee Matters Agreement (as defined below) for the purpose of continuing benefits for the pre-Distribution directors, employees and consultants of RemainCo and its subsidiaries; and

WHEREAS, in accordance with Section 6.2 of the Employee Matters Agreement, SpinCo is to adopt and implement a Board of Directors' Deferred Compensation Plan with features that are comparable to the Hillenbrand Industries, Inc. Board of Directors' Deferred Compensation Plan to be effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement; and

WHEREAS, effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement (the "Effective Date"), Hillenbrand, Inc. establishes the Hillenbrand, Inc. Board of Directors' Deferred Compensation Plan (the "Plan") to provide nonqualified deferred compensation benefits to members of the Board of Directors of SpinCo.

ARTICLE I
DEFINITIONS

Section 1.01. Administrator. The term "Administrator" means Hillenbrand.

Section 1.02. Beneficiary. The term "Beneficiary" means, for a Participant, the individual or individuals designated by that Participant in the last Beneficiary Designation Form executed by that Participant to receive benefits in the event of that Participant's death. If no such beneficiary shall have been designated, or if no designated beneficiary shall survive the Participant, the beneficiary shall be the Participant's estate.

Section 1.03. Board. The term "Board" means the Board of Directors of Hillenbrand, Inc.

Section 1.04. Cash Participation Account. The term "Cash Participation Account" means the bookkeeping account maintained by the Administrator for each Participant reflecting amounts deferred under this Plan and the Prior Deferrals and accruing interest monthly at the Interest Rate.

Section 1.05. Compensation. The term "Compensation" means for each Participant in any Plan Year the total amount of remuneration (including retainers and meeting fees) for director services and consulting fees and continuing director fees for former Directors as paid to that Participant by the Company in that Plan Year.

Section 1.06. Director. The term "Director" means each non-employee member of the Board of Directors of the Company.

Section 1.07. Distribution Agreement. The term "Distribution Agreement" means the Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March ___, 2008.

Section 1.08. Effective Date. The term "Effective Date" means the date of the consummation of the transactions contemplated by the Distribution Agreement.

Section 1.09. Employee Matters Agreement. The term "Employee Matters Agreement"means the Employee Matters Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March ___, 2008.

Section 1.10. Fiscal Year. The term "Fiscal Year" means the fiscal year of the Company.

Section 1.11. Forms. The term "Forms" means the forms used by the Company for Plan operation and shall include the following:

(a) Deferral Elections Checklist. The term "Deferral Elections Checklist" means the form on which a Director designates the amount of Compensation to be deferred under the Plan, the Participation Account(s) to which such amounts shall be credited and when his Participation Account shall be distributed.

(b) Beneficiary Designation Form. The term "Beneficiary Designation Form" means the form on which a Director designates his Beneficiary.

Section 1.12. Hillenbrand. The term "Hillenbrand" or the "Company" means Hillenbrand, Inc. and any successor thereof.

Section 1.13. Hillenbrand Common Stock. The term "Hillenbrand Common Stock" means the common stock, without par value, of Hillenbrand.

Section 1.14. Interest Rate. The term "Interest Rate" means the rate of return credited monthly at the end of each of Hillenbrand's fiscal months to amounts held in the Participant's Cash Participation Account. The Interest Rate shall be equal to the prime rate charged by JP Morgan Chase Bank, Indianapolis (or such other bank which is Hillenbrand's principal bank) as determined

as of the last day of the prior fiscal month; provided, however, that Hillenbrand reserves the right to change the method of determining the Interest Rate on a prospective basis.

Section 1.15. Participant. The term "Participant" means (i) any individual who fulfills the eligibility requirements contained in Article II of this Plan and elects to defer Compensation under the Plan (ii) any individual who had a Phantom Stock Participating Account under the Prior Plan and (iii) any former member of the Board of Directors of RemainCo as of the Effective Date.

Section 1.16. Participation Account. The term "Participation Account" means the Cash Participation Account and/or the Phantom Stock Participation Account, as applicable. The Participation Accounts are bookkeeping accounts and are not required to be funded in any manner.

Section 1.17. Phantom Shares. The term "Phantom Shares" means phantom shares of Hillenbrand Common Stock (each representing one share).

Section 1.18. Phantom Stock Participation Account. The term "Phantom Stock Participation Account" means the bookkeeping account maintained by the Administrator for each Participant reflecting amounts deferred under this Plan and the Prior Deferrals and credited as Phantom Shares (including adjustments as provided in Article III).

Section 1.19. Plan. The term "Plan" means the plan embodied by this instrument as now in effect or hereafter amended.

Section 1.20. Plan Year. The term "Plan Year" means the calendar year.

Section 1.21. Prior Deferrals. The term "Prior Deferrals" means amounts of Compensation deferred by Directors under Prior Plan in effect prior to January 1, 2005 (including earnings credited on such amounts through and after January 1, 2005) and not distributed prior to the January 1, 2005.

Section 1.22. Prior Plan. The term "Prior Plan" means the Hillenbrand Industries, Inc. Board of Directors' Deferred Compensation Plan.

Section 1.23. Prior Plan Participant. The term "Prior Plan Participant" means (i) any participant in the Prior Plan who has a Phantom Stock Participant Account under the Prior Plan as of the Effective Date, and (ii) any Director as of the Effective Date who was a participant in the Prior Plan immediately prior to the Effective Date.

Section 1.24. RemainCo. The term "RemainCo" shall have meaning as set forth in Section 1.1 of the Employee Matters Agreement.

Section 1.25. RemainCo Director. The term "RemainCo Director" means any member of the Board of Directors of RemainCo on the Effective Date who is not a member of the Board of Directors of the Company on the Effective Date.

Section 1.26. Tandem Director. The term "Tandem Director" means any person who is a member of the Boards of Directors of both RemainCo and the Company as of the Effective Date.

ARTICLE II
PARTICIPATION IN THE PLAN

Section 2.01. Eligibility. As of the Effective Date, all Directors shall be eligible to become Participants in this Plan, and former Directors shall be eligible to participate to the extent they are entitled to consulting fees or continuing director fees.

Section 2.02. Deferral Amounts.

(a) Amount of Deferral. The amount of Compensation to be deferred in a Plan Year shall be designated by each Participant in the Deferral Elections Checklist executed by that Participant for that Plan Year prior to the beginning of the Fiscal Year in which the Plan Year starts and within the time period established by the Administrator. Notwithstanding the foregoing, any and all elections made by a Participant to defer as set forth in Section 2.02 of the Prior Plan that are in effect as of the date before the Effective Date shall continue to be in effect as deferral elections under Section 2.02 of this Plan as of the Effective Date.

(b) Special Rules for New Directors. For any Plan Year, other than the Plan Year commencing on the Effective Date, during which a person first becomes eligible to become a Participant, the Participant may, within thirty (30) days from the date a Director first becomes eligible to participate, designate the amount of Compensation during the remaining Plan Year to be deferred by completing and executing a Deferral Election Checklist prior to the end of such thirty (30) day period.

(c) Timing of Deferral. The following rules govern the timing of the deferral of Compensation under this Plan:

(i) Compensation deferred by Participants shall be as elected or on a pro rata basis, if timing of deferral amounts is not stated, during the Plan Year.

(ii) The amount of Compensation which a Participant has elected to defer in his Cash Participation Account shall be credited to such Account on the day the deferred Compensation would have been paid but for the deferral. The amount of Compensation which a Participant has elected to defer in his Phantom Stock Participation Account shall be credited to such Account in the form of a number of Phantom Shares equal to the number of shares of Hillenbrand Common Stock which could have been purchased with the deferred Compensation at the average of the high and low price at which Hillenbrand Common Stock traded on the fifth trading day following the day the deferred Compensation would have been paid but for the deferral.

ARTICLE III
PARTICIPATION ACCOUNTS

Section 3.01. Designation of Account. A Participant shall designate in his Deferral Elections Checklist the Participation Account to which the amount of any Compensation deferred hereunder shall be credited. A Participant may designate that such amounts be credited to the Participant's Cash Participation Account or his Phantom Stock Participation Account, or he may designate that a portion of such amounts be credited to each.

Section 3.02. Cash Participation Account. Amounts credited to a Participant's Cash Participation Account shall accrue interest credited monthly at the end of each of Hillenbrand's fiscal months at the Interest Rate. Upon distribution as provided in Article IV, the Company shall pay the Participant in cash the value of his Cash Participation Account. Notwithstanding the foregoing and except for any RemainCo Directors, as of the Effective Date, the Cash Participation Account balance of any Participant, including any Tandem Directors, under the Prior Plan as of the day before the Effective Date shall be the opening Cash Participation Account balance for such Participant under this Plan. Except for any Participants who are RemainCo Directors, as of the Effective Date, a Participant's Cash Participation Account under the Prior Plan shall be cancelled and forfeited by the Participant for amounts accrued prior to the Effective Date and earnings thereon.

Section 3.03. Phantom Stock Participation Account. Amounts deferred in a Participant's Phantom Stock Participation Account shall be credited in the form of a number of Phantom Shares determined pursuant to Section 2.02(c). As of the Effective Date, the opening Phantom Stock Participation Account balance of any Participant under Section 3.03 of this Plan shall be the number of shares assumed to be invested in Common Stock as set forth in Section 6.2(c) of the Employee Matters Agreement as of the Effective Date.

Any cash dividends or other distributions normally payable on Hillenbrand Common Stock prior to pay-out of the Participation Account shall be assumed to be distributed on Phantom Shares and reinvested in Phantom Shares at the closing price of Hillenbrand Common Stock on the applicable distribution date; provided, however, that in the case of an extraordinary dividend or other distribution, the Board in its discretion may determine to treat such distribution as a separate phantom investment to be credited to the Participation Accounts in cash or in kind with earnings thereon to be credited at such rate or rates as determined by the Board at the time of such distribution. In the event of any stock split, stock dividend, merger, consolidation, reorganization, recapitalization or other change in capital structure affecting Hillenbrand Common Stock, the Phantom Shares then credited to a Participant's Phantom Stock Participation Account shall be adjusted in the same manner as the Hillenbrand Common Stock. If the adjustment results in the Phantom Stock Participation Account being converted to cash, the Account shall thereafter be credited with interest at the Interest Rate. Upon distribution as provided in Article IV, the Company shall distribute to the Participant one share of Hillenbrand Common Stock for each Phantom Share then credited to his Phantom Stock Participation Account.

Section 3.04. Merger. In the event of a merger, acquisition or other corporate restructuring in which Hillenbrand is not the surviving entity (or survives as a wholly-owned subsidiary of another entity), each Participant shall have a one-time opportunity to elect to convert his Phantom Stock Participation Account to a Cash Participation Account.

ARTICLE IV
DISTRIBUTIONS FROM PLAN

Section 4.01. Manner of Payout of a Participant's Participation Account. The date on which a Participant's Participation Account attributable to deferrals in a Plan Year is to be distributed to that Participant under the provisions of this Plan shall be designated by that Participant in the Deferral Elections Checklist executed by that Participant with respect to that Plan Year. Amounts credited to a Participant's Cash Participation Account shall be distributed in cash on the date (or set of dates) designated by the Participant. Phantom Shares credited to a Participant's Phantom Stock Participation Account shall be distributed in shares of Hillenbrand Common Stock on the date (or set of dates) designated by the Participant. Such election notwithstanding, with respect to Prior Deferrals only, the Company, in its sole discretion, may elect to pay Prior Deferrals in a single payment to the Participant, or in the case of a Participant's death, to the Participant's Beneficiary, if the Participant ceases to serve on the Board, dies, or becomes totally and permanently disabled.

Section 4.02. Special Distribution Rules. Notwithstanding anything contained in this Plan to the contrary, the following special rule shall govern distributions made under this Plan:

A Participant shall be permitted to change the date on which his Participation Account shall be distributed by completing a new Deferral Elections Checklist which is delivered to the Administrator, on such advance time period as may be determined from time to time by the Administrator before the earlier of the date on which the Participant ceases to be a Director or 12 months in advance of the date on which distribution of the Participant's Participation Account would have been made but for the change in election; provided, however, that any completed Deferral Elections Checklist which was not received prior to the period described above shall be null and void. Each new re-deferral must delay payment by at least five (5) years from the applicable prior elected distribution date.

Section 4.03. Withholding Tax Requirements. Each Participant shall, no later than the date as of which the value of an amount payable under the Plan first becomes includible in such person's gross income for applicable tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any federal, state, local, or other taxes of any kind required by law to be withheld with respect to the award. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

Section 4.04. Securities Law Requirements. Each distribution under the Plan shall be subject to the requirement that, if at any time the Administrator shall determine that (i) the listing, registration or qualification of the Hillenbrand Common Stock to be distributed upon any securities exchange or market or under any state or federal law, or (ii) the consent or approval of any government regulatory body with respect to such distribution or (iii) an agreement by the Participant with respect to the disposition of Hillenbrand Common Stock distributed under the Plan is necessary or desirable in order to satisfy any legal requirements, such distribution shall not be made, in whole or in part, unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Administrator. The Company shall have no obligation to effect any registration or qualification of the Hillenbrand Common Stock under federal or state laws or to compensate a Participant for any loss resulting from the application of this Section.

Section 4.05. Death Benefits. In the event of a Participant's death, the benefit payable to the Participant under the Plan shall be paid to his Beneficiary.

ARTICLE V
ADMINISTRATION

Section 5.01. Delegation of Responsibility. Hillenbrand may delegate duties involved in the administration of this Plan to such person or persons whose services are deemed by it to be necessary or convenient.

Section 5.02. Payment of Benefits. The amounts allocated to a Participant's Participation Account and payable as benefits under this Plan shall be paid solely from the general assets of the Company. No Participant shall have any interest in any specific assets of the Company under the terms of this Plan. This Plan shall not be considered to create an escrow account, trust fund or other funding arrangement of any kind or a fiduciary relationship between any Participant and the Company. The Company's obligations under this Plan are purely contractual and shall not be funded or secured in any way.

ARTICLE VI
AMENDMENT OR TERMINATION OF PLAN

Section 6.01. Termination. The Board of Directors of Hillenbrand may at any time terminate this Plan. As of the date on which this Plan is terminated, no additional amounts shall be deferred from any Participant's Compensation. The Company shall pay to each such Participant the balance contained in his Participation Account at such time and in the manner designated by that Participant in the forms executed by that Participant; provided, however, that Hillenbrand, in its sole and complete discretion, may, with respect to Prior Deferrals only, pay out to the Participants their Prior Deferrals in a single payment of cash (with respect to the Cash Participation Account) and Hillenbrand Common Stock (with respect to the Phantom Stock Participation Account) as soon as practicable after the Plan termination. Notwithstanding anything stated in this Section 6.01 to the contrary, all distributions upon the termination of this Plan shall comply with Section 409A of the Internal Revenue Code of 1986, as amended.

Section 6.02. Amendment. Hillenbrand may amend the provisions of this Plan at any time;provided, however, that no amendment shall adversely affect the rights of Participants or their Beneficiaries with respect to (1) the balances contained in their Cash Participation Accounts immediately prior to the amendment, including the Interest Rate to be credited on such amounts, and (2) the Phantom Shares credited to their Phantom Stock Participation Accounts immediately prior to the amendment.

ARTICLE VII
MISCELLANEOUS

Section 7.01. Successors. This Plan shall be binding upon the successors of the Company.

Section 7.02. Choice of Law. This Plan shall be construed and interpreted pursuant to, and in accordance with, the laws of the State of Indiana, without regard to conflicts of law provisions.

Section 7.03. No Service Contract. This Plan shall not be construed as affecting in any manner the rights or obligations of the Company or of any Participant to continue or to terminate director status at any time.

Section 7.04. Non-Alienation. No Participant or his Beneficiary shall have any right to anticipate, pledge, alienate or assign any of his rights under this Plan, and any effort to do so shall be null and void. The benefits payable under this Plan shall be exempt from the claims of creditors or other claimants and from all orders, decrees, levies and executions and any other legal process to the fullest extent that may be permitted by law.

Section 7.05. Reservation of Shares. The Company shall reserve from time to time a sufficient number of shares of Hillenbrand Common Stock to satisfy its obligations under the Plan. This initial amount reserved under the Plan is 50,000 shares of Hillenbrand Common Stock.

EXHIBIT 10.14

HILLENBRAND, INC.

Short-Term Incentive Compensation Program

R E C I T A L S

WHEREAS, in accordance with the Distribution Agreement (defined below), Hillenbrand Industries, Inc. (to be re-named Hill-Rom Holdings, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "RemainCo" or "Hill-Rom Holdings, Inc.") proposes to distribute its entire ownership interest in Batesville Holdings, Inc. (to be re-named Hillenbrand, Inc. prior to or effective upon the Distribution and hereinafter referred to in these recitals as "SpinCo" or "Hillenbrand, Inc.") through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock ("Distribution"); and

WHEREAS, RemainCo and SpinCo have entered into the Employee Matters Agreement (defined below) for the purpose of continuing benefits for the pre-Distribution directors, employees and consultants of RemainCo and its subsidiaries; and

WHEREAS, in accordance with Section 8.1(c) of the Employee Matters Agreement, SpinCo is to adopt and implement an annual incentive plan which shall permit the issuance of annual incentive awards on terms and conditions substantially comparable to those under the Hillenbrand Industries, Inc. Short-Term Incentive Compensation Plan, as amended, to be effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement.

ARTICLE I
PURPOSE AND DEFINITIONS

1.1 **Purpose.** The purpose of this Program is to provide performance-based incentive awards, in addition to regular salary, to eligible employees of Hillenbrand, Inc. and its Subsidiaries. The Program provides the mechanism to pay amounts above the average total cash compensation when the Company experiences above average financial success. The Program is designed to encourage high individual and group performance and is based on the philosophy that employees should share in the success of the Company if above average value is created for Company shareholders.

1.2 **Definitions:**

(a) **"Achievement Percentage"** means a percentage determined in writing by the Committee.

(b) **"Base Incentive Compensation"** means the amount determined in accordance with Section 4.3.

(c) **"Base Salary"** means the annual calendar earnings of a Participant including wages and salary as reported for federal income tax purposes, but excluding all bonus payments of any kind, commissions, incentive compensation, equity based compensation, long term performance compensation, perquisites and other forms of additional compensation.

(d) **"Board of Directors"** or **"Board"** means the Board of Directors of Hillenbrand, Inc.

(e) **"Business Criteria"** means one or more of the following financial indexes of the Company or a Subsidiary for a Plan Year determined in accordance with the Company's accounting principles less certain non-reoccurring and/or non-expected events happening in any Plan Year, as determined by the Committee: revenue, earnings per share, net income, shareholder value growth, return on equity, cash flow, comparisons against Standard & Poor's indices and/or other indices, criteria or comparator groups, as selected and approved by the Committee. The Business Criteria may include both financial and non-financial measures and may reflect achievement of tactical and strategic plans of a Subsidiary.

(f) **"Business Criteria Achievement"** means the actual final result of a Business Criteria for a Plan Year.

(g) **"Cause"** shall mean the Committee's good faith determination that a Participant has:

(i) Failed or refused to fully and timely comply with any reasonable instructions or orders issued by the Employer, provided such noncompliance is not based primarily on the Participant's compliance with applicable legal or ethical standards;

(ii) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Employer's reasonable opinion, to cause the Employer, its related companies or any of their respective officers or its directors embarrassment or ridicule;

(iii) Violated any Employer policy or procedure, specifically including a violation of Hillenbrand, Inc.'s Code of Ethical Business Conduct; or

(iv) Engaged in any act, which is contrary to its best interests or would hold the Employer, its related businesses or any of their respective officers or directors up to probable civil or criminal liability, excluding the Participant's actions in compliance with applicable legal or ethical standards .

(h) **"CEO"** means the Chief Executive Officer of the Company.

(i) A **"Change in Control"** means:

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or indirectly, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 ("Beneficial Owner"), of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any Subsidiaries or any employee benefit plan of the Company or any Subsidiaries, (y) the acquisition of securities of the Company directly from the Company, or (z) the acquisition of securities of the Company by one or more members of the Hillenbrand Family (which term shall mean descendants of John A. Hillenbrand and their spouses, trusts primarily for their benefit or entities controlled by them);

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which a majority of the members of the Board consist of persons other than Current Directors (which term shall mean any member of the Board on the date hereof and any member whose nomination or election has been approved by a majority of Current Directors then on the Board);

(iv) the consummation of a sale or other disposition of all or substantially all of the assets of the Company; or

(v) the date of approval by the shareholders of Corporate of a plan of complete liquidation of the Company.

(j) **"Committee"** means the Compensation and Management Development Committee of the Board appointed to administer the Program under Article II. Each Committee member shall be an outside director for purposes of Section 162(m)(4) of the Internal Revenue Code of 1986, as amended.

(k) **"Company"** means Hillenbrand, Inc. as a corporate holding company and does not include Subsidiaries.

(l) **"Disability"** means a physical or mental disability by reason of which a Participant is determined by the Office of the President or its delegate, to be eligible (except for the waiting period) for permanent disability benefits under Title II of the Federal Social Security Act.

(m) **"Distribution Agreement**" means the Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March _____, 2008.

(n) **"Employee Matters Agreement"** means the Employee Matters Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March _____, 2008.

(o) **"Employer"** means Hillenbrand, Inc., an Indiana Corporation, and its Subsidiaries.

(p) **"Executive Management Team"** means the officers of the Corporation who report directly to the CEO.

(q) **"Incentive Compensation"** means the Incentive Compensation as provided for in Article IV.

(r) **"Incentive Compensation Pool"** means the aggregate amount of Base Incentive Compensation for all Participants for any Plan Year.

(s) **"Incentive Compensation Opportunity"** means the percentage of Base Salary as determined in accordance with Section 4.2.

(t) **"Participant"** means any individual who is a non-bargained for, full-time or regular part-time employee of the Employer and is selected for participation in the Program pursuant to Article III.

(u) **"Percentage of Target One Achievement"** means a percentage determined as of the end of each Plan Year as follows:

(Business Criteria Achievement – Performance Base) ¸ (Target One – Performance Base.)

(v) **"Percentage of Target Two Achievement"** means a percentage determined as of the end of each Plan Year as follows:

(Business Criteria Achievement – Target One) ¸ (Target Two – Target One)

(w) **"Performance Base"** means the base level of achievement of the Company or a Subsidiary with respect to the Business Criteria, as determined in accordance with Section 4.1.

(x) **"Plan Year"** means the fiscal year beginning on October 1st and ending on September 30th. The first Plan Year shall be a short Plan Year beginning on_____, 2008.

(y) **"Program"** means the Hillenbrand, Inc. Short-Term Incentive Compensation Program.

(z) **"Subsidiary"** means an operating company unit of which a majority equity interest is owned directly or indirectly by the Company.

(aa) **"Target One"** means a certain level of achievement of the Company or a Subsidiary with respect to the Business Criteria, as determined in accordance with Section 4.1.

(bb) **"Target Two"** means a certain level of achievement of the Company or a Subsidiary with respect to the Business Criteria which is greater than Target One as determined in accordance with Section 4.1.

ARTICLE II
ADMINISTRATION

Full power and authority to construe, interpret, and administer the Program, including power to establish, administer and certify performance goals related to Incentive Compensation is vested in the Committee. Decisions of the Committee are final, conclusive and binding upon all parties, including the Employer, the Company and its shareholders and the Participants. The Committee may rely upon recommendations of the CEO, the Executive Management Team, or persons designated by the Committee, in approving financial and non-financial goals recommended to it.

ARTICLE III
PARTICIPANTS

Participation in this Program by members of the Executive Management Team or any Company corporate officer elected to such position by the Board shall be determined by the Committee. Other Participants in this Program shall be determined by the CEO or if an eligible employee is employed by a Subsidiary, then the Chief Executive Officer of such Subsidiary.

ARTICLE IV
INCENTIVE COMPENSATION

4.1 **Establishment of Performance Base and Target.** A Performance Base, Target One and Target Two for the Company Vice Presidents as a group shall be recommended by the CEO and approved by the Committee. The Performance Base, Target One and Target Two of a Participant who is otherwise employed by the Company shall be established and approved by the CEO. The Performance Base, Target One and Target Two of a Participant who is employed by a Subsidiary shall be established and approved by the CEO and the Chief Executive Officer of each Subsidiary, respectively. The Performance Base, Target One and Target Two shall be established annually for the Company and each Subsidiary and will be communicated to each Participant.

4.2 **Base Salary as a Part Incentive Compensation.** Incentive Compensation Opportunity is established in writing annually by the Committee (within ninety (90) days of the start of each Plan Year) in percentages up to but not exceeding the following:

Class of Participant	Incentive Compensation Opportunities
Chief Executive Officer of the Company	90% of Base Salary
Chief Executive Officer of a Subsidiary	75% of Base Salary

Class of Participant	Incentive Compensation Opportunities
Company Chief Financial Officer	50% of Base Salary
Company or Subsidiary Senior Executives	50% of Base Salary
Company or Subsidiary Executives	40% of Base Salary
Other Key Executives	30% of Base Salary

4.3 **Base Incentive Compensation Calculation.** Except as set forth in Section 4.5, attainment of the Performance Base or below for a Plan Year shall result in Base Incentive Compensation of 0% of the Incentive Compensation Opportunity as set forth in Section 4.2 above. If Target Two is met or exceeded for a Plan Year, Base Incentive Compensation shall be equal to the Achievement Percentage multiplied by the amount of a Participant's Incentive Compensation Opportunity as set forth in Section 4.2 above. If Business Criteria Achievement is between the Performance Base and Target One for a Plan Year, the Base Incentive Compensation shall be equal to the Percentage of Target One Achievement multiplied by both (i) the amount of a Participant's Incentive Compensation Opportunity as set forth in Section 4.2 above and (ii) a percentage equal to one-half of the Achievement Percentage. If the Business Criteria Achievement is between Target One and Target Two for a Plan Year, the Base Incentive Compensation shall be equal to the amount of a Participant's Incentive Compensation Opportunities set forth in Section 4.2 above multiplied by a percentage as determined under the following formula:

[1/2 Achievement Percentage plus (Percentage of Target Two Achievement times 1/2 Achievement Percentage)]

4.4 **Incentive Compensation.** After the Business Criteria Achievement and Base Incentive Compensation has been determined for each Plan Year, the Committee shall evaluate each Participant on his or her individual performance goals. The Committee shall determine each Participant's Incentive Compensation based on individual financial and non-financial goals for each Participant. The aggregate amount of Incentive Compensation that can be paid to all Participants for any Plan Year shall not exceed the Incentive Compensation Pool for such Plan Year. The Committee may create or authorize, with the assistance of the CEO, sub-pools for Participants based on which Subsidiary they are employed by or any other criteria the Committee deems appropriate, provided that the aggregate amount of all sub-pools cannot exceed the Incentive Compensation Pool for any Plan Year. The aggregate amount of Incentive Compensation that can be paid to all Participants in a sub-pool or combination of sub pools is the aggregate amount of Base Incentive Compensation allocated by the Committee to such sub-pool or combination of sub-pools.

4.5 **Non-Business Criteria Based Incentive Compensation.** The Committee may establish a "Non-Business Criteria Pool". Once such a Non-Business Criteria Pool is established, the CEO may, in his or her discretion (with approval from the Committee for Company Vice Presidents), allocate all or some of the Non-Business Criteria Pool to all or some Participants and the amount allocated to any Participants shall be the Participant's Incentive Compensation under the Program for the Plan Year.

4.6 **Payment of Incentive Compensation.** Incentive Compensation shall be due and payable in cash after forty (40) days but not later than seventy-five (75) days after the end of the Plan Year.

4.7 **Election to Defer Compensation – Deferral Period.** A Participant may elect to defer all or any portion of his or her Incentive Compensation. A Participant's written election to defer any compensation must be made before the end of the Plan Year immediately preceding the Plan Year during which services are performed for which such compensation would otherwise be paid. Upon making a deferral election as set forth herein, such deferral thereafter shall be subject to the Hillenbrand, Inc. Executive Deferred Compensation Program, as amended from time to time.

4.8 **Termination of Employment.** Subject to Section 4.9 below and the last sentence of this section, termination of Participant's employment prior to the last day of the Plan Year for any reasons other than death, Disability or normal or early retirement (as determined under the Company's Pension Plan or Savings Plan) shall terminate a Participant's right to any non-deferred Incentive Compensation. Termination of employment because of death, Disability or normal or early retirement shall result in a pro-ration of Incentive Compensation based on the number of months employed during the Plan Year of a Participant's termination of employment. Upon a termination of employment for Cause at any time, a Participant shall forfeit any and all payments due under this Program.

4.9 **Change in Control.** Upon a Change in Control, a Participant's unpaid Incentive Compensation for a Plan Year ending prior to the Change in Control shall in all events be paid in accordance with Section 4.6. In addition, a Participant's Incentive Compensation for the Plan Year during which the Change in Control occurred shall in no event be less than the amount calculated pursuant to Sections 4.2, 4.3, 4.4 and 4.5 above as if the Target (at 100%) had been achieved. For purposes of such calculation, Base Salary shall mean such Participant's annualized Base Salary for the calendar year in which the Change in Control occurred times a fraction, the numerator of which is the number of months from the start of the Plan Year up to and including the month during which the Change in Control occurred and the denominator of which is 12. Following a Change in Control, the Incentive Compensation under the Program shall be paid out at the time specified in Section 4.6 above, provided, however, and notwithstanding Section 4.8 above, that in the case of a Participant whose employment is terminated prior to payout

(for any reason other than on account of termination of employment by the Company for Cause) the Incentive Compensation shall be paid out within 30 days of such termination of employment. In the event of termination for Cause, the Incentive Compensation shall be forfeited.

ARTICLE V
FINALITY OF DETERMINATION

Each determination made by the Committee and the CEO shall be final, binding and conclusive for all purposes and upon all persons. The Committee may rely conclusively on the determinations made by and information received from the Company's independent public accountants or the Employer employees with respect to action of the Committee.

ARTICLE VI
LIMITATIONS

No employee of the Employer or any other persons shall have any claim or right (legal, equitable or other) to be granted any award under the Program, and no director, officer or employee of the Employer, or any other person, shall have the authority to enter into any agreement with any person for the making or payment of any award under the Program or to make any representation or warranty with respect thereto.

Neither the action of the Company in establishing the Program nor any action taken by the Company, the Committee, the Board of Directors, CEO, Executive Management Team, or any persons designated by them to administer the Program, nor any provision of the Program, shall be construed as giving to any Participant or employee of the Employer the right to be retained in the employ of the Employer.

ARTICLE VII
AMENDMENTS, SUSPENSION OR TERMINATION

The Board may discontinue the Program in whole or in part at any time and may from time to time amend or revise the terms as permitted by applicable statute; provided, however, that no such discontinuance, amendment, or revision shall effect adversely any right or obligation with respect to any award theretofore made. No amendment shall require shareholder approval unless such approval is otherwise required by law.

ARTICLE VIII
MISCELLANEOUS

8.1 **Effective Date.** This Program was approved by the Board of Directors on February 8, 2008, and shall become effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement.

8.2 **Governing Law.** This Program shall be governed by and construed in accordance with the laws of the State of Indiana.

Exhibit 10.15

HILLENBRAND, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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HILLENBRAND, INC. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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HILLENBRAND, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

W I T N E S S E T H:

WHEREAS, in accordance with that certain Distribution Agreement (as defined below), Hillenbrand Industries, Inc. (to be re-named Hill-Rom Holdings, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "RemainCo" or "Hill-Rom Holdings, Inc.") proposes to distribute its entire ownership interest in Batesville Holdings, Inc. (to be re-named Hillenbrand, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "SpinCo" or "Hillenbrand, Inc.") through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock ("Distribution"); and

WHEREAS, RemainCo and SpinCo have entered into that certain Employee Matters Agreement (as defined below) for the purpose of continuing benefits for the pre-Distribution directors, employees and consultants of RemainCo and its subsidiaries; and

WHEREAS, in accordance with Section 2.5 of the Employee Matters Agreement, SpinCo is to adopt and implement a Supplemental Executive Retirement Plan with features that are comparable to the Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan, as amended to be effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement; and

WHEREAS, effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement (the "Effective Date"), Hillenbrand, Inc. (the "Employer") establishes the Hillenbrand, Inc. Supplemental Executive Retirement Plan (the "Plan") to provide selected key executives of the Employer and SpinCo Participants (as defined below) with competitive supplemental retirement benefits and additional retirement income.

ARTICLE I.
DEFINITIONS

1.1 **"Aggregate Account"** means the vested (pursuant to Article V) balance credited to a Participant's Defined Contribution Account, Matching Account and/or Supplemental Contribution Account, including contribution credits and deemed income, gains and losses (to the extent realized as determined by the Employer, in its discretion) credited thereto. A Participant's Aggregate Account shall be determined as of the date of reference. A Participant's Aggregate Account shall be utilized solely as a device for measurement and determination of the amount to be paid to the Participant pursuant to

this Plan. A Participant's Aggregate Account shall not constitute or be treated as a trust fund of any kind.

1.2 **"Base Salary"** means the annual calendar earnings of a Participant including wages and salary as reported for federal income tax purposes, but excluding all bonus payments of any kind, commissions, incentive compensation, equity based compensation, long term performance compensation, perquisites and other forms of additional compensation.

1.3 **"Beneficiary"** means, with respect to the Supplemental Retirement Benefit (as defined in paragraph 4.1(a)), the person, persons, trust or other entity designated by the Participant to receive any benefits payable under the Pension Plan, and with respect to payments related to the Aggregate Account, the person, persons, trust or other entity designated by the Participant to receive benefits payable under the Deferred Compensation Guidelines.

1.4 **"Board"** means the Board of Directors of Hillenbrand, Inc.

1.5 **"Cause"** means

(i) a Participant's embezzlement or material misappropriation of funds or property of the Employer, or

(ii) the willful engaging by a Participant in conduct constituting a felony or gross misconduct, which is materially and demonstrably injurious to the Employer.

1.6 A **"Change in Control"** means

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or. indirectly, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 ("Beneficial Owner"), of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any of its Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, (y) the acquisition of securities of the Company directly from the Company, or (z) the acquisition of securities of the Company by one or more members of the Hillenbrand Family (which term shall mean descendants of John A. Hillenbrand and their spouses, trusts primarily for their benefit or entities controlled by them);

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Company's Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which a majority of the members of the Board consist of persons other than Current Directors (which term shall mean any member of the Board on the date hereof and any member whose nomination or election has been approved by a majority of Current Directors then on the Board);

(iv) the consummation of a sale or other disposition of all or substantially all of the assets of the Company; or

(v) the date of approval of the shareholders of the Company of a plan of complete liquidation of the Company.

1.7 **"Code"** means the Internal Revenue Code of 1986, as amended.

1.8 **"Committee"** means the Compensation and Management Development Committee of the Board.

1.9 **"Company"** means Hillenbrand, Inc. and its Subsidiaries.

1.10 "**Deferral Election**" means the written election made by a Participant on the Deferral Elections Checklist form as timely submitted and accepted by the Committee

1.11 **"Deferred Compensation Guidelines"** means the Company's "Deferred Compensation Payment Administrative Guidelines", as amended by the Committee in its sole discretion.

1.12 **"Defined Contribution Account"** means the account maintained on the books of account of the Employer for each Participant pursuant to Section 5.1. Separate Defined Contribution Accounts shall be maintained for each Participant. The Defined Contribution Account shall be utilized solely as a device for measurement and

determination of the amount to be paid to the Participant pursuant to this Plan. A Participant's Defined Contribution Account shall not constitute or be treated as a trust fund of any kind.

1.13 **"Distribution Agreement"** means the Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March _____, 2008.

1.14 **"Employee Matters Agreement"** means the Employee Matters Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March _____, 2008.

1.15 **"Employer"** means the Company.

1.16 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

1.17 **"Matching Account"** means the account maintained on the books of account of the Employer for each Participant pursuant to Section 5.2. Separate Matching Accounts shall be maintained for each Participant. A Matching Account shall be utilized solely as a device for measurement and determination of the amount to be paid to the Participant pursuant to this Plan. A Matching Account shall not constitute or be treated as a trust fund of any kind.

1.18 **"Participant"** means any SpinCo Participant as set forth in Section 3.1 and any individual who is a non-bargained for, full-time or regular part-time employee of the Employer who is selected for participation in this Plan pursuant to Article III.

1.19 **"Prior SERP"** means the Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan as in effect immediately prior to the Effective Date.

1.20 **"Pension Plan"** means the Hillenbrand, Inc. Pension Plan, as amended.

1.21 **"Plan Year"** means the twelve (12) month period ending on the December 31 of each year during which this Plan is in effect, provided that the first Plan Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

1.22 **"Savings Plan"** means the Hillenbrand, Inc. Savings Plan, as amended.

1.23 **"SpinCo Participant"** shall have the meaning set forth in Section 1.1 of the Employee Matters Agreement.

1.24 **"Subsidiary"** means an operating company unit of which a majority equity interest is owned directly or indirectly by the Company.

1.25 **"Supplemental Contribution Account"** means the account maintained on the books of account of the Employer for each Participant pursuant to Section 5.3. Separate Supplemental Contribution Accounts shall be maintained for each Participant. The Supplemental Contribution Account shall be utilized solely as a device for measurement and determination of the amount to be paid to the Participant pursuant to this Plan. A Participant's Supplemental Contribution Account shall not constitute or be treated as a trust fund of any kind.

1.26 **"Target Bonus"** means the designated percentage of a Participant's Base Salary utilized in the Company's short term incentive compensation plan, regardless of what percent of a Participant's Base Salary had been paid.

ARTICLE II.
ADMINISTRATION OF THIS PLAN

2.1 Committee. This Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum and all decisions made by the Committee pursuant to provisions of this Plan shall be made by a majority of the Committee members present at any duly held regular or special meeting at which a quorum is present or by the unanimous written consent of a majority of the Committee members in lieu of any such meeting.

2.2 Committee Duties. The Committee shall also have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan. The Committee shall have the sole discretionary authority and all powers necessary to accomplish these purposes, including, but not by way of limitation, the right, power, authority and duty:

(a) To make rules, regulations and procedures for the administration of this Plan which are not inconsistent with the terms and provisions hereof, provided such rules, regulations and procedures are evidenced in writing and copies thereof are delivered to the Employer.

(b) To construe and interpret all terms, provisions, conditions and limitations of this Plan;

(c) To correct any defect, supply any omission, construe any ambiguous or uncertain provisions, or reconcile any inconsistency that may appear in this Plan, in such manner and to such extent as it shall deem expedient to carry this Plan into effect;

(d) To employ and compensate such accountants, attorneys, investment advisors and other agents and employees as the Committee may deem necessary or advisable in the proper and efficient administration of this Plan;

(e) To determine all questions relating to eligibility;

(f) To determine the amount, manner and time of payment of any benefits hereunder and to prescribe procedures to be followed by distributees in obtaining benefits;

(g) To prepare, file and distribute, in such manner as the Committee determines to be appropriate, such information and material as is required by the reporting and disclosure requirements of ERISA; and

(h) To make a determination as to the right of any person to receive a benefit under this Plan.

2.3 Agent. In the administration of this Plan, the Committee may, from time to time, employ an agent and delegate to it such administrative duties as it sees fit and may, from time to time, consult with counsel who may be counsel to the Employer.

2.4 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of this Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Plan and shall not be subject to appeal except as provided in Article IX.

ARTICLE III.
PARTICIPATION

3.1 Participants as of the Effective Date. As of the Effective Date, a Participant in the Plan shall include any SpinCo Participant who, as of the day before the Effective Date, has earned a Supplemental Retirement Benefit (as defined in the Prior SERP) under the Prior SERP and/or has an Aggregate Account (as defined in the Prior SERP) under the Prior SERP.

3.2 Participants after the Effective Date. Except as provided in Section 3.1, participation in this Plan shall be determined by the Committee or any person designated by it. In no event shall any employee of the Employer become eligible to participate in this Plan if such employee would not be considered a member of a select group of management or highly compensated employees for purposes of ERISA.

ARTICLE IV.
SUPPLEMENTAL RETIREMENT BENEFIT

4.1 Supplemental Retirement Benefit.

(a) For each Participant who participates in the Pension Plan and continues to accrue a benefit thereunder while this Plan is in effect ("Traditional Participant"), such

Traditional Participant shall be paid a monthly benefit under this Plan ("Supplemental Retirement Benefit") equal in amount to (1) the monthly benefit payable under the Pension Plan (i) without the limitations on maximum benefits set forth in Section 415 of the Code, and (ii) with the changes to the calculation of "Earnings" (as defined in the Pension Plan) as described in paragraph (b) of this Section 4.1, less (2) the monthly benefit payable under the Pension Plan.

(b) For purposes of calculating the Supplemental Retirement Benefit under this Section 4.1, "Earnings" as defined in the Pension Plan shall include the amount of a Traditional Participant's Target Bonus (whether or not the target is attained and whether or not the Target Bonus is paid) for a calendar year, including any Target Bonus for calendar years prior to the Effective Date for the same years that Earnings is used to determine the Participant's monthly benefit payable under the Pension Plan, and such Earnings shall not be limited by the compensation limits set forth in Code Section 401(a)(17); provided however, that such "Earnings" may be limited in amount by the Board or Committee, as they determine in their sole discretion, for any one or more Traditional Participants.

(c) Exhibit "A" attached hereto provides an example of the calculation of "Average Monthly Earnings" (as defined in the Pension Plan) used in the calculation of a Traditional Participant's Supplemental Retirement Benefit hereunder.

4.2 Subject To Pension Plan. Except as provided in Article 4.1 above and as provided below in Section 4.3 with respect to the payment of the Supplemental Retirement Benefit, the Supplemental Retirement Benefit to be paid a Traditional Participant shall be subject to all provisions of the Pension Plan, including but not limited to, all monthly benefit calculations, normal and early retirement, deferred vested benefits, disability retirement, vesting, benefit election options, beneficiary designations and joint and survivor benefits.

4.3 Payment of Supplemental Retirement Benefits.

(a) Normal Supplemental Retirement Benefits. Except as provided in Section 4.3(d) below, each Traditional Participant who attains his Normal Retirement Date (as defined in the Pension Plan) shall receive a monthly benefit. Unless such Traditional Participant elects a form of annuity set forth on Annex A attached hereto prior to the date of his Normal Retirement Benefit Commencement Date (as defined below), such Traditional Participant, if unmarried, shall receive a life annuity with guaranteed payment for 24 months ("Single, Normal Form of Payment"), or if married, a 50% joint and survivor annuity ("Married, Normal Form of Payment"). Monthly Normal Supplemental Retirement Benefit payments shall begin as of the first day of the calendar month following the six month anniversary date of a Traditional Participant's termination of employment ("Normal Retirement Benefit Commencement Date") and shall be paid monthly thereafter as of the first day of each succeeding month.

(b) Early Supplemental Retirement Benefits. Except as provided in Section 4.3(d) below, each Traditional Participant who attains his Early Retirement Date (as defined in the Pension Plan) shall receive a monthly benefit. Unless such Traditional Participant elects a form of annuity set forth on Annex A attached hereto prior to the date his Early Retirement Benefit Commencement Date (as defined below), such Traditional Participant, if unmarried, shall receive a Single, Normal Form of Payment, or if married, a Married, Normal Form of Payment. Monthly Early Supplemental Retirement Benefit payments shall begin on the first day of the calendar month following the six month anniversary date of a Traditional Participant's termination of employment ("Early Retirement Benefit Commencement Date") and shall be paid monthly thereafter as of the first day of each succeeding month. A Traditional Participant can elect to change his Early Retirement Benefit Commencement Date so long as such election is made a year prior to the Early Retirement Benefit Commencement Date and made before attaining age 60. The new Early Retirement Benefit Commencement Date must be a date after the 5th anniversary of the Early Retirement Benefit Commencement Date and must be a date before he attains age 65.

(c) Deferred Vested Supplemental Retirement Benefits. Except as provided in Section 4.3(d) below, each Traditional Participant who attains his Vested Retirement Date (as defined in the Pension Plan) shall receive a monthly benefit. Unless such Traditional Participant elects a form of annuity set forth on Annex A attached hereto prior to the date of his Deferred Vested Benefit Commencement Date (as defined below), such Traditional Participant, if unmarried, shall receive a Single, Normal Form of Payment, or if married, a Married, Normal Form of Payment. Monthly Deferred Vested Supplemental Retirement Benefits shall begin on the later to occur of (i) the first day of the calendar month following the date a Traditional Participant attains age 55 or (ii) the first day of the calendar month following the sixth month anniversary date of a Traditional Participant's termination of employment ("Deferred Vested Benefit Commencement Date") and shall be paid monthly thereafter as of the first day of each succeeding month. A Traditional Participant can elect to change his Deferred Vested Benefit Commencement Date so long as such election is made a year prior to the Deferred Vested Benefit Commencement Date and made before attaining age 60. The new Early Retirement Benefit Commencement Date must be a date after the 5th anniversary of the Deferred Vested Benefit Commencement Date and must be a date before he attains age 65.

(d) Notwithstanding anything herein to the contrary, if a Traditional Participant is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code, then any payments to be made to such Traditional Participant under this Section 4.3 shall commence on the first day of the calendar month following the six-month anniversary of the date of his termination of employment.

4.4 Change in Control. Notwithstanding the vesting requirement set forth in the Pension Plan and except as provided in Section 4.4 below, upon the occurrence of a Change in Control a Traditional Participant shall be credited with five (5) years of "Vesting Service" (as defined in the Pension Plan) for purposes of determining whether a Traditional Participant is eligible for a Supplemental Retirement Benefit.

4.5 Forfeiture of Supplement Retirement Benefit. Notwithstanding any other provision of this Article IV, upon the termination of a Traditional Participant's employment by the Company or any of its Subsidiaries for Cause, such Traditional Participant shall forfeit all rights to any Supplemental Retirement Benefit under this Article IV, and the Employer shall have no obligation to make any such payments.

4.6 Frozen Supplemental Retirement Benefit. If the Committee (at its sole discretion) should determine that a Traditional Participant is no longer eligible to earn or accrue a Supplemental Retirement Benefit as provided for under this Article IV, then, on the date of such determination by the Committee, the Traditional Participant's Supplemental Retirement Benefit shall be frozen as of such date and he or she will earn or accrue no Supplemental Retirement Benefit thereafter.

4.7 Elections under the Prior SERP. Any and all elections made by a Participant under the Prior SERP with respect to his or her Supplemental Retirement Benefit under the Prior SERP shall be deemed to be an election under this Plan with respect to the Participant's Supplemental Retirement Benefit under this Article IV.

4.8 Termination of Supplemental Retirement Benefits under the Prior SERP and Payments under this Plan. If a Participant is receiving payments under the Prior SERP as of the day before the Effective Date, then as of the Effective Date, no further payments of his or her Supplemental Retirement Benefit under the Prior SERP shall be paid to the Participant under the Prior SERP, and as of the Effective Date, the remaining Supplemental Retirement Benefit under the Prior SERP shall be the Supplemental Retirement Benefit of such Participant under this Plan and shall be paid under this Plan in accordance with the elections made as set forth in Section 4.7 above. If, as of the day before the Effective Date, a Participant has earned a Supplemental Retirement Benefit under the Prior SERP but is not an employee of the Employer and payments under the Prior SERP have not commenced, then as of the Effective Date, no payments of such Supplemental Retirement Benefit under the Prior Plan shall be paid to such Participant under the Prior SERP, and the Supplemental Retirement Benefit under the Prior SERP as of the day before the Effective Date shall be the Participant's Supplemental Retirement Benefit under this Plan which shall be paid to the Participant as set forth in this Article IV. If, as of the day before the Effective Date, a Participant who is an employee of the Employer on the Effective Date has earned a Supplemental Retirement Benefit under the Prior SERP, but payments under the Prior SERP have not commenced, then as of the Effective Date, no payments of such Supplemental Retirement Benefit under the Prior SERP shall be paid to

such Participant under the prior SERP, and he or she shall only be entitled to the Supplemental Retirement Benefit earned under this Plan. Notwithstanding anything herein to the contrary, a Participant under Section 3.1 shall, on or after the Effective Date, only receive a Supplemental Retirement Benefit under this Plan and shall receive no Supplemental Retirement Benefit under the Prior SERP.

ARTICLE V.
EMPLOYER CONTRIBUTIONS

5.1 Defined Contributions.

(a) Each Plan Year the Employer shall record as a contribution to the Defined Contribution Account of a Traditional Participant an amount equal to (1) the maximum amount of contribution of whatever kind the Employer would have had to make to the Savings Plan for and on behalf of a Traditional Participant for such Plan Year (i) without the annual additions limits set forth in Code Section 415 and (ii) with the changes to the calculation of "Compensation" (as defined in the Savings Plan) as described in paragraph (c) of this Section 5.1, less (2) the amount of contribution of whatever kind that the Employer actually made to the Savings Plan for and on behalf of the Traditional Participant for such Plan Year.

(b) For each Participant who is not a Traditional Participant ("Non-Traditional Participant"), each Plan Year the Employer shall record as a contribution to the Defined Contribution Account of a Non-Traditional Participant an amount equal to (1) the maximum amount of contribution of whatever kind, other than any Employer Matching Contributions (as defined in the Savings Plan), the Employer would have had to make to the Savings Plan for and on behalf of a Non-Traditional Participant for such Plan Year (i) without the annual additions limits set forth in Code Section 415 and (ii) with the changes to the calculation of "Compensation" (as defined in the Savings Plan) as described in paragraph (c) of this Section 5.1, less (2) the amount of contribution of whatever kind, other than any Employer Matching Contributions, that the Employer actually made to the Savings Plan for and on behalf of the Non-Traditional Participant for such Plan Year.

(c) For purposes of calculating the Defined Contributions under this Section 5.1, "Compensation" as defined in the Savings Plan shall include the amount of a Participant's Target Bonus (whether or not the target is attained and whether or not the Target Bonus is paid) for a Plan Year, and such "Compensation" shall not be limited by the compensation limits set forth in Code Section 401(a)(17); provided however, that such "Compensation" may be limited in amount by resolution of the Board or Committee, as they determine in their sole discretion, for any one or more Participants.

5.2 Matching Contributions.

(a) For each Non-Traditional Participant who has elected to contribute the maximum amount as provided under Code Section 402(g)(1) as a "qualified cash or deferred arrangement" (as defined in Code Section 401(k)(2)) to the Savings Plan, each Plan Year the Employer shall record as a contribution to the Matching Account of a Non-Traditional Participant an amount equal to (1) the maximum amount of Employer Matching Contributions (as defined in the Savings Plan) the Employer would have had to make to the Savings Plan for and on behalf of a Non-Traditional Participant for such Plan Year (i) without the annual additions limits set forth in Code Section 415, (ii) without any limits on a Non-Traditional Participant's "qualified cash or deferred arrangement" under Code Sections 401(k) or 402(g)(1), (iii) without any limits on a matching contribution as set forth in Code Section 401(m) and (iv) with the changes to the calculation of "Compensation" (as defined in the Savings Plan) as described in paragraph (c) of this Section 5.2, less (2) the amount of Employer Matching Contributions that the Employer actually made to the Savings Plan for and on behalf of the Non-Traditional Participant for such Plan Year.

(b) For each Non-Traditional Participant who has not elected to contribute the maximum amount as provided under Code Section 402(g)(1) as a "qualified cash or deferred arrangement" (as defined in Code Section 401(k)(2)) to the Savings Plan, each Plan Year the Employer shall record as a contribution to the Matching Account of a Non-Traditional Participant an amount equal to (1) the maximum amount of Employer Matching Contributions (as defined in the Savings Plan) the Employer would have had to make to the Savings Plan for and on behalf of a Non-Traditional Participant for such Plan Year (i) without the annual additions limits set forth in Code Section 415, (ii) without any limits on a Non-Traditional Participant's "qualified cash or deferred arrangement" under Code Sections 401(k), (iii) without any limits on a matching contribution as set forth in Code Section 401(m), (iv) with the limits on a Non-Traditional Participant's "qualified cash or deferred arrangement" under Code Section 402(g)(i) and (v) with the changes to the calculation of "Compensation" (as defined in the Savings Plan) as described in paragraph (c) of this Section 5.2, less (2) the amount of Employer Matching Contributions that the Employer actually made to the Savings Plan for and on behalf of the Non-Traditional Participant for such Plan Year.

(c) For purposes of calculating the Matching Contributions under this Section 5.2, "Compensation" as defined in the Savings Plan shall include the amount of a Participant's Target Bonus (whether or not the target is attained and whether or not the Target Bonus is paid) for a Plan Year and such "Compensation" shall not

be limited by the compensation limits set forth in Code Section 401(a)(17); provided however, that such "Compensation" may be limited in amount by the Board or Committee, as they determine in their sole discretion, for any one or more Non-Traditional Participants.

5.3 Supplemental Contributions.

(a) Each Plan Year the Employer shall record as a contribution to the Supplemental Contribution Account of certain Participants selected by the Committee an amount equal to three percent (3%) of such Participants' "Compensation" (as defined in the Savings Plan) with such changes to its calculation as described in paragraph (b) of this Section 5.3.

(b) For purposes of calculating the Supplemental Contributions under this Section 5.3, "Compensation" as defined in the Savings Plan shall include the amount of a selected Participant's Target Bonus (whether or not the target is attained and whether or not the Target Bonus is paid) for a Plan Year and such "Compensation" shall not be limited by the compensation limits set forth in Code Section 401(a)(17); provided however, that such "Compensation" may be limited in amount by the Board or Committee, as they determine in their sole discretion, for any one or more of the selected Participants.

5.4 Defined Contribution Accounts, Matching Account and Supplemental Contribution Account All Employer contributions made pursuant to this Section V shall be credited to a Participant's Defined Contribution Account, Matching Account and/or, Supplemental Contribution Account which shall be a bookkeeping account established for each Participant by the Employer. The time when the Employer contributions are credited to a Participant's Defined Contribution Account, Matching Account and/or Supplemental Contribution Account shall be determined by the Committee, in its sole discretion. The Defined Contribution Accounts, the Matching Accounts and the Supplemental Contribution Account shall be unfunded and shall maintain all credits made to such account, pursuant to this Plan for the benefit of a Participant.

5.5 Beginning Account Balances of Participants Who Participated in the Prior SERP. As of the Effective Date, the Aggregate Account balance of any Participant under the Prior SERP as of the day before the Effective Date shall be the opening Aggregate Account balance under this Plan and the respective Define Contribution Account, Matching Account and/or Supplemental Contribution Account of such Participant, which makes up the Aggregate Account. Notwithstanding anything herein to the contrary, as of the Effective Date, a Participant's Aggregate Account under the Prior SERP shall be cancelled and forfeited by the Participant, and such Participant shall, on or after the Effective Date, only receive a distribution of his or her Aggregate Account under this Plan and shall not receive a distribution of all or any portion of an Aggregate Account under the Prior SERP.

5.6 Earnings on Accounts. The balance of a Participant's Defined Contribution Account, Matching Account and/or Supplemental Contribution Account, shall accrue interest credited monthly to the Participant's Defined Contribution Account balance, Matching Account balance and/or Supplemental Contribution Account balance at the end of the Company's fiscal months at a rate which is equal to the monthly prime interest rate (determined as of the first day of each month) charged by the Company's principal bank, or, at the election of the Committee, Participants selected by the Committee may be credited at such other rate or rates as may be determined by the Committee.

5.7 Vesting. A Participant shall be fully (100%) vested in all amounts credited to his or her Defined Contribution Account and Supplemental Contribution Account, and a Participant shall vest in all amounts credited to his or her Matching Account pursuant to the vesting schedule maintained under the Savings Plan for any Employer Matching Contributions made to the Savings Plan by the Employer; provided however, that upon the occurrence of an event which is a Change in Control, each Participant shall be fully 100% vested in such Participant's Matching Account.

5.8 Distribution of Aggregate Account. A Participant's Aggregate Account shall be paid within fifteen (15) days of the six-month anniversary of the date of the Participant's termination of employment.

5.9 Forfeiture of Aggregate Account. Notwithstanding anything in this Article V, upon the termination of a Participant's employment by the Company or any of its Subsidiaries for Cause, such Participant shall forfeit all rights to his or her Aggregate Account under this Article V, and the Employer shall have no obligations with respect to this Article V.

5.10 Elections under the Prior SERP. Any and all elections made by a Participant under the Prior SERP with respect to his or her Aggregate Account under the Prior SERP shall be deemed to be an election under this Plan with respect to the Participant's Aggregate Account under this Article V.

ARTICLE VI.
OFFSET FOR OBLIGATIONS TO EMPLOYER

If, at such time as the Participant becomes entitled to benefit payments hereunder, the Participant has any debt, obligation or other liability representing an amount owing to the Company or any Subsidiary, and if such debt, obligation, or other liability is due and owing at the time benefit payments are payable hereunder, the Employer may offset the amount owed the Company or the Subsidiary against the amount of benefits otherwise distributable hereunder.

ARTICLE VII.
RIGHTS OF A PARTICIPANT

Establishment of this Plan shall not be construed as giving any Participant the right to be retained in the Employer's service or employ or the right to receive any benefits not specifically provided by this Plan.

Payments under this Plan will not be segregated from the general funds of the Employer and no Participant will have any claim on any specific assets of the Employer. To the extent that any Participant acquires a right to receive benefits under this Plan, his or her right will be no greater than the right of any unsecured general creditor of the Employer and is not assignable or transferable except to his or her Beneficiary or estate.

ARTICLE VIII.
AMENDMENT AND TERMINATION

8.1 Amendment. This Plan may be amended from time to time by resolution of the Board. The amendment of any one or more provisions of this Plan shall not affect the remaining provisions of this Plan. No amendment shall reduce any benefits accrued by any Participant prior to the amendment.

8.2 Termination. The Board has the right to terminate this Plan at any time. Any benefit accrued prior to this Plan's termination will continue to be subject to the provisions of this Plan.

ARTICLE IX.
DETERMINATION OF BENEFITS

9.1 Claim. A person who believes that he is being denied a benefit to which he is entitled under this Plan (hereinafter referred to as a "Claimant") may file a written request for such benefit with the Committee, setting forth his claim. The request must be addressed to the Committee.

9.2 Claim Decision. Upon receipt of a claim, the Committee shall advise the Claimant that a reply will be forthcoming within a reasonable time, but not later than 90 days from its receipt of the claim and shall, in fact, deliver such reply within such period. The Committee may, however, extend the reply period for an additional 90 days if the Committee determines that special circumstances require such an extension. If an extension is required, written notice shall be furnished to the Claimant prior to the termination of the initial 90-day period. The extension notice shall indicate (i) the special circumstances requiring an extension of time; and (ii) the date by which the Committee expects to tender the benefit determination. If the claim is denied in whole or in part, the Committee shall adopt a written opinion, using language calculated to be understood by the Claimant, setting forth:

(a) The specific reason for such denial;

(b) The specific reference to pertinent provisions of this agreement upon which such denial is based;

(c) A description of any additional material or information necessary for the Claimant to perfect his claim and an explanation why such material or such information is necessary.

(d) Appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, including the Claimant's right to bring a civil action following an adverse benefit determination on review; and

(e) The time limits for requesting a review.

9.3 Request for Review. Within sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Committee review its determination. Such request must be addressed to the Committee. The Claimant or his duly authorized representative may, but need not, review the pertinent documents, records and other information, receive copies of such information, and submit documents, records, issues and comments in writing for consideration by the Committee. If the Claimant does not request a review of the Committee's determination within such sixty (60) day period, he shall be barred and estopped from challenging the Participating Employer's determination.

9.4 Review of Decision. Within a reasonable time not later than sixty (60) days after the Board of Directors' receipt of a request for review, the Committee will review its determinations. After considering all materials presented by the Claimant, the Committee will render a written opinion, written in a manner calculated to be understood by the Claimant, setting forth (a) the specific reasons for the decision; (b) and containing specific references to the pertinent provisions of this Plan on which the decision is based; (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and (d) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA. If special circumstances require that the sixty (60) day time period be extended, the Committee will so notify the Claimant prior to the termination of the initial 60-day period and will render the decision as soon as possible, but no later than one hundred twenty (120) days after the filing of the request for review. The extension notice will set forth: (a) the special circumstances; and (b) the date as of which the benefit determination will be made.

ARTICLE X.
NOTICES

Notices and elections under this Plan must be in writing. A notice or election is deemed delivered if it is delivered personally or mailed by registered or certified mail to the person at his or her last known business address.

ARTICLE XI.
GENERAL PROVISIONS

11.1 Controlling Law. The provisions of this Plan shall be subject to regulation under ERISA. To the extent not preempted by federal law, this Plan shall be construed and interpreted according to the laws of the State of Indiana.

11.2 Captions. The captions of Articles and Sections of this Plan are for the convenience of reference only and shall not control or affect the meaning or construction of any of its provisions.

11.3 Facility of Payment. Any amounts payable hereunder to any Participant who is under legal disability or who, in the judgment of the Committee, is unable to properly manage his or her financial affairs may be paid to the legal representative of such Participant or may be applied for the benefit of such Participant in any manner which the Committee may select, and any such payment shall be deemed to be payment for such Participant's account and shall be a complete discharge of all liability of the Employer with respect to the amount so paid.

11.4 Withholding of Payroll Taxes. To the extent required by the laws in effect at the time compensation or deferred compensation payments are made, the Employer shall withhold from such compensation, or from deferred compensation payments made hereunder, any taxes required to be withheld for federal, state or local government purposes.

11.5 Protective Provisions. A Participant will cooperate with the Employer by furnishing any and all information requested by the Employer in order to facilitate the payment of benefits hereunder.

11.6 Terms. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

11.7 Successor. The provisions of this Plan shall bind and inure to the benefit of Hillenbrand, Inc. and its successors and assigns. The terms successors and assigns as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of Hillenbrand, Inc. and successors of any such company or other business entity.

ARTICLE XII.
UNFUNDED STATUS OF PLAN

It is the intention of the parties that the arrangements herein described be unfunded for tax purposes and for purposes of Title I or ERISA. Plan participants have the status of general unsecured creditors of the Employer. This Plan constitutes a mere promise by the Employer to make payments in the future.

ARTICLE XIII.
RIGHTS TO BENEFITS

Subject to Article VI, a Participant's rights to benefit payments under this Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the participant or the participant's beneficiaries.

ARTICLE XIV.
BOARD APPROVAL

This Plan was approved by the Board on February_____, 2008.

IN WITNESS WHEREOF, the Employer has caused this Plan to be executed this_____ day of _____, 20_____.

HILLENBRAND, INC.

By: _____
Name: _____
Title: _____

EXHIBIT "A"

Example of
Average Monthly Earnings for
Supplemental Retirement Benefit

Calculation of Target Bonus

	Base Salary	Target Bonus %	Target Bonus
Year 5	$ 210,000	40%	$ 84,000
Year 4	201,500	30%	60,450
Year 3	194,000	30%	58,200
Year 2	185,500	24%	44,520
Year 1	180,000	24%	43,200

	Earnings (Pension Plan) w/o § 401(a) 17 limits	Target Bonus	Supplemental Retirement Earnings
Year 5	$ 210,000	$ 84,000	$ 294,000
Year 4	201,500	60,450	261,950
Year 3	194,000	58,200	252,200
Year 2	185,500	44,520	230,020
Year 1	180,000	43,200	223,200
			$ 1,261,370

Average Monthly Earnings for Supplemental Retirement Benefit:

$ 1,261,370 ¸ 5 ¸ 12 = $21,023

ANNEX A

Payment Annuity Options

1. Single Life Annuity
2. 66-2/3% Joint and Survivor Annuity
3. 75% Joint and Survivor Annuity
4. 100% Joint and Survivor Annuity
5. 5-Year Certain and Life
6. 10-Year Certain and Life
7. 15-Year Certain and Life
8. 20-Year Certain and Life

EXHIBIT 10.16

HILLENBRAND, INC.

Executive Deferred Compensation Program

WHEREAS, in accordance with that certain Distribution Agreement (as defined below), Hillenbrand Industries, Inc. (to be re-named Hill-Rom Holdings, Inc. prior to or effective upon the Distribution referred to below and hereinafter referred to in these recitals as "RemainCo" or "Hill-Rom Holdings, Inc.") proposes to distribute its entire ownership interest in Batesville Holdings, Inc. (to be re-named Hillenbrand, Inc. prior to or effective upon the Distribution and hereinafter referred to in these recitals as "SpinCo or "Hillenbrand, Inc.") through a pro-rata distribution of all of the outstanding shares of SpinCo common stock then owned by RemainCo to the holders of RemainCo common stock ("Distribution"); and

WHEREAS, RemainCo and SpinCo have entered into that certain Employee Matters Agreement (as defined below) for the purpose of continuing benefits for the pre-Distribution directors, employees and consultants of RemainCo and its subsidiaries; and

WHEREAS, in accordance with Section 6.3 of the Employee Matters Agreement, SpinCo is to adopt and implement an Executive Deferred Compensation Program with features that are comparable to the Hillenbrand Industries, Inc. Executive Deferred Compensation Program to be effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement; and

WHEREAS, effective as of the date of the consummation of the transactions contemplated by the Distribution Agreement (the "Effective Date"), Hillenbrand, Inc. establishes the Hillenbrand, Inc. Executive Deferred Compensation Program (the "Program") to provide a nonqualified deferred compensation benefits to certain selected key executives of the Employer (as defined below), SpinCo Participants (as defined below) and certain Prior Program Participants (as defined below).

ARTICLE I
PURPOSE AND DEFINITIONS

1.1 **Purpose.** The purpose of this Program is to provide voluntary deferrals of portions of a Participant's compensation to be paid by Hillenbrand, Inc. and its Subsidiaries.

1.2 **Definitions:**

(a) **"Base Salary"** means the annual calendar earnings of a Participant including wages and salary as reported for federal income tax purposes, but excluding all bonus payments of any kind, commissions, incentive compensation, equity based compensation, long term performance compensation, perquisites and other forms of additional compensation.

(b) **"Beneficiary"** means, with respect to payments related to Deferred Compensation, the person, persons, trust or other entity designated by the Participant to receive any benefits payable under the Deferred Compensation Payment Guidelines.

(c) **"Board of Directors"** or **"Board"** means the Board of Directors of Hillenbrand, Inc.

(d) **"Committee"** means the Compensation and Management Development Committee of the Board appointed to administer the Program under Article II.

(e) **"Common Stock"** means the common stock of the Company.

(f) **"Company"** means Hillenbrand, Inc. and does not include Subsidiaries.

(g) **"Deferred Compensation"** means the cumulative amount credited to an account maintained for a Participant pursuant to Section 4.2.

(h) **"Deferral Election"** means the written election made by a Participant on the Deferral Elections Checklist form as timely submitted and accepted by the Committee.

(i) **"Disability"** means a physical or mental disability by reason of which a Participant is determined by the Office of the President or its delegate, to be eligible (except for the waiting period) for permanent disability benefits under Title II of the Federal Social Security Act.

(j) **"Distribution Agreement"** means the Distribution Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March ___, 2008.

(k) **"Employee Matters Agreement"** means the Employee Matters Agreement by and between Hillenbrand Industries, Inc. and Batesville Holdings, Inc. dated as of March ___, 2008.

(l) **"Employer"** means Hillenbrand, Inc., and its Subsidiaries.

(m) **"Incentive Compensation"** means the Incentive Compensation as provided for in the Hillenbrand, Inc. Short-Term Incentive Compensation Program.

(n) **"Participant"** means any SpinCo Participant and Prior Program Participant as set forth in Section 3.1 and any individual who is a non-bargained for, key employee of the Employer and is selected for participation in the Program pursuant to Article III.

(o) **"Perquisite Compensation"** means a variety of benefits offered to a Participant to aid him or her in carrying out his or her duties, to provide for the Participant's well being, and to create the potential for added long-term financial security.

(p) **"Plan Year"** means the twelve (12) month period ending on the December 31 of each year during which this Plan is in effect, provided that the first Plan Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

(q) **"Prior Deferrals"** means amounts deferred by Participants prior to January 1, 2005 under the Hillenbrand Industries, Inc. Executive Deferred Compensation Program in effect prior to January 1, 2005 (including earnings credited on such amounts through and after January 1, 2005) and not distributed prior to January 1, 2005.

(r) **"Prior Program"** means the Hillenbrand Industries, Inc. Executive Deferred Compensation Program as in effect immediately prior to the Effective Date.

(s) **"Prior Program Participant"** means any participant in the Prior Program who had an account under Section 4.2(b) of the Prior Program which was assumed to be invested in common stock of Hillenbrand Industries, Inc.

(t) **"Program"** or **"Plan"** means the Hillenbrand, Inc. Executive Deferred Compensation Program.

(u) **"RemainCo Participant"** shall have the meaning set forth in Section 1.1 of the Employee Matters Agreement.

(v) **"SpinCo Participant"** shall have the meaning as set forth in Section 1.1 of the Employee Matters Agreement.

(w) **"Subsidiary"** means an operating company unit of which a majority equity interest is owned directly or indirectly by the Company.

ARTICLE II
ADMINISTRATION

Full power and authority to construe, interpret, and administer the Program is vested in the Committee. Decisions of the Committee are final, conclusive and binding upon all parties, including the Employer, the Company and its shareholders and the Participants.

ARTICLE III
PARTICIPANTS

3.1 **Participants as of the Effective Date.** As of the Effective Date, a Participant in the Plan shall include (i) any SpinCo Participant who, as of the day before the Effective Date has an account balance pursuant to Section 4.2 of the Prior Program, and (ii) any Prior Program Participant.

3.2 **Participants after the Effective Date.** Except as provided in Section 3.1, participation in this Program by executive employees of the Employer shall be determined by the Committee.

ARTICLE IV
DEFERRAL OF COMPENSATION

4.1 **Election to Defer Compensation/Deferral Period.** A Participant may elect to defer all or any portion of his or her Base Salary, Incentive Compensation and/or Perquisite

Compensation. A Participant's written election to defer any compensation must be made before the beginning of the period of service, ordinarily a fiscal year or Plan Year (depending on the type of compensation), during which services are performed for which such compensation would otherwise be paid. The election must state the duration of the deferral period, and shall be irrevocable. Participants deferring compensation shall execute a Deferred Compensation Agreement (the "Agreement") with the Company (an example of which is attached hereto as Exhibit "A"), outlining their various rights, duties and obligations thereunder. Notwithstanding the foregoing, any and all elections made by a Participant to defer as set forth in Section 4.1 of the Prior Program that are in effect as of the date before the Effective Date shall continue to be in effect as deferral elections under Section 4.1 of this Program.

4.2 **Deferred Compensation – Base Salary, Incentive Compensation and Perquisite Compensation.**

(a) When earned, amounts deferred from a Participant's Base Salary, Incentive Compensation and Perquisite Compensation shall be credited, but not paid, to an account in the name of the Participant and shall accrue interest credited monthly at the end of each of the Company's fiscal months at a rate which is equal to the monthly prime interest rate (determined as of the first day of each month) charged by the Company's principal bank, or, at the election of the Committee, Participants selected by the Committee may be credited at such other rate or rates as may be determined by the Committee. At the end of the deferral period, payment shall be made in cash. Notwithstanding the foregoing and except for Prior Program Participants who are RemainCo Participants, as of the Effective Date, the account balance of any such Participant under Section 4.2(a) of the Prior Program as of the day before the Effective Date shall be the opening account balance for such Participant under Section 4.2(a) of this Program. Except for Prior Program Participants who are RemainCo Participants, as of the Effective Date, a Participant's account under Section 4.2(a) of the Prior Program shall be cancelled and forfeited by the Participant, and such Participant shall, on or after the Effective Date, only receive a distribution of his or her account under Section 4.2(a) of this Program and shall not receive a distribution of all or any portion of an account maintained under Section 4.2(a) of the Prior Program.

(b) In the alternative, a Participant may elect, with Committee approval, that Incentive Compensation amounts deferred when earned shall be credited, but not paid, to an account in the name of the Participant which shall be assumed to be invested in Common Stock at the then current market price. Dividends, stock dividends, stock splits and other rights inuring to the Common Stock which would be normally payable thereon shall be assumed to be reinvested in the Common Stock at the market value on the date of assumed payment. Such election shall be made prior to the period during which the amount is earned and, once made, shall

be irrevocable. At the end of the deferral period, payment shall be made in shares of Common Stock.

(c) As of the Effective Date, the opening account balance of any Participant under Section 4.2(b) of this Program shall be the number of shares assumed to be invested in Common Stock as set forth in Section 6.3(b)(ii) of the Employee Matters Agreement.

4.3 **Securities Law Requirements.** Each distribution under this Program shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the Common Stock to be distributed upon any securities exchange or market or under any state or federal law, or (ii) the consent or approval of any government regulatory body with respect to such distribution or (iii) an agreement by the Participant with respect to the disposition of Common Stock distributed under this Program is necessary or desirable in order to satisfy any legal requirements, such distribution shall not be made, in whole or in part, unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee. The Company shall have no obligation to effect any registration or qualification of the Common Stock under federal or state laws or to compensate a Participant for any loss resulting from the application of this Section.

4.4 **Death Benefits.** In the event of a Participant's death, the benefit payable to the Participant under this Program shall be paid to his Beneficiary.

ARTICLE V
DISTRIBUTIONS

5.1 **Distribution Elections.** For a Participant, the Company will pay deferred compensation in compliance with the most recent signed and dated Deferral Election on file with the Company. In no circumstance (except for hardship as determined by the Committee as set forth in Article VI and except as provided in Section 5.2. below) will payment be made to a Participant before the distribution payment date elected by the Participant. Notwithstanding the forgoing, any and all elections made by a Participant with respect to distributions and/or payments as set forth in Section 5.1 of the Prior Program and are in effect as of the date before the Effective Date shall continue to be in effect as distribution and/or payment elections under Section 5.1 of this Program.

5.2 **Prior Deferrals.** With respect to all Prior Deferrals, in the circumstance where either a Participant dies or a Participant becomes totally and permanently disabled then the

Committee in its sole discretion, and with the Participant's prior deferral payment election not withstanding, may elect to pay to the Participant or designated beneficiary, deferred cash and/or Common Stock compensation in (i) in a lump sum on the termination or disability date or earliest practical date thereafter or (ii) in a lump sum on the first workday in the next calendar year following termination or disability.

5.3 **Distribution Periods.** Distribution date or dates as elected by Participant may be no longer than fifteen (15) years from the normal retirement date of Participant and may be elected as lump sum or stream of equal annual payments of no more than fifteen (15) installments.

5.4 **Deferral of Distribution.** A Participant shall be permitted to change the distribution date or dates to a later (not an earlier) date by completing a new Deferral Election which is delivered to the Committee, on such advance time period as may be determined from time to time by the Committee, but must be before the earlier of the date on which the Participant ceases to be employed by the Company or 12 months in advance of the date on which distribution would have been made but for the change in election; provided, however, that any completed Deferral Election which was not received prior to the dates described above shall be null and void. Each new re-deferral must delay payment by at least five (5) years from the applicable prior elected distribution date or dates.

ARTICLE VI
FINANCIAL HARDSHIP

A withdrawal of Deferred Compensation credited to a Participant's account prior to the termination of the deferral period shall be permitted in the event the Participant experiences a severe financial hardship which is beyond the Participant's control and which would cause the Participant severe hardship if such withdrawal were not permitted. A severe financial hardship may result from an illness or accident of the Participant and the Participant's spouse or dependents, the loss of the Participant's or Beneficiary's property due to casualty, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence, the need to pay medical expenses and prescription drug medication, or the need to pay funeral expenses of a spouse or dependent. Any Participant desiring such withdrawal by reason of serious financial hardship must apply to the Committee and demonstrate that the circumstances being experienced were not under the Participant's control and constitute a real emergency which is likely to cause severe financial hardship. The Committee shall have the authority to require such medical or other evidence as it may need to determine the necessity for Participant's withdrawal request.

If such application for withdrawal is permitted, the amount of such withdrawal shall be limited to an amount reasonably necessary to satisfy the emergency need, and the Committee must take into account any additional compensation available. The allowed amount of withdrawal shall be payable in lump sum or Common Stock certificate promptly after notice to the Participant of approval by the Committee. If a Participant makes a withdrawal, the amount

of the Participant's account under the Program shall be proportionately reduced to reflect such withdrawal. The balance of the Participant's account, if any, shall be payable according to otherwise applicable provisions of the Program.

ARTICLE VII
FINALITY OF DETERMINATION

Each determination made by the Committee shall be final, binding and conclusive for all purposes and upon all persons. The Committee may rely conclusively on the determinations made by and information received from the Company's independent public accountants or the Employer employees with respect to action of the Committee.

ARTICLE VIII
OFFSET FOR OBLIGATIONS TO EMPLOYER

If, at such time as the Participant becomes entitled to benefit payments hereunder, the Participant has any debt, obligation or other liability representing an amount owing to the Company or any Subsidiary, and if such debt, obligation, or other liability is due and owing at the time benefit payments are payable hereunder, the Employer may offset the amount owed the Company or the Subsidiary against the amount of benefits otherwise distributable hereunder.

ARTICLE IX
RIGHTS OF A PARTICIPANT

Payments under this Program will not be segregated from the general funds of the Employer and no Participant will have any claim on any specific assets of the Employer. To the extent that any Participant acquires a right to receive benefits under this Program, his or her right will be no greater than the right of any unsecured general creditor of the Employer and is not assignable or transferable except to his or her Beneficiary or estate.

ARTICLE X
DETERMINATION OF BENEFITS

10.1 **Claim.** A person who believes that he is being denied a benefit to which he is entitled under the Program (hereinafter referred to as a "Claimant") may file a written request for such benefit with the Committee, setting forth his claim. The request must be addressed to the Committee.

10.2 **Claim Decision.** Upon receipt of a claim, the Committee shall advise the Claimant that a reply will be forthcoming within a reasonable time, but not later than 90 days from its receipt of the claim and shall, in fact, deliver such reply within such period. The Committee may, however, extend the reply period for an additional 90 days if the Committee determines that special circumstances require such an extension. If an extension is required, written notice shall be furnished to the Claimant prior to the termination of the initial 90-day period. The extension notice shall indicate (i) the special circumstances requiring an extension of time; and (ii) the date by which the Committee expects to tender the benefit determination. If the claim is denied in whole or in part, the Committee shall adopt a written opinion, using language calculated to be understood by the Claimant, setting forth:

(a) The specific reason for such denial;

(b) The specific reference to pertinent provisions of this agreement upon which such denial is based;

(c) A description of any additional material or information necessary for the Claimant to perfect his claim and an explanation why such material or such information is necessary;

(d) Appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, including the Claimant's right to bring a civil action following an adverse benefit determination on review; and

(e) The time limits for requesting a review.

10.3 **Request for Review.** Within sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Committee review its determination. Such request must be addressed to the Committee. The Claimant or his duly authorized representative may, but need not, review the pertinent documents, records and other information, receive copies of such information, and submit documents, records, issues and comments in writing for consideration by the Committee. If the Claimant does not request a review of the Committee's determination within such sixty (60) day period, he shall be barred and estopped from challenging the participating Employer's determination.

10.4 **Review of Decision.** Within a reasonable time not later than sixty (60) days after the Committee's receipt of a request for review, the Committee will review its determinations. After considering all materials presented by the Claimant, the Committee will render a written opinion, written in a manner calculated to be understood by the Claimant, setting forth (a) the specific reasons for the decision; (b) and containing specific references to the pertinent provisions of this Program on which the decision is based; (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and (d) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA. If special circumstances require that the sixty (60) day time period be extended, the Committee will so notify the Claimant prior to the termination of the initial 60-day period and will render the decision as soon as possible, but no later than one hundred twenty (120) days after the filing of the request for review. The extension notice will set forth: (a) the special circumstances; and (b) the date as of which the benefit determination will be made.

ARTICLE XI
LIMITATIONS

Neither the action of the Company in establishing the Program, nor any action taken by the Company, the Committee, or any persons designated by them to administer the Program, nor any provision of the Program, shall be construed as giving to any Participant or any employee of the Employer the right to be retained in the employ of the Employer.

ARTICLE XII
UNFUNDED STATUS OF PROGRAM

It is the intention of the parties that the arrangements herein described be unfunded for tax purposes and for purposes of Title I or ERISA. Program Participants have the status of general unsecured creditors of the Employer. The Program constitutes a mere promise by the Employer to make payments in the future.

ARTICLE XIII
RIGHTS TO BENEFITS

Subject to Article VII, a Participant's rights to benefit payments under the Program are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's Beneficiaries.

ARTICLE XIV
AMENDMENTS, SUSPENSION OR TERMINATION

The Committee may discontinue the Program in whole or in part at any time and may from time to time amend or revise the terms as permitted by applicable statute; provided, however, that no such discontinuance, amendment, or revision shall affect adversely any right or obligation with respect to any Deferred Compensation and that no amendment shall reduce any benefits accrued by any Participant prior to the amendment. No amendment shall require shareholder approval unless such approval is otherwise required by law. Except as otherwise required to comply with Section 409A of the Internal Revenue Code of 1986, as amended, upon the discontinuance of this Program, the Company shall pay to each Participant the balance in his account at such time and in the manner designated by the Participant his Deferral Election.

ARTICLE XV
MISCELLANEOUS

15.1 **Governing Law.** This Program shall be governed by and construed in accordance with the laws of the State of Indiana.

15.2 **Captions.** The captions of Articles and Sections of this Program are for the convenience of reference only and shall not control or affect the meaning or construction of any of its provisions.

15.3 **Facility of Payment.** Any amounts payable hereunder to any Participant who is under legal disability or who, in the judgment of the Committee, is unable to properly manage his or her financial affairs may be paid to the legal representative of such Participant or may be applied for the benefit of such Participant in any manner which the Committee may select, and any such payment shall be deemed to be payment for such Participant's account and shall be a complete discharge of all liability of the Employer with respect to the amount so paid.

15.4 **Withholding of Payroll Taxes.** To the extent required by the laws in effect at the time compensation or Deferred Compensation payments are made, the Employer shall withhold from such compensation, or from Deferred Compensation payments made hereunder, any taxes required to be withheld for federal, state or local government purposes.

15.5 **Protective Provisions.** A Participant will cooperate with the Employer by furnishing any and all information requested by the Employer in order to facilitate the payment of benefits hereunder.

15.6 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

15.7 **Successor.** The provisions of this Program shall bind and inure to the benefit of the Company and its successors and assigns. The terms successors and assigns as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company and successors of any such company or other business entity.

15.8 **Reservation of Shares.** The Company shall reserve from time to time a sufficient number of shares of Common Stock to satisfy obligations under the Program. The initial amount reserved under the Plan is 100,000 shares of Common Stock.

EXHIBIT A

HILLENBRAND, INC.
Senior or Regular Executive
Deferred Compensation Agreement

THIS AGREEMENT made this _____ day of _____, _____ by and between Hillenbrand, Inc., an Indiana corporation (the "Corporation"), and _____ residing in the City of _____ and the State of _____ (the "Employee").

WHEREAS, the Corporation or one of its subsidiaries (hereinafter referred together as the "Corporation"), has employed the Employee and the Employee has served the Corporation in such capacity as the Corporation has designated from time to time; and

WHEREAS, during the term of the Employee's employment, the Employee has devoted and shall continue to devote all of the Employee's time, attention, skill and efforts to the performance of the Employee's duties for the Corporation; and

WHEREAS, the Employee may receive base salary, incentive compensation, or other compensation from time to time from the Corporation.

NOW, THEREFORE, in consideration of the premises and the covenants herein set forth, IT IS AGREED:

1. Deferral of Compensation and Elections — The Corporation shall pay the Employee such base salary, incentive compensation and other compensation, except that:

   (a) To the extent that the Employee elects to defer all or a portion of the Employee's base salary, incentive compensation or other compensation payable to the Employee, unless the investment of such deferral is covered by some other plan, the Corporation shall credit (but not pay) such amounts to an account (the "Account") in the name of the Employee and shall accrue interest credited monthly at the end of each calendar month of the Corporation at a rate equal to the monthly prime interest rate (determined as of the first day of each month) charged by the Corporation's principal bank.

   An election to defer must be made prior to the beginning of the calendar year during which the amount is earned and, once made, shall be irrevocable for that calendar year. At the end of the deferral period payment shall be made in cash.

   (b) The Employee may also elect in the alternative that all or a portion of the Employee's incentive compensation, deferred, shall be credited, but not paid, to the Account in the name of the Employee which shall be assumed to be invested in the common stock of the Corporation, at the then current market price. Dividends, stock dividends, stock splits and other rights inuring to the common stock of the Corporation which would be normally payable thereon shall be

assumed to be reinvested in the common stock of the Corporation at the market value on the date of assumed payment. Such election shall be made prior to the calendar year during which the amount is earned and, once made, shall be irrevocable during such calendar year. At the end of the deferral, period payment shall be made in shares of common stock of the Corporation.

(c) The Employee and the Employee's designated beneficiary agree to assume all risk in connection with any decrease in value of the funds which are credited in accordance with the provisions of this Agreement.

(d) Title to and beneficial ownership of any assets which the Corporation may earmark to pay the deferred compensation hereunder shall at all times remain in the Corporation, and the Employee and the Employee's designated beneficiary shall not own any specific assets of the Corporation.

2. Payment of Deferred Compensation and Elections— The Employee may elect to receive deferred compensation in a lump sum of the cash or stock of the Corporation accrued in the Employee's Account at the end of the deferral period elected in writing by the Employee pursuant to the terms of the program or in such installments as the Employee may designate. The Employee may change the distribution date to a date that is no earlier than five (5) years from the date or dates previously elected by submitting a new election to the Corporation before the earlier of the date on which the Employee ceases to be an Employee or twelve (12) months in advance of the date or dates on which the distribution was scheduled to be made (before the change of election).

The designated beneficiary referred to herein may be designated or changed by the Employee (without the consent of any prior beneficiary) on a form provided by the Corporation and delivered to the Corporation before the Employee's death. If no such beneficiary shall have been designated, or if no designated beneficiary shall survive the Employee, the payment or payment shall be paid to the Employee's estate.

3. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and the Employee, the Employee's designated beneficiary or any other person. Likewise, nothing herein and no action taken shall create a partnership or joint venture between the Corporation and the Employee, the Employee's designated beneficiary or any other person. Any funds which may be invested under the provisions of this Agreement shall continue for all purposes to be a part of the general funds of the Corporation and no person other than the Corporation shall by virtue of the provisions of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from the Corporation under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

4. Notwithstanding anything herein contained to the contrary, no payment of any then unpaid installments shall be made and all rights under the Agreement of the Employee, the Employee's designated beneficiary, executors or administrators, or any other person, to receive payments thereof shall be forfeited, if the Employee shall engage in any activity or conduct which in the opinion of the Corporation is detrimental to the best interests of the Corporation.

5. The right of the Employee or any other person to any payment under this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution.

6. If the Corporation shall have conclusive evidence that any person to whom any payment is payable under this Agreement is unable to care for his or her affairs because of illness or accident, or is a minor, any payment due (unless a prior claim thereof shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, a brother, a sister, or to any person who in the sole discretion of the Corporation shall otherwise be entitled to payment, in such manner and proportions as the Corporation may determine. Any such payment shall be a complete discharge of the liabilities of the Corporation under this Agreement.

7. Nothing contained herein shall be construed as conferring upon the Employee the right to continue in the employ of the Corporation or in any capacity.

8. Employee acknowledges that he has been advised of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), which has significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed regulations as of the date of this Agreement, Employee has been advised that Employee's deferrals under this Agreement may be treated by the Internal Revenue Service as "nonqualified deferred compensation," subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of the deferred compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" (as defined in Section 409A) on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% excise tax. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees that if Employee is a "specified employee" at the time of Employee's termination of employment and if deferred compensation payments as set forth herein are covered as "nonqualified deferred compensation" or otherwise not exempt, any deferred compensation payments (and other benefits to the extent applicable) due Employee at time of such termination of employment shall not be paid until a date at least six (6) months after Employee's effective termination date. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Employee and the Corporation shall each be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement which

may be deemed to trigger Section 409A. To the extent applicable, Employee understands and agrees that Employee shall have the responsibility for, and Employee agrees to pay, any and all appropriate income tax or other tax obligations for which Employee is individually responsible and/or related to receipt of any benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Corporation harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Corporation on account of such benefits having been provided to Employee or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Corporation, nor any of its employees, attorneys, or other representatives has provided or will provide Employee with any legal or financial advice concerning taxes or any other matter, and that Employee has not relied on any such advice in deciding whether to enter into this Agreement.

9. All elections, notices or writings necessary to give effect to any provision hereof shall be presented in writing duly executed by the Employee or a person on the Employee's behalf to the Vice President, Human Resources of the Corporation and by the Vice President, Human Resources of the Corporation to the Employee at the Employee's last known address.

10. The Corporation shall have full power and authority to interpret, construe and administer this Agreement, and its interpretations and construction thereof and actions thereunder, including any valuation of the Account, or the amount or recipient of the payment to be made therefrom, shall be binding and conclusive on all persons for all purposes. The Corporation shall not be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to its own willful misconduct or lack of good faith.

11. This Agreement shall be binding upon and inure to the benefit of the Corporation, its successors and assigns and the Employee and the Employee's designated beneficiaries, heirs, executors, administrators and legal representatives.

12. If any provision of this Agreement is held invalid, such invalidity shall not affect the other provisions of this Agreement, which shall be given effect independently of the invalid provisions; and, in such circumstances, the invalid provision is severable.

13. This Agreement shall be construed in accordance with and governed by the law of the State of Indiana.

NOTE: Participation in the Deferred Compensation Agreement may have a significant effect on amounts calculated for the Corporation's pension plans, other personal retirement plans, and F.I.C.A. estimates. Consultation with your personal tax adviser is strongly encouraged prior to executing this Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Employee has hereunto set the Employee's hand as of the date first above written.

Dated: _____

HILLENBRAND, INC.

BY: _____
Vice President, Human Resources

EMPLOYEE

_____
Employee

Exhibit 14.1

HILLENBRAND INC. CODE OF ETHICAL BUSINESS CONDUCT

MESSAGE OF PRESIDENT AND CHIEF EXECUTIVE OFFICER

Hillenbrand, Inc. and its operating companies have a proud tradition of conducting our business on a high ethical plane based on honesty, integrity, and fair commercial competition. This Code of Ethical Business Conduct applies to all directors, officers and employees ("associates") of Hillenbrand, Inc. and its operating companies and is intended to provide a clear understanding of the ethical principles of business conduct expected of each of associate. When either the term "Company" or "Hillenbrand" is used in this Code of Ethical Business Conduct it stands for any and all of Hillenbrand, Inc. and its operating companies. Accordingly, please read these standards carefully. Hillenbrand operates in a highly regulated environment. We must ensure that we comply with the laws and regulations applicable to all of our business operations. Compliance with these standards is vital to the integrity and continued well being of our business and our associates.

Our reputation for maintaining the highest standard of ethical conduct, fair dealing and honesty in all of our activities is founded on the personal integrity of Hillenbrand associates and our dedication to the following principles:

- Fairness — by observing both the form and the spirit of all applicable laws and regulations, accounting standards and Company policies and adhering to high standards of moral behavior.
- Respect — coupled with a willingness to solicit, listen to and act appropriately in response to the expressed needs and desires of our shareholders, directors, coworkers, customers, business partners, neighbors and suppliers.
- Competition — belief in a free market as the best mechanism for producing new ideas and new products, encouraging creative people to be productive and allowing Hillenbrand to earn profits for its shareholders.
- Candor — free discussion of projects, problems and ethical issues among our associates and with the legal and accounting professionals retained to assist us, together with candor in discussing our operations and their impact on the persons living around our facilities; and candor with suppliers and customers in buying and selling, while in each case protecting confidential information and trade secrets and demonstrating respect for individual privacy rights.
- Prudence — Belief in the prudent exercise of personal and corporate discretion.

All actions of Hillenbrand associates in business or public life tend to enhance or subtract from its reputation. It is imperative, therefore, that the highest standards of conduct be observed in all our behavior.

Today, all corporations are under high levels of scrutiny and are held to increasingly higher levels of accountability. As a result, the Board of Directors has reaffirmed its strong commitment that Hillenbrand business practices be conducted in accordance with the highest professional, ethical, legal and moral standards. Ethical conduct, whether in a business or personal context, can only result from a trained and sensitive awareness of right and wrong. All situations

encountered in daily life can never be adequately anticipated by any set of rules intended to govern personal conduct. Nevertheless, we believe that we can identify certain broad areas in which ethical, legal and moral issues may be raised in a business context, and we have endeavored to articulate our general policies regarding conduct in those areas.

In addition, we cannot forget that we function within society and each of us must adhere to and comply with the legal, moral and ethical standards of our society in the conduct of business. The Company's interest never can be served by individual corner-cutting in the interests of a seeming quick profit or temporary advantage.

It is our responsibility not only to conduct ourselves in a responsible and honest manner, but also to ensure that others do the same. If we know of any breach of the Company's standards of business behavior, we are required to report violations. The ultimate responsibility for maintaining the Company's standards of business conduct rests with each of us. As individuals of integrity and honesty, we must behave in ways that will bring credit to ourselves and to our Company.

Please read the Code of Ethical Business Conduct carefully. We are confident that each of us will comply with the Code and thereby help maintain our reputation for the highest standards of business integrity.

Kenneth A. Camp
President and Chief Executive Officer

POLICY

It is Hillenbrand's policy to conduct its business and operations according to the standards and guidelines of ethical business conduct stated in this Code and all applicable laws and regulations.

ADMINISTRATION AND ENFORCEMENT

Board of Directors and Ethics Committees. The Board of Directors of Hillenbrand, Inc. is responsible for approval and oversight of the Company's Code of Ethical Business Conduct ("Code"). The Board's Audit Committee has responsibility for the implementation and administration of the Code, the review and assessment at least annually of the effectiveness of the Code and the recommendation to the Board of suggested changes in the Code. Accordingly, supplements to and revisions of this Code may be adopted from time to time. Such changes will become effective upon their adoption by the Board of Directors and revisions of the Code will be made available as promptly as possible.

To assist the Audit Committee and provide guidance in situations where you may have questions concerning the right course of action to take, Ethics Committees exist at Hillenbrand, Inc. and its operating companies. Each committee will include members of the Executive Management Team of the applicable company. It is the responsibility of the Chief Executive Officer, with assistance from the Ethics Committees for each company, to ensure that this Code has been read and understood by all associates, as well as all agents and representatives of that company. The

Ethics Committees will meet as necessary to implement this Code and address concerns raised by associates. The operating company Ethics Committees will promptly after each meeting report to the Hillenbrand, Inc. Ethics Committee on compliance with the Code, the status of certifications statements by associates and any other relevant matters relating to the Code. The Chairman of the Hillenbrand, Inc. Ethics Committee will, in turn, provide regular updates to the Audit Committee.

Certification Statements and Candor. All members of the Board of Directors and all officers and other associates, including new associates, will be asked to certify annually as to their understanding of and compliance with the Code of Ethical Business Conduct. Depending on your area of responsibility, you may also be asked to certify as to your understanding of and compliance with certain policies. The certification statements for associates of each company that identify potential concerns will be reviewed by the Ethics Committees of the applicable company.. All information disclosed in good faith in the certification statements or by other means shall be treated on a confidential basis, except to the extent reasonably necessary to protect Hillenbrand's interests or comply with legal or regulatory requirements.

Addressing Concerns and Violations. Prompt and full disclosure is always the appropriate initial step towards solving any potential concern you may have. When in doubt about a particular situation, ask your manager, supervisor, Company lawyer or human resources representative or any of the members of your Company's Ethics Committee. Discovery of events of a questionable, fraudulent or illegal nature that are, or may be, in violation of the guidelines stated in this Code or other Company policies should be reported immediately to any of those individuals, each of whom are required to observe an "open door" policy to all Hillenbrand associates concerning any of such matters. If such events involve members of management on the Ethics Committee, the matter should be reported to other members of the Committee or the Chief Executive Officer. Additionally, a toll free Code of Ethics and Compliance Help Line is available for those who wish to remain anonymous at 1-866-433-8442.

We provide two ways for you to ask questions and raise concerns. You may file a report with EthicsPoint, an independent company, either by calling the toll-free compliance help line, at (866) 433-8442 **[Note that this number may change post spin]** and speaking with a trained specialist, or, if you prefer, by making an online web report by clicking "Make a Report" to the left. Either way, if you choose to remain anonymous, the report will not identify you. Of course, giving your name can often help us look into the matter, and Hillenbrand has a no tolerance policy for retaliation for raising concerns in good faith.

Once your report has been submitted, either by phone or online, you will be assigned a unique "report key" and password to enable further anonymous follow-up or questions. Hillenbrand will attempt to respond to your report very quickly. If an investigation is undertaken, we will look into the issue promptly and, whenever called for, see that corrective action is taken. Hillenbrand will, where practicable and permissible, endeavor to keep the person reporting the issue apprised of the progress and outcome of the investigation.

This Code of Ethics is intended to create an opportunity for associates to express concerns relating to corporate accountability, alleged violations of Company policy, federal and state

statutes, and allegations of corporate misdeeds. Concerns will be investigated and action taken, if appropriate. There will be no discrimination or retaliation against any associate who reports such violations or allegations in good faith.

Waivers. This Code is intended to apply equally to all directors, officers, employees, representatives and agents of Hillenbrand. Accordingly, any waiver of the standards set forth in this Code for executive officers or directors may be made only by the Board of Directors or its Audit Committee and must be promptly disclosed to shareholders. Only the Board of Directors, its Audit Committee or the applicable Ethics Committee may grant any waiver for other associates.

Get Help to Avoid Violations. Because the principles of responsibility, integrity and honesty are fundamental to how each of us should operate on behalf of the business, violation of this Code or any applicable laws, regulations or Company policies can result in a disciplinary response, up to and including termination of employment or legal action. If you address a questionable situation before it occurs by seeking help from your manager, supervisor, Company lawyer or human resources representative, or any of the members of your Company's Ethics Committee, or by contacting the compliance Website or Compliance Help Line, there is the opportunity to avoid a violation with those serious consequences.

Red flags that indicate you may need to seek advice include situations where:

- An associate's interests and those of the Company seem to conflict;
- An associate is in a position to receive a gift or personal favor from a customer or supplier;
- The only good reason for accepting something from a customer or supplier is because you feel like you deserve it;
- An associate will be communicating with a representative of a competitor;
- An associate has the opportunity to disclose confidential information to someone outside the Company;
- An associate has the opportunity to buy or sell Company stock or stock of a customer or supplier based on information not known to others;
- If the facts were published on the front page of the newspaper in connection with your name, you would be embarrassed;
- A decision is emotionally difficult or involves a conflict between two positive values; or
- The reason for a decision is based on an answer like: "I deserve this;" "Everyone does it;" "It is no big deal;" "No one will find out;" "No one cares;" "It is not my responsibility;" or "The Company wants me to do this."

Here are a few questions you should ask yourself to determine if your actions are ethical:

Am I adhering to the spirit and overall values, as well as the letter, of any applicable law or Company policy?

Would I want my actions reported on the front page of a newspaper? What would my family, friends, neighbors and co workers think of my actions?

What would I advise my child to do?

Would I be comfortable testifying about my decision under oath?

Will there be any direct or indirect potential negative consequences to the Company?

Would I be comfortable describing my decision at an all-associate meeting?

Other Related Information and Policies. Certain sections in this Code are further explained in Hillenbrand's policies and guidelines. Please refer to those materials for a more thorough understanding of these sections. Please review the summary below under the caption "other Policies" for more information. Much of the Code outlines legal requirements. It is not intended to make you an expert in such areas. Instead, it is designed to alert you to problems you may face and enable you to know when you should obtain guidance from your manager, supervisor, Company lawyer or any of the members of your Company's Ethics Committee the members of the Ethics Committees is consulted at the outset of business dealings, rather than at a later stage when arrangements have become so solidified that necessary changes may be difficult to make.

STANDARDS AND GUIDELINES

Introduction. Each person who is an employee, officer or director of Hillenbrand is a Hillenbrand "associate" and has a responsibility to deal ethically in all aspects of the Company's business and to comply fully with all laws, regulations, and Company policies. Each individual is expected to assume the responsibility for applying these standards of ethical conduct and for acquainting himself/herself with the various laws, regulations, and Company policies applicable to his or her assigned duties. When in doubt, employees have the responsibility to seek clarification from their line management, or, if necessary, from legal counsel, a human resources representative or a member of the Ethics Committee for their company.

CONFLICTS OF INTEREST: ***A conflict of interest exists when an individual's private interest conflicts, or appears to conflict, with the interests of Hillenbrand, that is, when an individual's loyalty to Hillenbrand and conduct of responsibilities and duties towards Hillenbrand is or appears to be prejudiced by actual or potential benefit from another source.***

We are confident of the individual loyalty and honesty of our associates. Good relations with customers and suppliers and the integrity of our associates are critical sources of goodwill and absolutely necessary to our success. Associates should always be in a position so that personal interests or third parties do not influence their judgment on Company matters.

No associate should be subject, or even reasonably appear to be subject, to influences, interests or relationships that conflict with the best interests of the Company. This means avoiding any activity that might compromise or seem to compromise the integrity of the Company or the associate.

Common Sources of Conflicts.

Although it is impossible to prepare a list of all potential conflict of interest situations, conflicts of interest generally arise in four situations:

1. **Interest of Associate**. When an associate, a member of the associate's family or a company, organization or trust in which the associate is involved, has a significant direct or indirect financial interest in, or obligation to, an actual or potential competitor, supplier or customer of the Company;
2. **Interest of Relative**. When an associate conducts business on behalf of the Company with a supplier or customer of which a relative by blood or marriage is a principal, partner, shareholder, officer, employee or representative;
3. **Gifts**. When an associate, a member of the employee's household, a company, organization or trust in which the employee is involved, or any other person or entity designated by the employee, accepts gifts, credits, payments, services or anything else of more than token or nominal value from an actual or potential competitor, supplier or customer; and
4. **Misuse of Information**. When an employee misuses information obtained in the course of employment.

Definitions.

For these purposes, suppliers include those providing goods or services — such as consultants, transportation companies, financial institutions and equipment lessors. Customers include not only those who buy products, but also those who exercise major influence over our customers.

An interest amounting to one percent or less of any class of securities listed on a nationally recognized securities exchange or regularly traded over-the-counter will not be regarded as a "significant" financial interest in a competitor, supplier or commercial customer in the absence of other complicating factors that should cause the employee to recognize that a conflict is present. Similarly, the existence of an interest-bearing loan, at normal rates prevailing at the time of the actual borrowing, from a recognized financial institution will not be regarded as "significant." However, any equity interest in a competitor, supplier or commercial customer that is not publicly traded must be treated as "significant" and should be reviewed promptly with legal counsel.

Specific Examples.

While it is not possible to describe every situation, it is useful to consider a few examples in which clear conflicts of interest are present so that ground rules can be established:

Position of Influence. If an associate or a member of that associate's family has a significant financial or other beneficial interest in an actual or potential supplier or customer, the associate may not, without full disclosure and specific written clearance by an Ethics Committee, influence decisions with respect to business with such supplier or customer. Such positions include situations where associates draw specifications for suppliers' raw materials, products or services; recommend, evaluate, test or approve such raw materials, products or services; or participate in the selection of, or arrangements with, suppliers.

Availability. A conflict of interest may exist when an associate undertakes to engage in an independent business venture or agrees to perform work or services for another business, civic or charitable organization to the extent that the activity prevents such associate from devoting the time and effort to the Company's business which his or her position requires. An employee shall not accept a position of directorship with another business without the written consent of the chief executive of his or her operating company and shall not accept any position with any organization that prevents such associate from devoting the time and effort to the Company's business which his or her position requires.

Competitors. An associate must not serve, advise, or be associated with any person or enterprise which is a competitor of the Company, whether as an employee, stockholder, partner, director or advisor, unless that capacity is through membership in trade associations, manufacturer's groups and the like, and involvement by the associate is at the request of the Company.

Gifts. It is Hillenbrand's policy that all business decisions be made impartially and fairly, and not on the basis of gifts or favors. Therefore, no associate, or any of his or her immediate family, may solicit or accept favors, gifts, loans or other benefits (including services, vacations, holidays, travel, accommodations, and discounts, as well as material goods) from any supplier, customer or competitor. The only exception to this policy is for casual entertainment or gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with the supplier, customer or competitor, or if specific approval is obtained via a clearance from the Ethics Committee for the business that the associate works for. Associates should exercise judgment in deciding whether a gift or entertainment is of nominal value. It is always better to decline in circumstances where there is doubt. Items classified as advertising novelties that have wide circulation both within and without the Company (calendars, paperweights, etc.) do not violate the policy against receiving gifts. Permitting a supplier's representative to pick up the check at a meal is not offensive so long as business was discussed at arm's length and there are absolutely no implications that an unusual event has been staged with the intention of subverting loyalty to the slightest degree.

Misuse of Information. No information obtained as a result of employment or association with the Company may be used for personal profit or as the basis for a "tip" to others unless the Company has made such information generally available to the public. This is true whether or not direct injury to Hillenbrand appears to be involved. This requirement, as it relates to transactions with respect to stock and other securities, is described below. The requirement, however, is not limited to transactions relating to securities and includes any situation in which information may be used as the basis for unfair bargaining with an outsider. The public disclosure of confidential data and trade secrets relating to our business can have a material adverse effect on the Company and, as noted below, is prohibited.

CORPORATE OPPORTUNITIES. ***A corporate opportunity is an opportunity that is discovered through the use of Company property, information or position as a Hillenbrand associate.***

Associates are prohibited from taking corporate opportunities for themselves. When an associate uses corporate property, corporate information or corporate position for personal gain, he or she

is taking a corporate opportunity. You must use corporate opportunities and Hillenbrand property or other resources only for advancing the legitimate business interests of Hillenbrand.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Associates who intend to make use of Company property or opportunities in a manner not solely for the benefit of the Company should consult beforehand with the applicable Ethics Committee.

CONFIDENTIAL INFORMATION

The Company's success is largely dependent upon the strict adherence by associates to the Company's policy of nondisclosure of information that belongs to the Company and other confidential data. Of particular concern is the need to safeguard the Company's business plans and developments. The unauthorized disclosure of Company information (including business records, business data, personal and financial information, social security numbers, bank records, acquisition plans, divestiture plans, investment plans, and other strategic business plans), whether verbally or in writing (including on anonymous Internet chat rooms or message boards), will not be tolerated. Under no circumstances should these matters be discussed informally as office gossip, over cocktails, at home or otherwise. Such discussions substantially increase the likelihood that the Company's strategic plans will become known to others prior to the time that the Company is prepared to execute them. Premature disclosure hurts the Company's planning flexibility and may make it impossible to conclude the proposed project. Much time and effort are spent in developing the Company's strategic plans.

Remember the success of the Company is largely dependent upon the strict adherence by all associates to the Company's policy of nondisclosure of confidential information. The sharing of such information with others may: (a) result in penalties under state and federal securities laws; (b) constitute the theft of trade secrets, which is a crime; (c) generate criticism and embarrassment to the employee and the Company; (d) compromise the Company's ability to achieve its strategic objectives and (e) violate the privacy rights of an individual. If each associate refrains from discussing confidential aspects of the Company's business and operations with anyone inside the Company who is not otherwise familiar with the confidential information and everyone outside the Company, each employee will avoid liability and embarrassment to himself or herself and damage to the Company.

Information obtained from third-parties (including business records, business data, personal and financial information, social security numbers, bank records) should, likewise, be kept confidential. For example, you must not attempt to obtain trade secrets, proprietary information or other confidential information relating to competitors from job candidates or newly hired employees.

PROTECTION AND PROPER USE OF HILLENBRAND ASSETS

Protect Hillenbrand's property and resources as you would your own. Associates are responsible for using Hillenbrand resources and property (including Company travel expenses, time, materials, computers, telephones, other equipment, and proprietary information) for Hillenbrand

business purposes only, and not for his or her personal benefit. Inventions and ideas developed using Hillenbrand assets and during Hillenbrand time belong to Hillenbrand, and should not be disclosed, used or commercialized other than by Hillenbrand. These inventions are Hillenbrand property and must be disclosed to your supervisor, manager or legal counsel for appropriate further action. Hillenbrand assets may be used only for Hillenbrand purposes. Use of Hillenbrand-provided technologies and property for calls, emails or other similar matters of a personal nature should be infrequent. We are expected to engage in only Hillenbrand business related activities during business hours. Associates must not perform non-Hillenbrand business or solicit business for a non-Hillenbrand business while working on Hillenbrand time.

FAIR DEALING

Each of us is expected to deal fairly with Hillenbrand's actual and potential customers, suppliers, competitors and associates. No associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts when conducting Hillenbrand's business, or any other unfair dealing practice. Be honest in all your dealings.

We should avoid even the appearance of wrongdoing and, at all times, should conduct our business according to the highest ethical standards. We should compete solely on the merits of our products and services, as well as our ability to service what we offer, and not engage in any form of unfair competition.

Furthermore, we will not condone the use of competitors' or other third parties' confidential information obtained during past employment or which has been obtained, directly or indirectly, by improper means such as misappropriating confidential information, bribing, contacting a competitor's employees, or misrepresenting the fact that you are an employee of a competitor. If consultants or other persons are retained by the Company to gather competitive information, the same rules would apply.

Some additional guidelines are:

- Deliberately misleading messages, omissions of important facts or false claims about competitor's products or services are not acceptable.
- Be accurate and truthful in all dealings with customers and be careful not to misrepresent the quality, features, or availability of our products or services.
- Do not interfere with an agreement made between a potential customer and a supplier competing with us.
- Never engage in industrial spying or commercial bribery.

Besides being responsible for their actions toward others, employees are obliged to retain certain documents that they create or receive. Each employee must strictly observe Record Retention Guidelines. The application of the laws of fair competition is complex and sometimes ambiguous. When questions arise, consult with legal counsel.

COMPLIANCE WITH APPLICABLE LAWS

While Hillenbrand is involved in highly competitive business activities and hence must compete vigorously, it must do so in strict compliance with all laws and regulations applicable to its activities. When Hillenbrand's internal policies are more stringent than local laws, Hillenbrand's policy must be observed and followed. No associate should at any time take any action on behalf of the Company that he or she knows or has reason to suspect violates any applicable law or regulation.

It is Hillenbrand's policy to comply not only with the formal requirements of applicable laws and regulations, accounting standards and Company policies, but also with the spirit of such laws, regulations, standards and policies. Any conduct that is technically in compliance with such laws, regulations, standards or policies but violates the principles underlying or is designed to evade the requirements of any such law, regulation, standard or policy is unacceptable.

The following sections outline basic principles of the laws relating to antitrust, inside information, the trading of securities, proprietary information, political contributions, employee relations, environmental regulation and certain other matters. These laws are explained because of their particular importance to our existing and anticipated business activities. It should be understood, however, that this policy is not limited to them, but extends to all applicable laws and regulations.

ANTITRUST COMPLIANCE

At the heart of the antitrust laws is the conviction that the economy and the public will benefit most if businesses compete vigorously, free from unreasonable restraints. Compliance with the antitrust laws is the policy of the Company and the responsibility of each associate. Failure to comply could result in serious consequences for the Company and offending associates. Violations of many antitrust laws are crimes, subjecting the Company and the individuals to heavy fines, and individuals to possible imprisonment as well. In addition, the Company may be required to pay treble damages and be ordered to refrain from engaging in the activity. Frequently, such orders will extend across the entire product line of a company, although the violations relate only to a single product. And, of course, Hillenbrand may be damaged in its reputation even in those cases in which it ultimately prevails in a legal action.

Many elements of the U.S. antitrust laws are applicable to international transactions in which any United States person or corporation is a party where it may be shown that the transaction has any substantial effect on the foreign commerce (e.g., imports or exports) of the United States. Once it is found that the international transaction falls within the jurisdiction of the U. S. antitrust laws, those laws are applied in precisely the same manner as they are applied with respect to domestic transactions. Transactions deemed to be automatic violations, if engaged in domestically, will similarly be deemed to be violations if engaged in overseas.

While it is not possible within this Code to address all areas covered by antitrust laws, the following guidelines are intended to address some of the most common antitrust situations that may face associates. In all of your dealings on behalf of Hillenbrand, be guided by the following

rule: Whenever you are in doubt, consult with legal counsel at the earliest possible moment. For more detailed guidelines, click here.

Basic Antitrust Rules of the Road:

- **Do not discuss prices, terms and conditions of sale, discounts, credit terms or similar subjects with your competitors.**
- **Do not participate in benchmarking or statistical reporting of competitive information among competitors without clearance from legal counsel.**
- **Do not "signal" competitors regarding pricing strategies and do not use customers or other third parties to "send the message" about how the industry should behave.**
- **Do not agree with a competitor to stay out of each other's markets or to stay away from each other's customers.**
- **Do not discuss current or future output, costs, marketing strategies or other competitively sensitive information with competitors.**
- **Do not price below cost without consulting legal counsel.**
- **Do not coerce retail dealers into setting specific prices.**
- **Do not tie (that is, condition) the sale of one product to another.**
- **Do not reach agreements with dealers or customers to take any action vis-àvis another dealer or customer.**
- **Do not agree with competitors not to deal with, buy from or sell to a customer or supplier.**
- **Do not leave open-ended or unsolicited offers from competitors to join a conspiracy hanging in the air.**The standards for conspiracy to violate the antitrust laws are extremely broad and conspiracies have been found even where competitors never met or exchanged words. It is a mistake to think that the prohibited types of agreements identified above must be either formal or conspiratorial. The unlawful agreement may often be no more than an informal understanding reached at a seemingly innocent occasion like a trade association meeting or on the golf course, or simply an understanding based on the sharing of competitive information that naturally tends to produce uniform action. Since there is often no written evidence or testimony that clearly establishes that there was an unlawful agreement, proof of such an agreement usually depends on circumstantial evidence — conversations, memoranda, or the exchange of competitive information which seems to suggest that there may have been an unlawful understanding about prices, production, customers, sales, territories, or the like. If discussion of prohibited subjects should arise in a meeting where competitors are present, you should clearly disassociate yourself from the conversation and leave the meeting so that other participants present will remember that you left the meeting and your reason for leaving. Simply walking away from an improper conversation about price, market allocation or bid rigging is not sufficient. You must document this conversation and consult with legal counsel.

- **Avoid informal contact with competitors to the extent possible.** Trade associations are a frequent source of antitrust complaints. Accordingly, membership and participation in trade associations should be carefully and regularly monitored to make sure that they serve a valuable business purpose and that their benefits are not outweighed by the antitrust risks. Because trade associations are meeting places for competitors, typically the association's articles and by-laws carefully set forth the scope and activities of the association in language that, if followed, is above reproach. However, any forum where competitors meet can become a vehicle for potential antitrust concern. Small local group meetings are perhaps more dangerous than larger more formal groups, as generally their activities are not monitored and the minutes of their meeting, if any, are often incomplete. Even more dangerous are "rump sessions" following the more formal proceedings where competitors get together over drinks and discuss company business. References to such meetings in expense reports can be troublesome because as time elapses, memories dim and, as we have seen in various industry-wide antitrust investigations and litigations, a witness when questioned about such informal gatherings is often faced with saying that he has no recollection of the subjects discussed. This can be awkward, particularly where there are many such incidents. The best advice is to avoid to the extent possible such informal contact with competitors. Any price change or uniform activity among competitors that occurs shortly after such a meeting becomes very suspect.

- **If participation in a meeting with competitors serves a valuable and legitimate business purpose not outweighed by the antitrust risk, formal procedures, including the circulation of agendas prior to the meetings and the memorialization of detailed minutes of the proceedings, should be followed at all meetings.** There should be someone present at all association meetings, such as counsel, or a chairman, who will indicate when the topic under discussion creates a possible risk of antitrust exposure and who will make certain that further discussion of such topic is dropped.

THE USE OF INSIDE INFORMATION AND TRADING IN SECURITIES AND PUBLIC, MEDIA AND GOVERNMENTAL COMMUNICATIONS

Trading. There is always one question every associate must ask before buying or selling, or recommending that others buy or sell, Hillenbrand shares: "Am I in possession of material nonpublic information?" If the answer is yes, you may not buy or sell Hillenbrand shares.

The federal securities laws prohibit the purchase or sale of any security by a person who possesses material nonpublic information (commonly known as "insider trading") until the Company has disclosed such information to the public. This includes not only orders for purchases and sales of stock and convertible securities but also options, warrants, puts and calls. You should wait until the information has been publicly released and the public has had sufficient time to absorb it, that is two business days from the time of disclosure by the Company.

The federal securities laws also prohibit the passing of such information to another person who may trade in any security based upon such information (known as “tipping”). Because of the taint that can attach even to allegations of insider trading, the Company and its associates should attempt to avoid even the appearance of impropriety in this regard. Remember, transactions are always viewed in hindsight.

The insider trading regulations were designed to ensure that all investors have equal access to material information regarding a company’s securities.

Therefore, the federal securities laws and regulations and Hillenbrand policy prohibit any person having material nonpublic information regarding Hillenbrand, Inc. from buying or selling Hillenbrand stock when such information has not been published to the general public. Family members and friends who have gained confidential information from such associates are also prohibited from trading Hillenbrand stock. Accordingly, any references to associates below apply equally to these other individuals.

A good rule of thumb regarding timing of purchases and sales of Company securities is to trade only during the period after two calendar days after an earnings announcement until one month prior to an earnings announcement at the end of the fiscal quarter. Even during that period, however, you may not purchase or sell or otherwise engage in transactions involving Company securities if you possess material inside information not disclosed by the earnings announcement.

Associates who have material nonpublic information regarding Hillenbrand stock or another company’s stock should (1) not disclose that information to anyone inside or outside the Company; (2) avoid buying or selling stock in Hillenbrand or another company until such knowledge has been made public; (3) avoid recommending or suggesting to another to buy or sell stock in Hillenbrand or in another company until such information has been made public. It is particularly important to exercise care and refrain from discussing nonpublic information in public places such as elevators, airplanes, taxis, or restaurants where discussions might be overheard.

Violations of these rules may result in Hillenbrand receiving a fine that could involve millions of dollars. Associates may be subject to large fines, treble damages based on unlawful profits, and a jail term. Associates face sanctions imposed by Hillenbrand for violation of these standards.

Public, Media and Governmental Communications. It’s essential that Hillenbrand maintain its integrity in its relationships with the general public — which is influenced by its shareholders, representatives from the media and other members of our communities. Requests for financial or business information about Hillenbrand and its operating companies from the general public, shareholders, or the media (e.g., newspapers, radio, television, magazines, etc.) must be submitted for review and approval by Hillenbrand’s Chief Financial Officer, Vice President of Investor Relations, General Counsel or your company’s communications officer. Hillenbrand has established rigidly defined channels through which communications proposed for public release must flow. No disclosure of information that has not yet been disclosed publicly should be made without first consulting the Company’s policy and procedures on this subject or one of

those individuals. Likewise requests for information or other contacts from the Securities & Exchange Commission or the New York Stock Exchange must all be referred to the Hillenbrand I, Inc. Chief Financial Officer, Vice President Investor Relations, or General Counsel. It is critical that you not respond to any such inquiry or contact yourself because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect Hillenbrand's legal position. Any other information request from someone representing a government agency must be referred to your supervisor or manger or to one of the representatives of your Company's legal, human resources or finance teams.

Definitions.

Material information is information that is important enough to affect your or anyone else's decision to buy, sell or hold the Company's shares or securities. Information about the following could be material: quarterly or annual earnings results; financial forecasts, mergers, acquisitions, tender offers, joint ventures, divestitures or other changes in assets; dividends; stock splits; management changes or changes in control; public or private sale of a significant amount of additional debt or equity securities; major litigation; significant labor disputes; major plant closings; establishment of a program to buy the Company's own shares; the award of a significant contract; new products or discoveries, or developments regarding customers or suppliers; change in auditors or disagreements with auditors; and deterioration in the Company's credit status. The foregoing list is intended to be illustrative and is not intended to be complete. Any questions regarding whether information is material or nonpublic, or whether there has been an inadvertent disclosure of such information, should be directed immediately to legal counsel.

Nonpublic information has not yet been disclosed to the investing public. Information is considered to be public knowledge when it has been published in newspapers or other media or has been disclosed in a press release. Until formally released to the public through a press release or filing with the Securities and Exchange Commission, material information concerning Hillenbrand plans, projects, successes or failures is considered "inside" information and, therefore, confidential. Information that has been publicly disseminated such that investors have had the opportunity to evaluate it, or that has been filed with governmental agencies as a matter of public record, is considered public and is available to anyone upon request. Examples include press releases, annual and quarterly earnings reports to stockholders, published speeches, reports to the Commission (e.g., reports on Forms 10-K, 10-Q, and 8-K), registration statements, prospectuses and proxy materials and information appearing on the Company's Internet website.

Directors and Officers. Hillenbrand's directors and certain of its officers and shareholders are subject to more restrictive rules concerning the purchases and sales of Company securities, reporting requirements, and recapture of short-swing profits under the securities laws. Those extensive restrictions have been communicated to directors and officers separately. However, compliance with those rules is part of Hillenbrand's policy of full compliance with all applicable laws governing securities.

POLITICAL CONTRIBUTIONS

Political contributions by corporations in governmental elections, whether by direct or indirect use of corporate funds or resources, are, in many jurisdictions, unlawful. Even in those jurisdictions where those contributions are not unlawful it is the Company's policy not to make any political contributions in such elections except with prior approval of the applicable operating subsidiary's board of directors.

In the United States, Political contributions by corporations in federal elections, whether by direct or indirect use of corporate funds or resources, are unlawful. Limitations on contributions by a corporation in state elections vary from state to state. It is the Company's policy that any contribution by the Company, or any operating subsidiary, to state elected public officials, candidates for public office or political parties, must be preapproved by the president of the Company or applicable operating subsidiary. Any such contribution, however, shall be limited to two thousand dollars ($2000.00) to any one person or entity in a fiscal year, unless more strictly regulated by state law. Any contribution in excess of that amount is prohibited except with the prior approval of the Board of Directors of the Company or applicable operating company. While individual participation in the political process and in campaign contributions is proper and is encouraged by the Company, an associate's contribution must not be made, or even appear to be made, with the Company's funds; nor should the selection of a candidate or of a party be, or seem to be coerced by the Company. Fines and jail sentences may be imposed on officers and directors who violate certain political contribution laws, and the Company may be fined.

No direct or indirect pressure in any form is to be directed toward employees to make any political contribution or participate in the support of a political party or the political candidacy of any individual.

EMPLOYEE RELATIONS

Equal Opportunity, Nondiscrimination, and Anti-Harassment.

It is the Company's philosophy that ethical business practices are not limited to dealings with third parties but also include the Company's employees. In this respect, business ethics begin at home. It is therefore the policy of the Company that all associates, including managerial personnel, and all others having supervisory responsibilities, have an obligation:

- To respect each associate as an individual and to be courteous, considerate, and fair to each associate in order that personal dignity may be maintained;
- To treat each associate, applicant, supplier or business associate without discrimination with regard to race, color, sex, age, religion, national origin, ethnicity, disability, veteran status, or any other characteristics as established by law with respect to all opportunities, terms, conditions, and privileges of employment;
- To provide all employees with a work environment free from harassment of any kind, including harassment of a sexual, racial, ethnic or religious nature or on the basis of one's age or disability;

- To encourage associates to voice their opinions freely about the policies and practices of the Company, and to provide an orderly system by which employees will be given consideration of any job or personal problem which they may have;
- To provide and maintain safe, clean and orderly work facilities and areas;
- To offer competitive standards of pay and benefits; and
- To operate in compliance with all applicable federal, state and local laws governing the Company's relationship with its associates.

You should be aware that the law forbids discrimination in employment on the basis of race, color, sex, age, religion, national origin, ethnicity, veteran status, disability, or handicapped status. Information on your rights, obligations and appropriate actions related to perceived incidents of harassment or discrimination may be found at (General Harassment). Awareness of concerns or discovery of events that are, or may be in violation of this Code of Ethical Business Conduct should immediately be reported to your manager, supervisor, Company lawyer or any of the members of your Company's Ethics Committee.

REGULATORY COMPLIANCE

Each business segment of Hillenbrand and its subsidiaries are touched in some fashion by government regulations. Examples of these requirements are as varied as the the "Funeral Rule" of the Federal Trade Commission (FTC) for the casketbusiness; and the Interstate Commerce Commission (ICC) rules governing our truck fleet, as well as special laws and regulations that govern sales to the government. Each employee is expected to be knowledgeable of, and to comply with, the respective regulatory rules governing his or her industry. Prior to taking actions that directly affect regulatory compliance (e.g. redrafting of product warranties, reporting of safety incidents involving our products or offering a gift or entertainment to a government employee), legal counsel should be consulted. It is the responsibility of the manager of each facility to understand the terms and conditions of all permits and authorizations applicable to operations under his or her control as well as applicable laws and regulations, and to ensure best good faith efforts to attain and maintain compliance therewith. Failure to comply with the appropriate regulations and permits may result in significant corporate penalties, fines, and possibly the forced removal of products from the market.

ENVIRONMENTAL, HEALTH AND SAFETY COMPLIANCE

All aspects of the Company's operations are subject to comprehensive regulations, including comprehensive federal, state and local environmental regulation. The Company's facilities are subject to construction and operating permits and authorizations that describe in detail the conditions under which the facilities can be legally operated. It is the Company's policy to comply fully with the lawful terms and conditions of all permits and authorizations and with the provisions of all applicable environmental laws and regulations. The Occupational Safety and Health Act regulates both physical safety and exposure to harmful or hazardous substances in the workplace. In addition, the Toxic Substances Control Act regulates all chemical substances or mixtures that may present an unreasonable risk of injury to human health or the environment. Compliance with these statutes and implementing regulations is also the responsibility of the manager of each facility. The environmental and safety and health laws, and applicable

regulations, are detailed and complex. Should you be faced with an environmental or safety and health issue with which you are unfamiliar, you should contact legal counsel.

UNLAWFUL, QUESTIONABLE OR SENSITIVE PAYMENTS

Hillenbrand does not seek to gain any advantage through the improper use of business courtesies or other inducements. Gifts and entertainment of nominal value, or business courtesies, are occasionally used to create goodwill with Hillenbrand's customers, suppliers or others. On the other hand, there are very strict rules on gift giving and entertainment of government employees. If they go beyond that and make the recipient feel obliged to offer any special consideration to Hillenbrand's they are unacceptable. The Company's policy is to avoid even the appearance of favoritism based on business courtesies. In order to avoid even the appearance of improper payments, no payments are to be made by the Company in cash, other than approved cash payrolls and documented petty cash disbursements. No corporate checks are to be written to "cash," "bearer" or third-party designees of the person entitled to payment.

Commercial Bribery. Payment (other than for purchase of a product or procurement of a service) or giving of a gift, credit, payment, service or anything else of other than token or nominal value to suppliers or customers or their agents, employees or fiduciaries may constitute a commercial bribe, which may also be a violation of law. Cash payments may never be made to employees of competitors, suppliers, or customers. Commercial bribery is also against the policy of the Company; and no employee may engage in such bribery on behalf of the Company. Associates should exercise good judgment and moderation and should offer business courtesies to customers only to the extent that they are in accordance with reasonable practices in the marketplace.

All gifts and entertainment, regardless of their nature or value, must be properly recorded on expense report forms or other appropriate accounting document.

Bribery of Public Officials. Bribery, or the giving of money or anything else of value in an attempt to influence the action of a public official, is unlawful. No associate is authorized to pay any bribe or make any other illegal payment on behalf of the Company, no matter how small the amount. This prohibition extends to payments to consultants, agents and other intermediaries when the employee has reason to believe that some part of the payment of the "fee" will be used for a bribe or otherwise to influence government action.

The practice of making "facilitating payments" in foreign countries may not be illegal in certain circumstances (e.g., small payments made to minor functionaries who, unless compensated, would delay or refuse to perform administrative functions to which Hillenbrand is clearly entitled). To the extent that such payments are legal and considered necessary, they may be made only in those countries where they are a recognized and open practice, and only following approval by legal counsel. Any such facilitating payment must be properly recorded and accounted for so that Hillenbrand may comply with all tax and other applicable laws.

Laws and regulations require our businesses to be in contact with public officials on a wide variety of matters. Associates dealing with public officials should be familiar with lobbying laws and public disclosure requirements, particularly those that apply to registrations and filings.

DISCLOSURE; BOOKS AND RECORDS

The Company maintains controls and procedures ("disclosure controls and procedures") designed to ensure that information required to be disclosed by the Company in the reports it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files with the Securities and Exchange Commission is accumulated and submitted to the Company's management to allow timely decisions regarding required disclosure. The Company also maintains a process ("internal control over financial reporting") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Each associate involved in the Company's disclosure process or financial reporting is required to be familiar with and comply in all respects with the Company's disclosure controls and procedures and internal control over financial reporting.

The Foreign Corrupt Practices Act makes it illegal to obtain or retain business through payments to improperly influence foreign officials and governments. It is not limited to businesses operating abroad, nor to the making of illegal foreign payments. It contains, in fact, significant internal accounting control and record-keeping requirements that apply to all of our operations.

Specifically, the Company must maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of the Company's transactions. The Company and its subsidiaries will maintain a system of internal accounting controls sufficient to reinforce policy compliance and provide reasonable assurance that:

- Transactions are executed in accordance with management's general and specific authorization;

- Transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (b) to maintain accountability of assets;
- Access to Company assets and funds is permitted only in accordance with management's general or specific authorization;
- The accounts recorded on the Company's balance sheet are reconciled to the underlying accounting detail at reasonable intervals and, where appropriate, compared to the physical assets. Appropriate actions are taken with respect to significant differences.

These record-keeping requirements are in addition to all other Company financial policies. No employee will knowingly fail to implement a system of appropriate internal controls or falsify any book, record or account.

Violations of the Foreign Corrupt Practices Act can result in fines and imprisonment, or both, for individual associates, and penalties against the Company.

All associates are strictly responsible for ensuring the accuracy and reliability of the Company's accounts. As a result, all associates are responsible for following Company procedures for carrying out and reporting business transactions, including appropriate schedules of authorization controls. It is the policy of the Company that all books and records conform to generally accepted accounting principles in each of the respective countries in which Hillenbrand may do business and to all applicable laws and regulations. In addition to the matters above specifically addressed, this policy also incorporates the following requirements:

- The Company's policy prohibits the existence or creation of any undisclosed, secret or unrecorded funds, assets or liabilities.
- No payment on behalf of the Company will be approved or made with the intention or understanding that any part of the payment is to be used for purposes other than described by the documents supporting the payment.
- No false or fictitious entries will be made in the financial statements or underlying financial records and no employee shall engage in any arrangement that results in such an act.
- The Company's policies prohibit the use of Company assets or funds for purposes other than specifically authorized by management.
- All associates are forbidden to use, authorize, or condone the use of "off the books" bookkeeping, secret accounts, unrecorded bank accounts, "slush" funds, falsified books, or any other device that could be utilized to distort accounts, records, or reports of the Company.
- Any false, fictitious, or misleading accounting entry made to conceal or disguise any "unlawful or questionable payment" described in these standards is prohibited. A false, fictitious, or misleading accounting entry is one that is not posted to the proper account.
- Over billing practices in international transactions which are designed and used unlawfully to transfer assets from one country to another are prohibited.

The policy of accurate and fair recording also applies to an employee's maintenance of time reports, expense accounts and other personal Company records.

USE OF AGENTS, CONSULTANTS AND NON-EMPLOYEES

This Code and other Hillenbrand policies are mandatory and compliance with this Code by all agents, consultants, contractors and other non-employees is expected. Agents, consultants, or other non-employees cannot be used to circumvent this Code, the law or our policies. Employees will not retain agents, consultants, or other nonemployees or representatives to engage in practices that are contrary to our Code or any law or regulation.

REPORTING ILLEGAL OR UNETHICAL BEHAVIOR; ACCOUNTABILITY

We must report violation of laws, regulations, or these standards and guidelines on ethical business conduct. Hillenbrand actively supports ethical behavior. When not certain of the best course of action in a specific situation, you should seek clarification and help from supervisors, managers and appropriate personnel.

Hillenbrand will not tolerate any attempt by any associate to retaliate against another as a result of good faith reports of illegal or unethical behavior. Federal law provides whistleblower protection for employees. Thus, any associate is prohibited from discharging, demoting, suspending, or in any manner threatening, harassing or discriminating against an associate who provides information about violation of the law or this Code, or assists in the investigation of violation of the law or this Code, or participates in bringing or brings a lawsuit.

Discovery of events of a questionable, fraudulent or illegal nature or that are, or may be, in violation of the standards and guidelines stated in this Code or other Company policies should be reported immediately as discussed above. Failure to report an existing or potential violation of this Code is itself a violation of this Code.

Violations and potential violations of this Code involving a director, an executive officer or any member of an Ethics Committee will be reported to the Audit Committee. The Audit Committee will take all appropriate action to investigate any violation or potential violation reported to it. If the Audit Committee determines that a violation involving a director, an executive officer or a member of an Ethics Committee has occurred or may occur, it may report the violation or potential violation to the Board of Directors. The Audit Committee or Board of Directors will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the case of criminal conduct or other violations of law, notification of appropriate governmental authorities.

Violations and potential violations of this Code involving any associate other than a director, executive officer or member of any Ethics Committee will be reported to the applicable Ethics Committee. The Ethics Committee will take all appropriate action to investigate any violation or potential violation reported to it. If the Ethics Committee determines that a violation has occurred or may occur, it will take such disciplinary or preventive action as it deems appropriate,

up to and including dismissal or, in the case of criminal conduct or other violations of law, notification of appropriate governmental authorities. The Ethics Committee also will report any such violation or potential violation to the Audit Committee if it determines that the Audit Committee should be aware of such violation or potential violation.

Violations and potential violations of this Code involving incidents of (i) auditing, accounting, internal controls or financial improprieties or fraud; or (ii) ethics concerns or illegal acts involving a director, an executive officer or any member of an Ethics Committee; or (iii) material violations of the securities laws or breaches of fiduciary duty will be reported to the Audit Committee. The Audit Committee will take all appropriate action to investigate any violation or potential violation reported to it. If the Audit Committee determines that a violation has occurred or may occur, it may report the violation or potential violation to the Board of Directors. The Audit Committee or Board of Directors will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the case of criminal conduct or other violations of law, notification of appropriate governmental authorities.

OTHER POLICIES

This Code of Ethical Business Conduct contains only general information and guidelines. It is not intended to address all the possible applications of, or exceptions to, the general policies described in it. Thus, our Hillenbrand Associate Policy Manual and other policies supplement the Code of Ethical Business Conduct and apply to all of us. Certain matters covered by the Manual are subject to local interpretations, based on local legal and business requirements. You should contact your business unit's legal counsel or human resource representative for these. Hillenbrand has also adopted certain legal, financial, personnel, and other policies, procedures, rules and standards for associate performance. Click here to view the Hillenbrand Associate Policy Manual. Click here to view other Hillenbrand policies. Since all associates are obligated to observe the requirements of applicable laws and regulations, failure to review any supplement or revision to our Code of Ethical Business Conduct, Associate Policy Manual and other policies will not be an acceptable excuse for a failure to observe the requirements of any applicable law or regulation then in effect of which the associate had knowledge or reasonably should have had knowledge.

EXHIBIT 21.1

BATESVILLE HOLDINGS, INC.
SUBSIDIARIES OF THE REGISTRANT

All subsidiaries of the Company are wholly-owned Indiana corporations, unless otherwise noted.

Batesville Services, Inc.
The Acorn Development Group, Inc.

Subsidiaries of Batesville Services, Inc.
- Batesville Casket Company, Inc.
- Batesville Casket Co. South Africa Pty, Ltd., a South Africa corporation
- Batesville International Corporation
- Batesville Logistics, Inc.
- Batesville Manufacturing, Inc.
- Batesville Casket de Mexico, S.A. de C.V., a Mexican corporation
- Green Tree Manufacturing, Inc.
- MCP, Inc.
- Modern Wood Products, Inc.
- WCP, Inc.
- BCC JAWACDAH Holdings, LLC

Subsidiaries of Batesville Casket Company, Inc.
- North Star Industries, LLC
- Lakeshore Casket Company
- Lakeshore Casket Group, Inc.
- Lakeshore Casket Venture, Inc.

Subsidiaries of Batesville International Corporation
- BC Canada Company, ULC, a Nova Scotia Unlimited Liability Corporation
- Batesville Holding UK Limited, a United Kingdom corporation

Subsidiary of BC Canada Company, ULC
- Batesville Canada, Ltd., a Canadian corporation

Subsidiary of Batesville Holding UK Limited.
- Batesville Casket UK, Ltd., a United Kingdom corporation

Subsidiary of Batesville Casket de Mexico, S.A. de C.V.
- Industrias Arga, S.A. de C.V., a Mexican corporation

Jointly owned by Green Tree Manufacturing, Inc. and Modern Wood Products, Inc.
- Global Products Co., S.A. de C.V., a Mexican corporation

Jointly owned by MCP, Inc. and WCP, Inc.
- NADCO, S.A. de C.V., a Mexican corporation

Exhibit 99.1

HILLENBRAND

, 2008

Dear Hillenbrand Industries, Inc. Shareholder:

We are pleased to inform you that on , 2008, the Board of Directors of Hillenbrand Industries, Inc. approved the distribution of all the shares of common stock of Batesville Holdings, Inc., a wholly owned subsidiary of Hillenbrand, to Hillenbrand shareholders. Batesville Holdings is a newly formed holding company for Hillenbrand's funeral service business, which has operated under the Batesville Casket name.

This distribution is to be made pursuant to a plan approved in principle by Hillenbrand's Board of Directors on May 7, 2007, to separate Hillenbrand's funeral service business from its medical technology business conducted through its Hill-Rom business unit. Upon completion of the distribution, Hillenbrand shareholders will own 100% of the common stock of Batesville Holdings. Hillenbrand will continue as a publicly traded company with Hill-Rom as its sole operating unit.

In connection with the distribution, Hillenbrand plans to change its name to Hill-Rom Holdings, Inc., and Batesville Holdings will change its name to Hillenbrand, Inc. These name changes are being made to continue the long association of the Hillenbrand name with the Batesville Casket business.

Hillenbrand's Board of Directors believes that the separation of Hillenbrand's funeral service and medical technology businesses will create two focused, mission-driven enterprises that can each better achieve its business objectives and pursue growth opportunities in its respective market and will increase value to Hillenbrand's shareholders, customers and employees.

The distribution of Batesville Holdings common stock will occur after the close of business on , 2008 by way of a pro rata dividend to Hillenbrand shareholders of record on the record date for the distribution. Each Hillenbrand shareholder will be entitled to receive one share of Batesville Holdings common stock for each share of Hillenbrand common stock held by such shareholder at the close of business on , 2008, the record date for the distribution. Holders of Hillenbrand common stock who sell their shares of Hillenbrand common stock prior to the record date or who sell their entitlement to receive shares of Batesville Holdings common stock will not receive shares of Batesville Holdings common stock in the distribution. The Batesville Holdings common stock will be issued in book-entry form only, which means that no physical stock certificates will be issued. No fractional shares of Batesville Holdings common stock will be issued. If you would otherwise have been entitled to a fractional share of Batesville Holdings common stock, you will instead receive a check for its cash value.

Shareholder approval of the distribution is not required, and you are not required to take any action to receive your Batesville Holdings common stock. The distribution is intended to be tax-free for U.S. federal income tax purposes to Hillenbrand shareholders, except for cash received in lieu of any fractional share.

Following the distribution, you will own shares in both Hillenbrand and Batesville Holdings, unless you sell your Hillenbrand common stock or your entitlement to receive shares of Batesville Holdings common stock on or prior to the distribution date. The number of Hillenbrand shares you own will not change as a result of the distribution. Hillenbrand's common stock will continue to trade on the New York Stock Exchange; however, in connection with Hillenbrand's name change to Hill-Rom Holdings, Inc., Hillenbrand intends to change its trading symbol from "HB" to "HRC." Batesville Holdings has applied to have its common stock listed on the New York Stock Exchange under the symbol "HI."

The enclosed information statement, which is being mailed to all holders of Hillenbrand common stock on the record date for the distribution, describes the distribution in detail and contains important information about Batesville Holdings and its business, financial condition and operations. We urge you to read the information statement carefully. For information about Hillenbrand and Hill-Rom, you should read the reports and other information Hillenbrand has filed and will file with the Securities and Exchange Commission.

We want to thank you for your continued support of Hillenbrand and we look forward to your future support of Batesville Holdings.

Sincerely,

Rolf A. Classon
Chairman of the Board of Directors
Hillenbrand Industries, Inc.

Peter H. Soderberg
President and Chief Executive Officer
Hillenbrand Industries, Inc.

, 2008

Dear Future Batesville Holdings, Inc. Shareholder:

It is our pleasure to welcome you as a shareholder of our company, Batesville Holdings, Inc. We are excited about our future as a leader in the North American death care industry through the sale of funeral service products, including burial caskets, cremation caskets, containers and urns, selection room display fixturing and other personalization and memorialization products.

Upon completion of the distribution of our common stock to shareholders of our parent company, Hillenbrand Industries, Inc., we will be a separate, publicly traded company with $259.1 million in pro forma shareholders' equity and $647.3 million in pro forma assets, each as of December 31, 2007. For the year ended September 30, 2007, on a pro forma basis we generated revenues of $667.2 million, operating profit of $154.4 million and net income of $97.8 million. For the three months ended December 31, 2007, on a pro forma basis we generated revenues of $162.9 million, operating profit of $38.0 million and net income of $23.9 million.

In connection with the distribution, Batesville Holdings will change its name to Hillenbrand, Inc. and Hillenbrand will change its name to Hill-Rom Holdings, Inc. These name changes are being made to continue the long association of the Hillenbrand name with the Batesville Casket business. Batesville Holdings has applied to have its common stock listed on the New York Stock Exchange under the symbol "HI."

We invite you to learn more about Batesville Holdings by reviewing the enclosed information statement. We urge you to read the information statement carefully. We look forward to our future and to your support as a holder of Batesville Holdings common stock.

Sincerely,

Ray J. Hillenbrand
Chairman of the Board of Directors
Batesville Holdings, Inc.

Kenneth A. Camp
President and Chief Executive Officer
Batesville Holdings, Inc.

Preliminary Information Statement
(Subject to Completion, Dated March 10, 2008)

Information Statement
Distribution of
Common Stock of

BATESVILLE HOLDINGS, INC.

By

HILLENBRAND INDUSTRIES, INC.
to Hillenbrand Industries, Inc. Shareholders

This information statement is being furnished in connection with the distribution by Hillenbrand Industries, Inc. to its shareholders of all of the shares of common stock of Batesville Holdings, Inc. This information statement was first mailed to Hillenbrand shareholders on or about , 2008.

Batesville Holdings is a wholly owned subsidiary of Hillenbrand, newly formed to be a holding company for Hillenbrand's funeral service business, which has operated under the Batesville Casket name. To implement the distribution, Hillenbrand will distribute all of the shares of Batesville Holdings common stock on a pro rata basis to the holders of Hillenbrand common stock as of the record date. Each of you, as a holder of Hillenbrand common stock, will receive one share of Batesville Holdings common stock for each share of Hillenbrand common stock that you held at the close of business on , 2008, the record date for the distribution. No fractional shares of Batesville Holdings common stock will be issued. Hillenbrand shareholders who would otherwise have been entitled to fractional shares of Batesville Holdings common stock will instead receive checks for the cash value of the fractional shares. The distribution will be made after the close of business on , 2008. Immediately after the distribution is completed, Batesville Holdings will be a separate, publicly traded company.

In connection with the distribution, Hillenbrand intends to change its name to Hill-Rom Holdings, Inc., and Batesville Holdings intends to change its name to Hillenbrand, Inc. These name changes are being made to continue the long association of the Hillenbrand name with the Batesville Casket business. Please refer to the "Note Regarding the Use of Certain Terms" on page ii for a description of how we refer to these entities in this information statement.

No vote of Hillenbrand shareholders is required in connection with this distribution. We are not asking you for a proxy and you are requested not to send us a proxy.

Hillenbrand shareholders will not be required to pay any consideration for the shares of Batesville Holdings common stock they receive in the distribution, and they will not be required to surrender or exchange shares of their Hillenbrand common stock or take any other action in connection with the distribution.

All of the outstanding shares of Batesville Holdings common stock are currently owned by Hillenbrand. Accordingly, there currently is no public trading market for Batesville Holdings common stock. Following the distribution, Hillenbrand's common stock will continue to trade on the New York Stock Exchange; however, in connection with Hillenbrand's name change to Hill-Rom Holdings, Inc., Hillenbrand intends to change its trading symbol from "HB" to "HRC." Batesville Holdings has applied to have its common stock listed on the New York Stock Exchange under the symbol "HI." We anticipate that a limited market, commonly known as a "when-issued" trading market, for Batesville Holdings common stock will develop on or shortly before the record date for the distribution and will continue up to and through the distribution date, and we anticipate that "regular-way" trading of Batesville Holdings common stock will begin on the first trading day following the distribution date.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 5 of this information statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of any of the securities of Batesville Holdings, or determined whether this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2008.

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NOTE REGARDING THE USE OF CERTAIN TERMS

To avoid confusion relating to the name changes that will occur in connection with the distribution, we use the following terms to refer to the entities indicated:

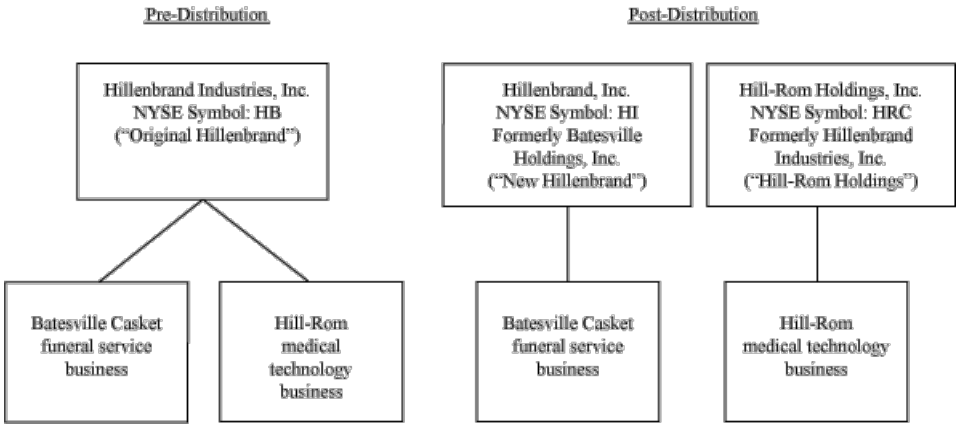
"We," "us," "our," "our company" and "New Hillenbrand" refer to Batesville Holdings, Inc., the holding company for the Batesville Casket funeral service business whose shares will be distributed in the distribution and which will change its name to Hillenbrand, Inc. in connection with the distribution.

"Original Hillenbrand" refers to Hillenbrand Industries, Inc., the publicly traded holding company for the Batesville Casket funeral service business and the Hill-Rom medical technology business, prior to the distribution.

"Hill-Rom Holdings" refers to Hill-Rom Holdings, Inc., which will be the holding company for the medical technology business following the distribution and the change of Original Hillenbrand's name to Hill-Rom Holdings, Inc.

Where appropriate in context, the foregoing terms also include the subsidiaries of these entities.

The following diagrams depict the pre- and post-distribution structures:



QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What is New Hillenbrand and why is Original Hillenbrand separating New Hillenbrand's business and distributing its stock?	New Hillenbrand currently is a wholly owned subsidiary of Original Hillenbrand that was recently formed to be a holding company for Original Hillenbrand's funeral service business, which has operated under the Batesville Casket name. The separation of New Hillenbrand from Original Hillenbrand and the distribution of New Hillenbrand's common stock are intended to provide you with equity investments in two separate companies that should then be able to focus exclusively on maximizing opportunities for their distinct businesses. This should result in enhanced long-term performance of each business. See "The Separation — Background of and Reasons for the Separation."
Why am I receiving this document?	Original Hillenbrand is delivering this document to you because you were a holder of Original Hillenbrand common stock on the record date for the distribution of our shares of common stock. Accordingly, you are entitled to receive one share of our common stock for each share of Original Hillenbrand common stock that you held at the close of business on the record date. We will not issue fractional shares of our common stock, and you will receive a check for the cash value of any fractional share of our common stock you otherwise would be entitled to receive. No action is required for you to participate in the distribution. The distribution will take place after the close of business on , 2008. This document will help you understand the effects of the separation and distribution on your investment in Original Hillenbrand.
How will the separation of New Hillenbrand from Original Hillenbrand work?	To accomplish the separation, Original Hillenbrand will distribute all of the common stock of New Hillenbrand to Original Hillenbrand's shareholders on a pro rata basis as a dividend.
Why is the separation of New Hillenbrand structured as a distribution?	Original Hillenbrand believes that a tax-free distribution of shares of New Hillenbrand to the Original Hillenbrand shareholders is a tax-efficient way to separate its funeral service and medical technology businesses in a manner that will create long-term value for Original Hillenbrand shareholders.
When will the distribution occur?	Original Hillenbrand will distribute the shares of New Hillenbrand common stock after the close of business on , 2008 to holders of record of Original Hillenbrand common stock at the close of business on , 2008, the record date.
What do shareholders need to do to participate in the distribution?	You do not have to do anything, but we urge you to read this entire information statement carefully. Shareholders of Original Hillenbrand as of the record date will not be required to take any action to receive New Hillenbrand common stock in the distribution. No shareholder approval of the distribution is required or sought because the Indiana Business Corporation Law, which governs Original Hillenbrand as an Indiana corporation, provides that distributions to shareholders may be authorized by the board of directors. **We are not asking you for a proxy and you are requested not to send us a proxy**. You will not be required to make any payment, surrender or exchange your shares of

	Original Hillenbrand common stock or take any other action to receive your shares of our common stock. **Please do not send in your Original Hillenbrand stock certificates.** If you own Original Hillenbrand common stock as of the close of business on the record date, Original Hillenbrand, with the assistance of Computershare Investors Services, the settlement and distribution agent, will electronically issue shares of our common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Computershare Investors Services will mail you a book-entry account statement that reflects your shares of New Hillenbrand common stock, or your bank or brokerage firm will credit your account for the shares. Following the distribution, shareholders whose shares are held in book-entry form may request that their shares of New Hillenbrand common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge.
Can Original Hillenbrand decide to cancel the distribution of our common stock even if all the conditions have been met?	Yes. The distribution is subject to the satisfaction or waiver of certain conditions. See the section entitled "The Separation — Conditions to the Distribution." Until the distribution has occurred, Original Hillenbrand has the right to terminate the distribution, even if all of the conditions are satisfied, if at any time the Board of Directors of Original Hillenbrand determines that the distribution is not in the best interests of Original Hillenbrand and its shareholders or that market conditions or other circumstances are such that it is not advisable to separate the funeral service and medical technology businesses of Original Hillenbrand.
Does New Hillenbrand plan to pay dividends?	Yes. A goal of the separation is that current Original Hillenbrand shareholders initially receive combined quarterly cash dividends from Hill-Rom Holdings and New Hillenbrand equal to the $0.285 per share quarterly dividend currently paid by Original Hillenbrand. Accordingly, following the distribution New Hillenbrand expects initially to pay a quarterly dividend of $0.1825 per share, and Hill-Rom Holdings expects initially to pay a quarterly dividend of $0.1025 per share. The declaration and payment of dividends by New Hillenbrand or Hill-Rom Holdings will be subject to the sole discretion of their respective boards of directors and will depend upon many factors, including their financial condition, earnings, capital requirements, covenants associated with their debt obligations or other contractual restrictions, legal requirements and other factors deemed relevant by their respective boards of directors. See "Dividend Policy."
Will New Hillenbrand incur any debt in the separation?	Yes. New Hillenbrand expects to enter into a new $400 million bank credit facility that will be available for working capital purposes and to fund capital expenditures and acquisitions. New Hillenbrand expects to borrow approximately $250 million under that facility to make a cash distribution of that amount to Original Hillenbrand immediately prior to the distribution in order to establish appropriate long-term capital structures for each of the companies. On a pro forma basis giving effect to the distribution and related transactions, including the

	payment to Original Hillenbrand, New Hillenbrand had shareholders' equity of $259.1 million as of December 31, 2007. For additional information relating to our planned financing arrangements, see the sections entitled "Unaudited Pro Forma Combined Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Other Liquidity Matters."
What will the separation cost?	Original Hillenbrand expects to incur pre-tax separation costs of approximately $40 million to $45 million, of which a portion has been allocated to us. Through December 31, 2007, Original Hillenbrand has incurred cumulative separation costs of $14.7 million, of which $1.2 million and $5.1 million were allocated to the funeral service business of Original Hillenbrand for the three month period ended December 31, 2007, and the year ended September 30, 2007, respectively. A majority of these separation costs are expected to be cash, with a portion being non-deductible for income tax purposes. In addition to these separation costs, Original Hillenbrand and New Hillenbrand expect to incur an incremental combined charge related to the modification or acceleration of equity-based awards, subject to final approval by the Original Hillenbrand Board of Directors, in the range of $16 million to $19 million, with $7 million to $8 attributable to New Hillenbrand. These estimates are dependent upon the fair value of our common stock and could change depending on the actual fair value at the time of modification. For additional information on the proposed modification of equity-based awards, see the section entitled "Executive Compensation — Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards."
What are the U.S. federal income tax consequences of the distribution to Original Hillenbrand shareholders?	Original Hillenbrand has received a private letter ruling from the Internal Revenue Service, or IRS, to the effect that the distribution, together with certain related transactions, will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, Original Hillenbrand will receive an opinion of Bracewell & Giuliani LLP, counsel to Original Hillenbrand, addressing certain requirements, the satisfaction of which has been assumed in the private letter ruling, that must be met in order for the distribution to qualify as a tax-free distribution. These requirements include, for example, that a valid business purpose for the distribution exists and that the distribution is not a "device" to distribute Original Hillenbrand's corporate earnings and profits. As a tax-free distribution, no gain or loss will be recognized by you, and no amount will be included in your income, upon the receipt of shares of our common stock in the distribution. You will generally recognize gain or loss with respect to cash received in lieu of a fractional share of our common stock. For more information regarding the private letter ruling and the potential tax consequences to you of the distribution, see the section entitled "The Separation — U.S. Federal Income Tax Consequences of the Distribution."
What will New Hillenbrand's relationship be with Hill-Rom Holdings following the separation?	Before the separation of New Hillenbrand from Original Hillenbrand, we will enter into a distribution agreement and several other agreements with Original Hillenbrand to effect the separation and provide a framework for

	our relationship with Hill-Rom Holdings after the separation. These other agreements include transitional services agreements, shared services or joint ownership agreements, an employee matters agreement, a tax sharing agreement and a judgment sharing agreement. These agreements will govern the relationship between us and Hill-Rom Holdings subsequent to the completion of the separation, and provide for the allocation between us and Hill-Rom Holdings of Original Hillenbrand's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after our separation from Original Hillenbrand. In addition, to allocate the potential liability under certain antitrust litigation matters in which both we and Original Hillenbrand are defendants, we and Original Hillenbrand will enter into a judgment sharing agreement that will apportion responsibility between New Hillenbrand and Hill-Rom Holdings for posting appeal bonds and paying any damages awarded in these cases. We cannot assure you that these agreements will be on terms as favorable to us as agreements with unaffiliated third parties might be. For additional information regarding the separation agreements, see the sections entitled "Risk Factors — Risks Relating to the Separation," "Arrangements between Original Hillenbrand and New Hillenbrand" and "Business and Properties — Legal Proceedings — Antitrust Litigation."
Will I receive physical certificates representing shares of New Hillenbrand common stock following the separation?	No. Following the separation, New Hillenbrand will not issue physical certificates representing shares of New Hillenbrand common stock. Instead, Original Hillenbrand, with the assistance of Computershare Investors Services, the settlement and distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Computershare Investors Services will mail you a book-entry account statement that reflects your shares of New Hillenbrand common stock, or your bank or brokerage firm will credit your account for the shares. A benefit of issuing stock electronically in book-entry form is that there will be none of the physical handling and safekeeping responsibilities that are inherent in owning physical stock certificates. After you receive your book-entry account statement, you may request that we issue you a physical stock certificate by following the directions on your account statement.
Will New Hillenbrand issue fractional shares of its common stock in the distribution?	No. New Hillenbrand will not issue fractional shares of its common stock in the distribution. Fractional shares that Original Hillenbrand shareholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed ratably to those shareholders who would otherwise have been entitled to receive fractional shares. Because the distribution ratio will be one share of New Hillenbrand common stock for each share of Original Hillenbrand common stock outstanding, we expect that the payment of cash in lieu of fractional shares will apply only to certain shareholders that hold shares of Original Hillenbrand common stock through the

	BYDS Buy Direct Stock Program maintained by Computershare Investors Services, Original Hillenbrand's transfer agent.
What if I want to sell my Original Hillenbrand common stock or my New Hillenbrand common stock?	You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. If you sell your Original Hillenbrand common stock prior to the record date or sell your entitlement to receive shares of New Hillenbrand common stock in the distribution on or prior to the distribution date, you will not be entitled to receive any shares of New Hillenbrand common stock in the distribution.
What is "regular-way" and "ex-distribution" trading?	Beginning on or shortly before the record date and continuing up to and through the distribution date, we expect that there will be two markets in Original Hillenbrand common stock: a "regular-way" market and an "ex-distribution" market. Shares of Hillenbrand common stock that trade in the "regular-way" market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. On the first trading day following the distribution date, all shares of Hill-Rom Holdings will trade "ex-distribution." If you decide to sell any shares of Original Hillenbrand before the distribution, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Original Hillenbrand common stock or your entitlement to New Hillenbrand common stock pursuant to the distribution or both.
Why are Original Hillenbrand and New Hillenbrand changing their names in connection with the separation?	Prior to the distribution, Original Hillenbrand will change its name from Hillenbrand Industries, Inc. to Hill-Rom Holdings, Inc., and New Hillenbrand will change its name from Batesville Holdings, Inc. to Hillenbrand, Inc. These name changes are being made to continue the long association of the Hillenbrand name with the Batesville Casket business.
Where will I be able to trade shares of New Hillenbrand common stock?	We have applied to list our common stock on the New York Stock Exchange, or NYSE, under the symbol "HI." We anticipate that trading in shares of our common stock will begin on a "when-issued" basis on or shortly before the record date and will continue up to and through the distribution date and that "regular-way" trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell our common stock up to and through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for our common stock before, on or after the distribution date.
What will happen to the listing of Original Hillenbrand common stock?	Original Hillenbrand's common stock will continue to trade on the NYSE; however, in connection with Original Hillenbrand's name change to Hill-Rom Holdings, Inc., Original Hillenbrand intends to change its trading symbol from "HB" to "HRC."

Will the number of Original Hillenbrand shares I own change as a result of the distribution?	No. The number of shares of Original Hillenbrand common stock you own will not change as a result of the distribution.
Will the distribution affect the market price of my Original Hillenbrand shares?	Yes. As a result of the distribution, we expect the trading price of shares of Hill-Rom Holdings common stock immediately following the distribution to be lower than the trading price of Original Hillenbrand common stock immediately prior to the distribution because the trading price will no longer reflect the value of the funeral service business. Furthermore, until the market has fully analyzed the value of Hill-Rom Holdings without the funeral service business, the market price of a share of Hill-Rom Holdings common stock may fluctuate significantly. Original Hillenbrand believes that over time following the separation, the common stock of Hill-Rom Holdings and New Hillenbrand should have a higher aggregate market value than if Original Hillenbrand were to remain under its current configuration, assuming the same market conditions and the realization of the expected benefits of the separation. However, there can be no assurance that such a higher aggregate market value will be achieved, and the combined trading prices of a share of Hill-Rom Holdings common stock and a share of New Hillenbrand common stock after the distribution may be equal to, greater than or less than the trading price of a share of Original Hillenbrand common stock before the distribution.
How will I determine my tax basis in the New Hillenbrand shares I receive in the distribution?	Shortly after the distribution is completed, Hill-Rom Holdings will provide U.S. taxpayers with information to enable them to compute their tax basis in both Hill-Rom Holdings and New Hillenbrand shares and other information they will need to report their receipt of New Hillenbrand common stock on their 2008 federal income tax returns as a tax-free transaction. Generally, your aggregate basis in the stock you hold in Hill-Rom Holdings and New Hillenbrand shares received in the distribution will equal the aggregate basis in the Original Hillenbrand common stock held by you immediately before the distribution, allocated between your Hill-Rom Holdings common stock and the New Hillenbrand common stock you receive in the distribution in proportion to the relative fair market value of each on the date of the distribution. You should consult your tax advisor about the particular consequences of the distribution to you, including the application of state, local and foreign tax laws.
Are there risks to owning New Hillenbrand common stock?	Yes. Our business is subject to both general and specific risks relating to our business, the industry in which we operate, our ongoing contractual relationships with Hill-Rom Holdings and our status as a separate, publicly traded company. Our business is also subject to risks relating to the separation. These risks are described in the “Risk Factors” section of this information statement beginning on page 5. We encourage you to read that section carefully.

Where can Original Hillenbrand shareholders obtain more information?

Before the distribution, if you have any questions relating to the separation, you should contact:

Hillenbrand Industries, Inc.
Investor Relations
1069 State Route 46 East
Batesville, Indiana 47006
Attention: Blair A. (Andy) Rieth, Jr.
Vice President, Investor Relations
Phone (812) 931-2199
Fax (812) 931-3533
www.hillenbrand.com

After the distribution, New Hillenbrand shareholders who have any questions relating to our common stock should contact us at:

Hillenbrand, Inc.
Investor Relations
One Batesville Boulevard
Batesville, Indiana 47006
Attention: Mark R. Lanning
Vice President, Investor Relations
Phone (812) 934-7256
Fax (812) 934-1963
www.batesville.com

or

Computershare Investors Services
2 North LaSalle Street
Chicago, IL 60602

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SUMMARY

This summary highlights selected information contained elsewhere in this information statement relating to our company, our separation from Original Hillenbrand and the distribution of our common stock by Original Hillenbrand to its shareholders. For a more complete understanding of our business and the separation and distribution, you should carefully read the entire information statement.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of the distribution and all the other transactions referred to in this information statement in connection with the separation and distribution.

Our Company

We are a leader in the North American death care industry through the manufacture, distribution and sale of funeral service products to licensed funeral establishments. Our products consist primarily of burial and cremation caskets, but also include containers and urns, selection room display fixturing for funeral homes, other personalization and memorialization products and services, including creating and hosting websites for funeral homes. Our product offering ranges from gasketed caskets made of carbon steel, stainless steel, copper and bronze to non-gasketed steel, hardwood and veneer hardwood units. In addition, we manufacture and sell cloth-covered caskets, all wood construction (orthodox) caskets and a line of urns, containers and other memorialization products used in cremations. We supply selection room display fixturing through our System Solutions by Batesville® group. We operate six manufacturing and ninety-four distribution facilities that are integrated into a rapid replenishment, high velocity hub and spoke distribution system. Recently, we launched our NorthStar™ program, selling private label caskets and casket parts to other North American manufacturers and distributors through a separate sales force and distribution system.

Our strategy centers on growing our sales of Batesville® branded burial caskets and cremation products to licensed funeral establishments, the sale of non-Batesville branded caskets to independent casket manufacturers and distributors, and exploring acquisitions in and closely adjacent to our casket and cremation business that capitalize on our strengths and leadership position.

As of December 31, 2007, on a pro forma basis we had $259.1 million in shareholders' equity and $647.3 million in assets. For the year ended September 30, 2007, on a pro forma basis we generated revenues of $667.2 million, operating profit of $154.4 million and net income of $97.8 million. For the three months ended December 31, 2007, on a pro forma basis we generated revenues of $162.9 million, operating profit of $38.0 million and net income of $23.9 million.

For more information about our business, industry and strategy and the risks we face, see the sections entitled "Risk Factors," "Business and Properties" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Separation

On May 7, 2007, the Board of Directors of Original Hillenbrand authorized management of Original Hillenbrand to pursue a plan to separate its funeral service business from its medical technology business, which we refer to as "the separation" in this information statement. In furtherance of this plan, on , 2008, the Original Hillenbrand Board of Directors approved the distribution of all of the shares of our common stock held by Original Hillenbrand to its shareholders. This distribution will take place after the close of business on , 2008. On the distribution date, each holder of Original Hillenbrand common stock will receive one share of our common stock for each share of Original Hillenbrand common stock held at the close of business on the record date.

Before our separation from Original Hillenbrand, we will enter into a distribution agreement and several other agreements with Original Hillenbrand to effect the separation and provide a framework for our relationships with Hill-Rom Holdings after the separation. These other agreements include transitional services agreements, shared services or joint ownership agreements, an employee matters agreement, a tax sharing agreement and a judgment sharing agreement. These agreements will govern the relationship between us and Hill-Rom Holdings subsequent to the completion of the separation and provide for the allocation between us and Hill-Rom Holdings of Original Hillenbrand's assets, employees,

liabilities and obligations (including its investments, property and employee benefits and tax-related assets and employees, liabilities) attributable to periods prior to, at and after our separation from Original Hillenbrand. In addition, in order to allocate between us any potential liability under certain antitrust litigation matters in which both we and Original Hillenbrand are defendants, we will enter into a judgment sharing agreement with Original Hillenbrand that will apportion responsibility between us and Hill-Rom Holdings for posting appeal bonds and paying any damages awarded in these cases. For more information on the distribution agreement and related agreements, see the sections entitled "Risk Factors — Risks Relating to the Separation," "Arrangements between Original Hillenbrand and New Hillenbrand" and "Business and Properties — Legal Proceedings — Antitrust Litigation."

The Original Hillenbrand Board of Directors believes that the separation of the funeral service business should not only enhance its strength, but will also improve both companies' strategic, operational and financial flexibility. Although there can be no assurance, Original Hillenbrand believes that, over time, the common stock of Hill-Rom Holdings and New Hillenbrand should have a greater aggregate market value than Original Hillenbrand has in its current configuration, assuming the same market conditions and the realization of the expected benefits of the separation. The following are some of the opportunities and benefits that the Original Hillenbrand Board of Directors considered, among others, in approving the separation:

- *Allows us and Hill-Rom Holdings to focus on our respective industries.* The Original Hillenbrand Board of Directors believes that the separation will allow Hill-Rom Holdings and New Hillenbrand to maintain a sharper focus on their respective core business and growth opportunities, which will allow each separated company to respond more nimbly to the industry in which it operates.
- *Provides direct access to capital.* Each company will have a capital structure adequate to meet its needs. After the separation, each company's capital structure is expected to better facilitate acquisitions (including, possibly, acquisitions using its common stock as currency), joint ventures, partnerships and internal expansion, which are important for us to grow our business.
- *Creates more effective management incentives and improves ability to attract and retain talent.* The separation will permit the use of equity-based incentives, such as options and restricted stock units, for each of the companies with a value that is expected to reflect more closely the efforts and performance of each company's management. Original Hillenbrand believes such equity-based compensation arrangements should provide enhanced incentives for performance and improve the ability for each company to attract, retain and motivate qualified personnel.
- *Enables investors to invest directly in our business.* Separating the funeral service business from the medical technology business of Original Hillenbrand is expected to reduce the complexities surrounding investor and research analyst understanding and will provide investors with the opportunity to invest individually in each of the separated companies.

Neither we nor Original Hillenbrand can assure you that, following the separation, any of these benefits will be realized to the extent anticipated or at all. See "The Separation — Background of and Reasons for the Separation."

Other risks affecting us and our business are discussed under "Risk Factors" beginning on page 5.

Interests of Certain Persons in the Separation

Except as set forth below, none of our directors or executive officers will receive any benefits or remuneration not received by shareholders in connection with the separation and distribution. Under a supplemental benefits agreement entered into in March 2006 between Original Hillenbrand and Kenneth A. Camp, our President and Chief Executive Officer, Mr. Camp will be credited with additional service under a Supplemental Executive Retirement Plan as a result of the distribution. Additionally, in connection with the distribution, we expect that, subject to approval by the Original Hillenbrand Board of Directors, equitable adjustments will be made to outstanding stock option and deferred stock share awards that currently relate to Original Hillenbrand common stock, including stock option and deferred stock share awards held by our directors and executive officers, to the extent necessary to maintain the equivalent value of such awards upon the distribution. We also will grant new equity–based awards to Mr. Camp immediately following the distribution to reflect his increased responsibilities as chief executive officer of a stand-alone, publicly traded company. For a more complete description of these matters, see "The Separation — Interests of Certain Persons in the Separation."

Summary Combined Historical and Pro Forma Financial Information

The following table sets forth a summary of our historical combined financial information for the periods and as of the dates presented and should be read together with the Combined Financial Statements and notes thereto included elsewhere in this information statement. The summary historical financial information for the years ended September 30, 2007, 2006 and 2005 is derived from our audited Combined Financial Statements included elsewhere in this information statement. The summary historical financial information for the three months ended December 31, 2007 and 2006 is derived from our unaudited Combined Financial Statements included elsewhere in this information statement. Historical results are not necessarily indicative of our future results, and interim period results are not necessarily indicative of our annual results.

The following table also sets forth a summary of our unaudited pro forma combined financial information giving effect to the separation and the distribution. The unaudited pro forma combined financial data as of and for the three months ended December 31, 2007 and for the year ended September 30, 2007 have been derived from our historical Combined Financial Statements and adjusted to give effect to the following planned transactions:

- the planned distribution of our common stock to Original Hillenbrand shareholders by Original Hillenbrand (on a one to one distribution ratio) and the related transfer to us from Original Hillenbrand of certain corporate assets and liabilities of Original Hillenbrand,
- the procurement of a revolving line of credit for a total of $400 million, of which we intend to draw approximately $250 million to be transferred to Original Hillenbrand as a cash distribution immediately prior to the distribution in order to establish appropriate long-term capital structures for us and Original Hillenbrand,
- the inclusion of interest expense to reflect the anticipated borrowings under our new revolving line of credit as of the date of separation, calculated based upon expected interest rates for our then outstanding debt, and
- the inclusion of investment income on certain investments that will be transferred to us.

The unaudited pro forma information also reflects certain incremental cost increases that we will experience as a stand-alone public entity. For example, Original Hillenbrand currently provides many corporate functions on our behalf. As an independent, publicly traded company, our total costs related to functions such as tax, accounting, legal, internal audit, human resources, risk management, shared information technology systems, procurement and other statutory functions, including a board of directors, are expected to increase from the costs for such shared functions that were historically allocated to us from Original Hillenbrand. The annualized incremental costs associated with replacing and/or establishing these functions are currently estimated to be approximately $5 million in fiscal 2008. This estimate includes the incremental costs we expect to incur or be allocated under the distribution agreement, employee matters agreement, tax sharing agreement, and shared services and transitional services agreements described under “Arrangements between Original Hillenbrand and New Hillenbrand.”

Additionally, while annual investment income of $10 million to $12 million from private equity limited partnership investments that will be transferred to us has been reported by Original Hillenbrand during recent years, such incremental income has been excluded from the following unaudited pro forma combined financial information due to its inherent volatility.

Based upon available cash on hand at the time of the distribution, it is intended that both New Hillenbrand and Original Hillenbrand will have minimum cash balances equivalent to their estimated normal operating cash needs. Should excess cash be available, it will be split among New Hillenbrand and Original Hillenbrand after taking into consideration certain funding requirements of Original Hillenbrand, the funding status of benefit plans and other factors.

The summary pro forma combined financial information is derived from, and should be read together with, the unaudited pro forma combined financial statements included elsewhere in this information statement. The unaudited pro forma combined statement of income information gives effect to the separation and distribution as if it occurred on October 1, 2006, and the unaudited pro forma combined balance sheet information gives effect to the separation and distribution as if it occurred on December 31, 2007. The unaudited pro forma combined financial information does not purport to present our results of operations or financial position as if the separation and distribution actually had occurred on the dates indicated, nor does it project our results of operations or financial position for any future period or as of any future date.

	Three Months Ended December 31,			Fiscal Years Ended September 30,			
	Pro Forma	As Reported		Pro Forma	As Reported		
	2007	2007	2006	2007	2007	2006	2005
		(Unaudited)		(Unaudited)			
	(In millions, except per share amounts)						
Income Statement Data:							
Net revenues	$ 162.9	$ 162.9	$ 162.2	$ 667.2	$ 667.2	$ 674.6	$659.4
Cost of goods sold	96.0	96.0	93.4	388.6	388.6	391.9	392.9
Gross profit	66.9	66.9	68.8	278.6	278.6	282.7	266.5
Operating expenses	28.9	27.3	26.7	124.2	117.9	105.3	105.2
Separation costs	—	1.2	—	—	5.1	—	—
Operating profit	38.0	38.4	42.1	154.4	155.6	177.4	161.3
Interest expense	(3.3)	—	—	(14.4)	—	—	—
Investment income and other	2.4	(0.4)	(0.4)	12.0	1.4	1.4	2.0
Income before income taxes	37.1	38.0	41.7	152.0	157.0	178.8	163.3
Income tax expense	13.2	14.0	15.6	54.2	57.5	65.6	60.5
Net income	23.9	$ 24.0	$ 26.1	$ 97.8	$ 99.5	$ 113.2	$102.8
Pro forma net income per share:							
Basic	$ .38	$ 0.38	$ 0.42	$ 1.56	$ 1.60	$ 1.82	$ 1.65
Diluted	$ .38	$ 0.38	$ 0.42	$ 1.56	$ 1.60	$ 1.82	$ 1.65
Pro forma shares outstanding:							
Basic	62.5	62.3	62.3	62.5	62.3	62.3	62.3
Diluted	62.7	62.3	62.3	62.7	62.3	62.3	62.3
Cash Flow Data:							
Cash flows provided by (used in):							
Operating activities	N/A	$ 22.7	$ 29.9	N/A	$ 127.3	$ 124.6	$ 88.9
Investing activities	N/A	(2.2)	(1.1)	N/A	(20.1)	(15.3)	(13.2)
Financing activities	N/A	(20.2)	(26.5)	N/A	(103.5)	(107.0)	(78.3)
Effect of exchange rate changes on cash	N/A	(0.4)	(0.1)	N/A	0.3	0.3	0.1
Total cash flows, net	N/A	$ (0.1)	$ 2.2	N/A	$ 4.0	$ 2.6	$ (2.5)

	December 31, 2007	
	As Reported	Pro Forma
	(Unaudited) (In millions)	
Balance Sheet Data:		
Total assets	$ 322.0	$ 647.3
Long-term debt	—	250.0
Other long-term liabilities	26.6	26.6
Total liabilities	138.2	388.2
Parent company/shareholders' equity	183.8	259.1

RISK FACTORS

Our business involves risks. The following information about these risks should be considered carefully together with the other information contained herein.

Risks Related to Our Business

An adverse outcome in the ongoing antitrust litigation in which we are a defendant could materially adversely affect our results of operations, financial position and liquidity.

We are a defendant in several purported antitrust class action lawsuits. See "Business and Properties — Legal Proceedings — Antitrust Litigation." The plaintiffs in one of these cases have served a report indicating that they are seeking damages ranging from approximately $947 million to approximately $1.46 billion before trebling, and the plaintiffs in the other case have served a report indicating that they are seeking damages of approximately $99.2 million before trebling. If these cases go to trial, the plaintiffs are likely to claim additional alleged damages for the period between their reports and the time of trial. At this point, it is not possible to estimate the amount of any additional alleged damage claims that they may make. In the event a class is certified in any of these cases and the plaintiffs prevail at trial, any damages awarded would be trebled as a matter of law and the plaintiffs may elect to enforce any judgment against any or all of the codefendants, who have no statutory contribution rights against each other. Accordingly, if a class is certified in any of these cases and the plaintiffs prevail at trial, we could be subject to substantial liability. In such event, we may not be able to satisfy any such judgment or to post an appeal bond for the appeal of any such judgment. In that event, we could resort to bankruptcy proceedings. If we are able to satisfy a judgment or post an appeal bond, doing so may significantly impair our financial position and liquidity.

Although we will enter into a judgment sharing agreement with Original Hillenbrand with respect to this litigation, there can be no assurance that Original Hillenbrand will be able to satisfy its potential obligations under this agreement. Moreover, negative covenants contained in the distribution agreement, intended to preserve the credit capacity of each of New Hillenbrand and Original Hillenbrand to perform its obligations under the judgment sharing agreement, impose restrictions on us that, among other matters, may limit our ability to consummate acquisitions or pay dividends. See "Arrangements between Original Hillenbrand and New Hillenbrand — Distribution Agreement" and "— Judgment Sharing Agreement."

In addition to the risks associated with an adverse outcome in this litigation, we continue to incur significant legal costs in the vigorous defense of this litigation and expect these costs to continue for the foreseeable future. We expect these costs to be approximately $12.5 million in fiscal 2008. Under the judgment sharing agreement, we will be responsible for all costs incurred by us and Original Hillenbrand in defense of this litigation.

Our business is significantly dependent on several major contracts with large national providers. Our relationships with these customers pose several risks.

We have contracts with a number of large, national funeral home customers which comprise a sizeable portion of our overall sales volume. The November 2006 completion of the combination of our largest customer, Service Corporation International ("SCI"), and our second largest customer, Alderwoods Group, Inc. ("Alderwoods"), has brought purchases by both organizations under the same agreement. This agreement does not impose specific purchase requirements on the combined entity. While we anticipate that SCI will continue to buy substantially all its burial products from us for the foreseeable future, there can be no guarantee that it will do so. Any decision by our large national funeral home customers to discontinue purchases from us could have a material adverse effect on our financial condition, results of operations and cash flows. In addition, we have lost, and may continue to lose, some business as the SCI/Alderwoods combined entity continues to divest itself of certain overlapping properties. The losses from divestitures could be significant if a large number of these properties are purchased by funeral homes or other entities that elect not to purchase products from us and we are not able to attract replacement business from the subsequent owners of these properties.

Also, while our contracts with large funeral service providers give us important access to many of the largest purchasers of funeral service products, they can obligate us to sell our products at contracted prices for extended periods of time, therefore limiting our ability, in the short-term, to raise prices in response to significant increases in raw material prices or other factors.

Continued fluctuations in mortality rates and increased cremations may adversely affect, as they have in recent years, the volume of our sales of burial caskets.

The life expectancy of U.S. citizens has increased steadily since the 1950s and is expected to continue to do so for the foreseeable future. As the population of the United States continues to age, we anticipate the number of deaths in North America will be relatively flat for at least the foreseeable future.

Cremations as a percentage of total U.S. deaths have increased steadily since the 1960s, and are also expected to continue to increase for the foreseeable future. Therefore, the number of U.S. cremations is gradually and steadily increasing, resulting in a contraction in the demand for burial caskets, which was a contributing factor to lower burial casket sales volumes for us in each of fiscal years 2005, 2006 and 2007 and the first three months of fiscal 2008.

We expect these trends to continue into the foreseeable future and our burial casket volumes will likely continue to be negatively impacted by these market conditions. Finally, the number of deaths can vary over short periods of time and among different geographical areas, due to a variety of other factors, including the timing and severity of seasonal outbreaks of illnesses such as pneumonia and influenza. Such variations could cause our sales of burial caskets to fluctuate from quarter to quarter and year to year.

Our business is facing increasing competition from a number of non-traditional sources and caskets manufactured abroad and imported into North America.

Non-traditional funeral service providers could present more of a competitive threat to us and our sales channel than is currently anticipated. While some of these have competed against us for many years, large discount retailers such as Costco, casket stores, and internet casket retailers represent more recent competitors. Also, we have learned that several manufacturers located in China are currently manufacturing caskets for sale into the United States. It is not possible to quantify the financial impact that these competitors will have on our business, but these competitors will continue to drive additional pricing and other competitive pressures in an industry that already has approximately double the necessary domestic production capacity. Such competitive actions could have a negative impact on our results of operations.

Increased prices for, or unavailability of, raw materials used in our products could adversely affect profitability or revenues. In particular, our results of operations continue to be adversely affected by high prices for steel, red metals, solid wood and fuel.

Our profitability is affected by the prices of the raw materials used in the manufacture of our products. These prices may fluctuate based on a number of factors beyond our control, including changes in supply and demand, general economic conditions, labor costs, fuel related delivery costs, competition, import duties, tariffs, currency exchange rates and, in some cases, government regulation. Significant increases in the prices of raw materials that cannot be recovered through increases in the prices of our products could adversely affect our results of operations. While there has been less overall cost pressure in 2006 and 2007, we experienced significantly higher prices in fiscal 2004 and 2005 than we had in prior periods for commodities used in the manufacture of our products, including steel, red metals, solid wood and fuel. Although we have historically been able to offset such rising costs with increases in the prices of our products, there can be no assurance that the marketplace will continue to support the higher prices or that such prices will fully offset such commodity price increases in the future. Any further increases in prices resulting from a tightening supply of these or other commodities or fuel could adversely affect our profitability. We generally do not engage in hedging transactions with respect to raw material purchases, but do enter into fixed price supply contracts at times. Our decision not to engage in hedging transactions may result in increased price volatility, with resulting adverse effects on profitability.

Our dependency upon regular deliveries of supplies from particular suppliers means that interruptions or stoppages in such deliveries could adversely affect our operations until arrangements with alternate suppliers could be made. Several of the raw materials used in the manufacture of our products currently are procured only from a single source. If any of these sole-source suppliers were unable to deliver these materials for an extended period of time as a result of financial difficulties, catastrophic events affecting their facilities or other factors, or if we were unable to negotiate acceptable terms for the supply of materials with these sole-source suppliers, our business could suffer. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs.

Extended unavailability of a necessary raw material could cause us to cease manufacturing one or more products for a period of time.

We are involved on an ongoing basis in claims, lawsuits and governmental proceedings relating to our operations, including environmental, antitrust, patent infringement, business practices, commercial transactions, and other matters.

The ultimate outcome of these claims, lawsuits and governmental proceedings cannot be predicted with certainty but could have a material adverse effect on our financial condition, results of operations and cash flow. We are also involved in other possible claims, including product and general liability, workers compensation, auto liability and employment-related matters. While we maintain insurance for certain of these exposures, the policies in place are high-deductible policies resulting in our assuming exposure for a layer of coverage with respect to such claims.

A substantial portion of our workforce is unionized, and we could face labor disruptions that would interfere with our operations.

Approximately 37% of our employees, as part of our logistics and manufacturing operations in the United States and Canada, work under collective bargaining agreements. Although we have not experienced any significant work stoppages in the past 20 years as a result of labor disagreements, we cannot ensure that such a stoppage will not occur in the future. Inability to negotiate satisfactory new agreements or a labor disturbance at one of our principal facilities could have a material adverse effect on our operations.

Risks Relating to the Separation

We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from Original Hillenbrand, and any such benefits may be offset in part by certain negative consequences of the separation.

We may not be able to achieve the full strategic and financial benefits that we expect will result from our separation from Original Hillenbrand or such benefits may be delayed or may not occur at all. For example, there can be no assurance that analysts and investors will regard our corporate structure as clearer and simpler than the current Original Hillenbrand corporate structure or place a greater value on our company as a stand-alone company than on our business as a part of Original Hillenbrand. As a result, in the future the aggregate market price of Hill-Rom Holdings common stock and our common stock as separate companies may be less than the market price per share of Original Hillenbrand's common stock had the separation and distribution not occurred.

Because we will be a smaller company than Original Hillenbrand prior to the separation and expect to have credit ratings below Original Hillenbrand's current credit ratings, we expect to have less borrowing capacity and greater borrowing costs than Original Hillenbrand currently has.

We have no operating history as a separate publicly traded company.

Prior to the consummation of the distribution, we have operated as part of Original Hillenbrand. Accordingly, we have no direct experience complying with certain of the requirements of the Sarbanes-Oxley Act of 2002 or with the periodic reporting requirements of the Securities Exchange Act of 1934. Additionally, we have not been responsible for performing various corporate functions, including tax administration, treasury administration, investor relations, internal audit and risk management.

The historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

- Prior to our separation, our business was operated by Original Hillenbrand as part of its broader corporate organization, rather than as a separate, publicly traded company. As a result, we will be required to make certain modifications to certain business support and governance activities upon our separation from

Original Hillenbrand. Our historical financial results reflect allocations of expenses for these and similar functions but these allocations are less than the expenses we would have incurred had we operated as a separate, publicly traded company. We expect that the annualized incremental costs associated with being a separate public company will be in the range of $4 million to $6 million in fiscal 2008.

- After the separation, the borrowing costs for our business will be higher than Original Hillenbrand's borrowing costs prior to the separation.
- Other significant changes may occur in our cost structure, management, financing and business operations as a result of our operating as a company separate from Original Hillenbrand.

We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as a separate, publicly-traded company, and we may experience increased costs after the separation or as a result of the separation.

After the separation, Hill-Rom Holdings will be contractually obligated to provide to us only those services specified in the transition services and shared services agreements and the other agreements we enter into with Original Hillenbrand in preparation for the separation. We may be unable to replace in a timely manner or on comparable terms the services that Original Hillenbrand previously provided to us that are not specified in these agreements. Also, upon the expiration of these agreements, many of the services that are covered in such agreements will be provided internally or by unaffiliated third parties, and we expect that in some instances we may incur higher costs to obtain such services than we incurred under the terms of such agreements. In addition, if Hill-Rom Holdings does not continue to perform effectively the services that are called for under the transition services and shared services agreements and the other agreements, we may not be able to operate our business effectively and our profitability may decline. See "Arrangements between Original Hillenbrand and New Hillenbrand."

Our agreements with Original Hillenbrand may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.

The agreements related to our separation from Original Hillenbrand, including the distribution agreement, judgment sharing agreement, employee matters agreement, tax sharing agreement, shared services agreements and transitional services agreements, were prepared in the context of our separation from Original Hillenbrand while we were still part of Original Hillenbrand and, accordingly, may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of these agreements relate to, among other things, allocation of assets, employees, liabilities, rights, indemnifications and other obligations between Original Hillenbrand and us. See the section entitled "Arrangements between Original Hillenbrand and New Hillenbrand."

Volatility in our investment portfolio or collection risk associated with our notes receivable portfolio could negatively impact earnings.

In conjunction with our separation from Original Hillenbrand, ownership in certain investments will be transferred to us. Volatility in that investment portfolio, which Original Hillenbrand carried at a value of $25.9 million at December 31, 2007, could negatively impact earnings. The investment portfolio, which includes private equity limited partnerships among other investments, could be adversely affected by general economic conditions, changes in interest rates, default on debt instruments and other factors, resulting in an adverse impact on our financial condition. This was evident when one significant impairment of a strategic investment resulted in an impairment charge of $8.7 million for Original Hillenbrand in the fourth quarter of fiscal 2005, and two additional impairments resulted in a charge of $2.0 million by Original Hillenbrand in the second quarter of fiscal 2006.

Also being transferred to us at the time of separation are certain outstanding long-term notes receivable and equity instruments, which Original Hillenbrand carried at a value of $124.8 million at December 31, 2007. This balance primarily represents the seller financing provided to FFS Holdings, Inc., the entity that purchased Original Hillenbrand's former Forethought Financial Services, Inc. subsidiary. Should Forethought fail to perform consistent with the original expectations set forth by FFS Holdings, Inc. or underperform to an extent that it cannot meet its financial obligations, or should general economic conditions or other factors result in defaults of our customer

notes, our earnings could be negatively impacted resulting in a material adverse impact on our financial condition and results of operations.

The distribution could result in significant tax liability.

Original Hillenbrand has received a private letter ruling from the IRS that the distribution will qualify for tax-free treatment under Code Sections 355 and 368(a)(1)(D). The IRS ruling relies on certain representations, assumptions and undertakings, including those relating to the past and future conduct of our business. Although Original Hillenbrand believes that all of these representations, assumptions and undertakings were correct, the IRS ruling would not be valid if the representations, assumptions and undertakings were incorrect. Moreover, the IRS private letter ruling does not address all the issues that are relevant to determining whether the distribution will qualify for tax-free treatment, although Original Hillenbrand will receive an opinion of counsel with respect to the legal and tax issues not addressed in the private letter ruling. Notwithstanding the IRS private letter ruling, the IRS could determine that the distribution should be treated as a taxable transaction if it determines that any of the representations, assumptions or undertakings that were included in the request for the private letter ruling were false or had been violated. For more information regarding the private letter ruling, see the section entitled "The Separation — U.S. Federal Income Tax Consequences of the Distribution."

If the distribution fails to qualify for tax-free treatment, Original Hillenbrand would be subject to tax as if it had sold the common stock of our company in a taxable sale for its fair market value and our initial public shareholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock that was distributed to them. Under the tax sharing agreement between Original Hillenbrand and us, we would generally be required to indemnify Original Hillenbrand against any tax resulting from the distribution to the extent that such tax resulted from (1) an issuance of our equity securities, a redemption of our equity securities or our involvement in other acquisitions of our equity securities, (2) other actions or failures to act by us or (3) any of our representations or undertakings being incorrect or violated. For a more detailed discussion, see the section entitled "Arrangements between Original Hillenbrand and New Hillenbrand — Tax Sharing Agreement." Our indemnification obligations to Original Hillenbrand and its subsidiaries, officers and directors are not limited by any maximum amount. If we are required to indemnify Original Hillenbrand or such other persons under the circumstances set forth in the tax sharing agreement, we may be subject to substantial liabilities.

We might not be able to engage in desirable strategic transactions and equity issuances following the distribution.

To preserve the tax-free treatment to Original Hillenbrand and its shareholders of the distribution, under a tax sharing agreement that we will enter into with Original Hillenbrand, for the two year period following the distribution, we may be prohibited, except in specified circumstances, from:

- issuing equity securities,
- engaging in certain business combination or asset sale transactions, or
- engaging in other actions or transactions that could jeopardize the tax-free status of the distribution.

These restrictions may limit our ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of our business. For more information, see the sections entitled "The Separation — U.S. Federal Income Tax Consequences of the Distribution" and "Arrangements between Original Hillenbrand and New Hillenbrand — Tax Sharing Agreement."

Until the distribution occurs Original Hillenbrand has the sole discretion to change the terms of the separation in ways which may be unfavorable to us.

Until the distribution occurs, the Board of Directors of Original Hillenbrand will have the sole and absolute discretion to determine and change the terms of the distribution, including the establishment of the record date and distribution date. These changes could be unfavorable to us. In addition, the Board of Directors of Original Hillenbrand may decide at any time not to proceed with the separation.

Risks Relating to Our Common Stock

There is no existing market for our common stock and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.

There is currently no public market for our common stock. It is anticipated that, on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up and through the distribution date. However, there can be no assurance that an active trading market for our common stock will develop as a result of the distribution or be sustained in the future.

We cannot predict the prices at which our common stock may trade after the distribution. The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control, including:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant acquisitions, dispositions or alliances;
- product introductions by competitors;
- the emergence of new competitors;
- the outcome of litigation or governmental investigations;
- the failure of securities analysts to cover our common stock after the distribution;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- arbitrage activity;
- overall market fluctuations;
- general economic conditions; and
- other factors covered in this "Risk Factors" section of this information statement.

Stock markets in general have experienced volatility that has often been unrelated to the operating or financial performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

Substantial sales of our common stock may occur in connection with this distribution, which could cause our stock price to decline.

The shares of our common stock that Original Hillenbrand distributes to its shareholders generally may be sold immediately in the public market. Although we have no actual knowledge of any plan or intention on the part of any shareholder to sell our common stock following the separation, it is possible that some Original Hillenbrand shareholders, including possibly some of our largest shareholders, may sell our common stock received in the distribution for reasons such as that our business profile or market capitalization as a separate, publicly traded company does not fit their investment objectives. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of the market price of our common stock.

Provisions in our articles of incorporation and by-laws and of Indiana law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our articles of incorporation, by-laws and Indiana law contain provisions that could have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in the best interests of us and our shareholders. While these provisions have the effect of encouraging persons seeking to acquire control of our company to negotiate with our Board of Directors, they could enable our Board of Directors to hinder or frustrate a transaction that some, or a majority, of our shareholders might believe to be in their best interests. These provisions include, among others:

- a Board of Directors that is divided into three classes with staggered terms;
- inability of our shareholders to act by less than unanimous written consent;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of our Board of Directors to issue preferred stock without shareholder approval; and
- limitations on the right of shareholders to remove directors.

Indiana law also imposes some restrictions on mergers and other business combinations between us and any holder of 10% or more of our outstanding common stock, as well as on certain "control share" acquisitions. For more information, see the section entitled "Description of New Hillenbrand Capital Stock — Business Combinations."

We believe these provisions are important for a public company and protect our shareholders from coercive or otherwise potentially unfair takeover tactics by requiring potential acquirors to negotiate with our Board of Directors and by providing our Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make our company immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our Board of Directors determines is not in the best interests of our company and our shareholders.

Although we currently anticipate paying dividends, there cannot be any assurance that dividends will be paid.

Currently, we anticipate initially paying a quarterly dividend of $0.1825 per share beginning with the third quarter of fiscal 2008, which amount, together with the quarterly dividend expected to be paid by Hill-Rom Holdings after the separation, is intended to result in a combined dividend at the same level as the dividend paid by Original Hillenbrand prior to the separation. However, there can be no assurance that we will have sufficient surplus under Indiana law to be able to pay any dividends. This may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, capital expenditures or increases in reserves. The declaration and payment of dividends by us will be subject to the sole discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements, covenants associated with certain of our debt obligations or other contractual restrictions, legal requirements and other factors deemed relevant by our Board of Directors. If we do not pay dividends, the price of our common stock that you receive in the distribution must appreciate for you to receive a gain on your investment in New Hillenbrand. This appreciation may not occur.

FORWARD LOOKING STATEMENTS

Certain statements in this information statement constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding our future plans, objectives, beliefs, expectations, representations and projections. We have tried, whenever possible, to identify these forward-looking statements by using words such as, but not limited to, “intend,” “anticipate,” “believe,” “plan,” “encourage,” “expect,” “may,” “goal,” “become,” “pursue,” “estimate,” “strategy,” “will,” “should,” “projection,” “forecast,” “continue,” “accelerate,” “promise,” “increase,” “higher,” “lower,” “reduce,” “improve,” “expand,” “progress,” “potential” or the negative of those terms or other variations of them or comparable terminology. The absence of such terms, however, does not mean that the statement is not forward-looking.

It is important to note that forward looking statements are not guarantees of future performance, and our actual results could differ materially from those set forth in any forward looking statements. Factors that could cause actual results to differ from forward looking statements include but are not limited to the factors discussed under the heading “Risk Factors” in this information statement. We assume no obligation to update or revise any forward looking statements.

THE SEPARATION

General

On May 7, 2007, the Board of Directors of Original Hillenbrand approved in principle a plan to separate its funeral service and medical technology businesses into separate, publicly traded companies.

In furtherance of this plan, on , 2008, the Original Hillenbrand Board of Directors approved the distribution of all of the shares of our common stock held by Original Hillenbrand to holders of Original Hillenbrand common stock. The distribution of the shares of our common stock will take place after the close of business on , 2008. On the distribution date, each holder of Original Hillenbrand common stock will receive one share of our common stock for each share of Original Hillenbrand common stock held at the close of business on the record date, as described below.

You will not be required to make any payment, surrender or exchange your shares of Original Hillenbrand common stock or take any other action to receive your shares of our common stock.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions, including final approval of the Original Hillenbrand Board of Directors. We cannot provide any assurances that the distribution will be completed or approved by the Original Hillenbrand Board of Directors. For a more detailed description of these conditions, see the section entitled "— Conditions to the Distribution."

We are a direct, wholly owned subsidiary of Original Hillenbrand recently formed to be a holding company for Original Hillenbrand's funeral service business, which has operated under the Batesville Casket name. Following the distribution of our shares of common stock to Original Hillenbrand's shareholders, Original Hillenbrand will continue as a publicly traded company under the name Hill-Rom Holdings, Inc. with the Hill-Rom medical technology business as its sole operating unit.

The Number of Shares You Will Receive

For each share of Original Hillenbrand common stock that you owned at the close of business on , 2008, the record date, you will receive one share of our common stock on the distribution date.

Fractional shares of our common stock will not be issued as part of the distribution nor will any be credited to book entry accounts. Instead, the distribution agent, Computershare Investors Services, will, as soon as practicable after the distribution date, aggregate into whole shares the fractional shares of our common stock that Original Hillenbrand shareholders would otherwise have been entitled to receive. The distribution agent will sell these whole shares in the open market at prevailing market prices and distribute the aggregate sale proceeds, net of applicable expenses including brokerage fees, ratably to shareholders who would otherwise have been entitled to receive fractional shares. The amount of this payment will depend on the prices at which the aggregated fractional shares are sold by the distribution agent. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient shareholder. For an explanation of the U.S. federal income tax consequences of the distribution, including the receipt of cash in lieu of fractional shares, please see "— U.S. Federal Income Tax Consequences of the Distribution." Because the distribution ratio will be one share of New Hillenbrand common stock for each share of Original Hillenbrand common stock outstanding, we expect that the payment of cash in lieu of fractional shares will apply only to certain shareholders that hold shares of Original Hillenbrand common stock through the BYDS Buy Direct Stock Program maintained by Computershare Investors Services, Original Hillenbrand's transfer agent.

When and How You Will Receive the Distributed Shares

Original Hillenbrand will distribute the shares of our common stock after the close of business on , 2008, the distribution date. Computershare Investors Services will serve as transfer agent and registrar for our common stock and as settlement and distribution agent in connection with the distribution.

If you own Original Hillenbrand common stock as of the close of business on the record date, the shares of New Hillenbrand common stock that you are entitled to receive in the distribution will be issued electronically, as soon as practicable after the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct

registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to shareholders, as is the case in this distribution. No physical stock certificates of New Hillenbrand will be issued in the distribution.

If you sell shares of Original Hillenbrand common stock in the "regular-way" market on or prior to the distribution date, you will be selling your right to receive shares of our common stock in the distribution. For more information see the section entitled "— Trading Between the Record Date and Distribution Date."

Commencing promptly after the distribution date, if you hold physical stock certificates that represent your shares of Original Hillenbrand common stock, or if you hold your shares in book-entry form, and you are the registered holder of such shares, the settlement and distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name. If you have any questions concerning the mechanics of having shares of our common stock registered in book-entry form, we encourage you to contact Computershare Investors Services at the address and telephone number set forth on page ix of this information statement. After you receive your book-entry account statement, you may request that we issue you physical stock certificates by following the directions on your account statement.

Most Original Hillenbrand shareholders hold their shares of Original Hillenbrand common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank's or brokerage firm's books. If you hold your Original Hillenbrand common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of our common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Results of the Separation

After our separation from Original Hillenbrand, we will be a separate, publicly traded company. Immediately following the distribution, we expect to have approximately 19,000 shareholders of record, based on the number of registered shareholders of Hillenbrand common stock on February 25, 2008, and approximately 62.3 million shares of our common stock outstanding. The actual number of shares to be distributed will be determined on the record date and will reflect any changes in the number of shares of Original Hillenbrand common stock between February 25, 2008 and the record date for the distribution.

Before or concurrently with the separation, we will enter into a distribution agreement and several other agreements with Original Hillenbrand to effect the separation and provide a framework for our relationships with Hill-Rom Holdings after the separation. These agreements will govern the relationship between us and Hill-Rom Holdings subsequent to the completion of the separation and provide for the allocation of assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after our separation from Original Hillenbrand. For a more detailed description of these agreements, see the section entitled "Arrangements between Original Hillenbrand and New Hillenbrand."

The distribution will not affect the number of outstanding shares of Original Hillenbrand common stock or any rights of Original Hillenbrand shareholders at the time of the distribution.

U.S. Federal Income Tax Consequences of the Distribution

The following is a summary of the material U.S. federal income tax consequences relating to the distribution by Original Hillenbrand. This summary is based on the Code, the Treasury regulations promulgated thereunder, and interpretations of the Code and the Treasury regulations by the courts and the IRS, in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not discuss all the tax considerations that may be relevant to Original Hillenbrand shareholders in light of their particular circumstances, nor does it address the consequences to Original Hillenbrand shareholders subject to special treatment under the U.S. federal income tax laws (such as non-U.S. persons, insurance companies, dealers or brokers in securities or currencies, tax-exempt organizations, financial institutions, mutual funds, pass-through entities and investors in

such entities, holders who hold their shares as a hedge or as part of a hedging, straddle, conversion, synthetic security, integrated investment or other risk-reduction transaction or who are subject to alternative minimum tax or holders who acquired their shares upon the exercise of employee stock options or otherwise as compensation). In addition, this summary does not address the U.S. federal income tax consequences to those Original Hillenbrand shareholders who do not hold their Original Hillenbrand common stock as a capital asset. Finally, this summary does not address any state, local or foreign tax consequences. **ORIGINAL HILLENBRAND SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM.**

Original Hillenbrand has received a private letter ruling from the IRS to the effect that the distribution will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. As a tax-free distribution: (i) no gain or loss will be recognized by (and no amount will be included in the income of) Original Hillenbrand shareholders upon their receipt of shares of New Hillenbrand common stock in the distribution; (ii) any cash received in lieu of fractional share interests in New Hillenbrand will give rise to gain or loss equal to the difference between the amount of cash received and the tax basis allocable to the fractional share interests (determined as described below), and such gain or loss will be capital gain or loss if the Original Hillenbrand common stock on which the distribution is made is held as a capital asset on the date of the distribution; (iii) the aggregate basis in the Hill-Rom Holdings common stock and the New Hillenbrand common stock in the hands of each Original Hillenbrand common shareholder after the distribution will equal the aggregate basis in Original Hillenbrand common stock held by the shareholder immediately before the distribution, allocated between the Hill-Rom Holdings common stock and the New Hillenbrand common stock in proportion to the relative fair market value of each on the date of the distribution; and (iv) the holding period of the New Hillenbrand common stock received by each Original Hillenbrand shareholder will include the holding period at the time of the distribution for the Original Hillenbrand common stock on which the distribution is made, provided that the Original Hillenbrand common stock is held as a capital asset on the date of the distribution.

Although the private letter ruling from the IRS generally will be binding on the IRS, if the factual representations or assumptions made in the letter ruling request were untrue or incomplete in any material respect, neither we nor Hill-Rom Holdings will be able to rely on the ruling. Original Hillenbrand believes that all such representations and assumptions were true and complete. Furthermore, the IRS will not rule on whether a distribution satisfies certain requirements necessary to obtain tax-free treatment under Section 355 of the Code. Rather, the ruling will be based upon representations by Original Hillenbrand that these conditions have been satisfied, and any inaccuracy in such representations could invalidate the ruling. Original Hillenbrand will receive an opinion of Bracewell & Giuliani LLP, counsel to Original Hillenbrand, that addresses the material matters on which the IRS does not rule as a matter of policy. In particular, the tax opinion will opine (i) that there are valid non-tax business purposes under Section 355 for the distribution to occur, (ii) that the distribution is not being used by Original Hillenbrand as a means, referred to as a “device” under Section 355, to distribute earnings and profits of Original Hillenbrand to the shareholders of Original Hillenbrand, and (iii) that the distribution is not part of a plan or arrangement under Section 355(e) to allow for the acquisition by persons (other than the shareholders of Original Hillenbrand who will be receiving shares of New Hillenbrand common stock in the distribution) of 50% or more of the stock of either Original Hillenbrand or New Hillenbrand within two years after the date of the distribution. The opinion of counsel also will be based upon certain assumptions and representations by Original Hillenbrand as to factual matters.

Notwithstanding receipt by Original Hillenbrand of the IRS ruling and the opinion of counsel, in the event there was a material misstatement or omission in the representations or assumptions made in the letter ruling request, the IRS could assert that the distribution does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, our initial public shareholders and Hill-Rom Holdings could be subject to significant U.S. federal income tax liability. In general, Hill-Rom Holdings would be subject to tax as if it had sold the common stock of our company in a taxable sale for its fair market value and our initial public shareholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock that was distributed to them. In addition, even if the distribution were to otherwise qualify under Section 355 of the Code, it may be taxable to Hill-Rom Holdings (but not to shareholders) under Section 355(e) of the Code, if the distribution were later deemed to be part of a plan (or series of related transactions) pursuant to

which one or more persons acquire directly or indirectly stock representing a 50% or greater interest in Hill-Rom Holdings or us. For this purpose, any acquisitions of Original Hillenbrand/Hill-Rom Holdings stock or of our common stock within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although we or Hill-Rom Holdings may be able to rebut that presumption.

In connection with the distribution, we and Original Hillenbrand will enter into a tax sharing agreement pursuant to which we will agree to be responsible for certain liabilities and obligations following the distribution. In general, under the terms of the tax sharing agreement, in the event the distribution were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code (including as a result of Section 355(e) of the Code) and if such failure was not the result of actions taken after the distribution by Hill-Rom Holdings or us, we and Hill-Rom Holdings would share the responsibility for any taxes imposed on Hill-Rom Holdings as a result thereof. We will be responsible for taxes based on a fraction, the numerator of which shall be the price of our stock based on the five trading days after the distribution date and the denominator of which is the sum of the price of our stock and the price of Hill-Rom Holdings stock on the five trading days following the distribution. If such failure was the result of actions taken after the distribution by Hill-Rom Holdings or us, the party responsible for such failure would be responsible for all taxes imposed on Hill-Rom Holdings to the extent that such taxes result from such actions. For a more detailed discussion, see the section entitled "Arrangements between Original Hillenbrand and New Hillenbrand — Tax Sharing Agreement." Our indemnification obligations to Hill-Rom Holdings and its subsidiaries, officers and directors are not limited in amount or subject to any cap. If we are required to indemnify Hill-Rom Holdings and its subsidiaries and their respective officers and directors under the circumstances set forth in the tax sharing agreement, we may be subject to substantial liabilities.

U.S. Treasury regulations require each shareholder that receives stock in a spin-off, such as the distribution, to attach to the shareholder's U.S. federal income tax return for the year in which the spin-off occurs a detailed statement setting forth certain information relating to the tax-free nature of the spin-off. Shortly after the distribution, Hill-Rom Holdings will provide shareholders who receive New Hillenbrand shares in the distribution with the information necessary to comply with that requirement.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. EACH ORIGINAL HILLENBRAND SHAREHOLDER SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

AS REQUIRED BY U.S. TREASURY REGULATIONS, YOU SHOULD BE AWARE THAT THIS COMMUNICATION IS NOT INTENDED OR WRITTEN BY THE SENDER TO BE USED, AND IT CANNOT BE USED, BY ANY RECIPIENT FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE RECIPIENT UNDER U.S. FEDERAL TAX LAWS. THE ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS INFORMATION STATEMENT. ANY RECIPIENT SHOULD SEEK ADVICE BASED ON THE RECIPIENT'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Market for Common Stock

There is currently no public market for our common stock. A condition to the distribution is the listing on the NYSE of our common stock. Original Hillenbrand's common stock will continue to trade on the New York Stock Exchange; however, in connection with Original Hillenbrand's name change to Hill-Rom Holdings, Inc., Original Hillenbrand intends to change its trading symbol from "HB" to "HRC." We expect that this change in trading

symbol will take effect on the first trading day following the distribution date. We have applied to have our common stock listed on the New York Stock Exchange under the symbol "HI."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and through the distribution date, we expect that there will be two markets in Original Hillenbrand common stock: a "regular-way" market and an "ex-distribution" market. Shares of Original Hillenbrand common stock that trade on the regular way market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. Therefore, if you sell shares of Original Hillenbrand common stock in the "regular-way" market on or before the distribution date, you will be selling your right to receive shares of New Hillenbrand common stock in the distribution. If you own shares of Original Hillenbrand common stock at the close of business on the record date and sell those shares on the "ex-distribution" market on or before the distribution date, you will still receive the shares of our common stock that you would be entitled to receive pursuant to your ownership of the shares of Original Hillenbrand common stock on the record date.

Further, beginning on or shortly before the record date and continuing up to and through the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of our common stock that will be distributed to Original Hillenbrand shareholders on the distribution date. If you owned shares of Original Hillenbrand common stock at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without trading the shares of Original Hillenbrand common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when issued" trading with respect to our common stock will end and "regular-way" trading will begin.

Conditions to the Distribution

We expect that the distribution will occur after the close of business on , 2008, the distribution date, provided that the following conditions, among others, shall have been satisfied or, if permissible under the distribution agreement, waived by Original Hillenbrand:

- our registration statement on Form 10, of which this information statement is a part, shall have become effective under the Securities Exchange Act of 1934, as amended;
- the listing of our common stock on the NYSE shall have been approved, subject to official notice of issuance;
- any government approvals and other material consents necessary to consummate the distribution shall have been received and be in full force and effect; and
- no order, injunction, decree or regulation issued by any governmental authority or other legal restraint or prohibition preventing consummation of the distribution shall be in effect, and no other event outside the control of Original Hillenbrand shall have occurred or failed to occur that prevents the consummation of the distribution.

The fulfillment of the foregoing conditions does not create any obligation on Original Hillenbrand's part to effect the distribution, and the Original Hillenbrand Board of Directors has reserved the right, in its sole discretion, to waive any or all of the above conditions, and to amend, modify or abandon the distribution and related transactions at any time prior to the time distribution occurs. Original Hillenbrand has the right not to complete the distribution if, at any time, the Original Hillenbrand Board of Directors determines, in its sole discretion, that the distribution is not in the best interests of Original Hillenbrand or its shareholders or that market conditions or other circumstances are such that it is not advisable to separate the funeral service business from Original Hillenbrand.

Background of and Reasons for the Separation

Following the appointment of Peter H. Soderberg as President and Chief Executive Officer of Original Hillenbrand in March 2006, Original Hillenbrand embarked on a thorough strategic assessment and planning process for both its medical technology business and its funeral service business in order to develop a plan to enhance long-term shareholder value. This process included a consideration of the appropriate enterprise and capital structures to align these elements with and support the strategic plan. The Board of Directors evaluated, with the input of its financial advisors, a range of enterprise and capital structure alternatives for Original Hillenbrand. These alternatives included the continuation of Original Hillenbrand's current operating structure, the sale of one or both of its business units, returning cash to shareholders through an increase in balance sheet leverage and the spin-off of or split off of one of its business units. Following this assessment and evaluation, in October 2006, Original Hillenbrand announced new three-year strategic plans for both business units, and the Board of Directors concluded that separating the two business units into two publicly traded companies merited further, more detailed consideration as a means to position the two operating units to achieve their strategic goals.

From October 2006 to May 2007, the Original Hillenbrand Board of Directors, with input from its advisors, considered the merits and mechanics of a separation of the medical technology and funeral service business units, including whether the achievement of the strategic plans for the business units would be aided by a separation of the business units. This review culminated in the Board's May 7, 2007 approval in principle of a plan to separate Original Hillenbrand's funeral service and medical technology businesses. Among the factors the Board considered were:

- the effects of various legal and potential litigation related considerations on the merits or mechanisms of a separation;
- the capital structure of each of the separated companies and their post separation ability to execute and fund at acceptable debt rating levels their respective dividend obligations and growth strategies on a sustained basis and provide reasonable flexibility to insulate against fluctuations in operating results and other unanticipated events;
- detailed implementation plans to separate the businesses, potential risks and mitigation plans and an assessment of management's ability to execute a separation without losing the momentum of one or both of the businesses against their respective strategic plans;
- valuation and market considerations relating to the timing of a separation;
- whether a separation of the businesses would better facilitate desired cultural and other changes at each business unit;
- whether, based on consideration of growth trajectories, synergies, divergent industries, cultures, processes and practices, ability to execute a true conglomerate strategy and other factors, it made sense to keep the business units together;
- whether investor confusion has resulted from a consolidated structure and any related impact on the valuation of the businesses;
- whether a separation of the businesses would better facilitate attraction, motivation and retention of talent at each company;
- the performance of other companies that have been spun off;
- the valuation of the sum of the businesses on a separated basis versus together over time;
- the ability of separated focused businesses to use equity to support cultural and business development objectives;
- various tax efficient means by which the separation could be accomplished; and

- one time transactional costs to implement the separation and ongoing post separation incremental costs associated with operating two separate public companies and the return on investment associated with incurring these costs.

The Board also considered the risks described under "Risk Factors — Risks Relating to the Separation."

Based upon this detailed review, including consideration of both the positive and negative aspects of the foregoing factors, the Original Hillenbrand Board of Directors concluded that there was a strong business case to support the separation of the two operating companies. Original Hillenbrand believes that the separation of the funeral service business is the best way to unlock the full value of Original Hillenbrand's businesses and will provide each of Hill-Rom Holdings and us with certain opportunities and benefits. The following are some of the opportunities and benefits that the Original Hillenbrand Board of Directors considered, among others, in approving the separation:

- *Allows us and Hill-Rom Holdings to focus on our respective industries.* The Original Hillenbrand Board of Directors believes that the separation will allow Hill-Rom Holdings and New Hillenbrand to maintain a sharper focus on their respective core business and growth opportunities, which will allow each separated company to respond more nimbly to the industry in which it operates. The separation will allow the management of each company to design and implement corporate policies and strategies that are based primarily on the business characteristics and industry conditions applicable to that company and to concentrate its financial resources wholly on its own operations.
- *Provides direct access to capital.* Each company will have a capital structure adequate to meet its needs. After the separation, each company's capital structure is expected to better facilitate acquisitions (including, possibly, acquisitions using its common stock as currency), joint ventures, partnerships and internal expansion, which are important for us to grow our business. Original Hillenbrand believes that this should provide us with the ability to finance acquisitions with equity in a manner that preserves capital with less dilution of our shareholders' interests than would occur by issuing pre-distribution Original Hillenbrand common stock. Original Hillenbrand believes that our stock should be an attractive acquisition currency to potential sellers of businesses complementary to our business.
- *Creates more effective management incentives and improves ability to attract and retain talent.* The separation will permit the use of equity-based incentives, such as options and restricted stock units, for each of the companies with a value that is expected to reflect more closely the efforts and performance of each company's management. Such securities should enable each company to provide incentive compensation arrangements for its key employees that are directly related to the market performance of each company's common stock, and Original Hillenbrand believes such equity-based compensation arrangements should provide enhanced incentives for performance and improve the ability for each company to attract, retain and motivate qualified personnel.
- *Enables investors to invest directly in our business.* Separating the funeral service business from the medical technology business of Original Hillenbrand is expected to reduce the complexities surrounding investor and research analyst understanding and will provide investors with the opportunity to invest individually in each of the separated companies. The Original Hillenbrand Board of Directors believes that many investors prefer to invest in companies with common competencies or industry focus, and therefore the aggregate demand for each of the separated companies' shares by such investors may be greater than the current demand for Original Hillenbrand's shares. Although there can be no assurances, Original Hillenbrand believes that over time following the separation, the common stock of Hill-Rom Holdings and New Hillenbrand should have a higher aggregate market value than if Original Hillenbrand were to remain under its current configuration, assuming the same market conditions and the realization of the expected benefits of the separation.

Neither we nor Original Hillenbrand can assure you that, following the separation, any of these benefits will be realized to the extent anticipated or at all.

In view of the wide variety of factors considered in connection with the evaluation of the separation and the complexity of these matters, the Original Hillenbrand Board of Directors did not find it useful to, and did not

attempt to, quantify, rank or otherwise assign relative weights to the factors considered. The individual members of the Original Hillenbrand Board of Directors likely may have given different weights to different factors.

With regard to the allocation of assets, employees, liabilities and rights and related indemnifications between Original Hillenbrand and New Hillenbrand in the distribution, in general, assets, employees, liabilities and rights associated with the medical technology business will be retained by Original Hillenbrand and those associated with the funeral service business will be retained by New Hillenbrand. Certain investments, assets, liabilities and related obligations currently held by Original Hillenbrand at the parent company level will be transferred to New Hillenbrand prior to the distribution. These items are unrelated to the medical technology and funeral services businesses, and it was determined that they should be transferred to New Hillenbrand for tax purposes, including supporting that the distribution will qualify as tax free, and to provide each company with the desired capital structure upon completion of the distribution. Additionally, certain assets used by both businesses, including certain aircraft and corporate conference facilities, will be jointly owned by Original Hillenbrand and New Hillenbrand.

With regard to the allocation of potential liability under antitrust litigation matters as provided in the judgment sharing agreement that we will enter into with Original Hillenbrand (see "Arrangements between Original Hillenbrand and New Hillenbrand — Judgment Sharing Agreement"), the Board of Directors of Original Hillenbrand, based on the recommendation of the management teams of Original Hillenbrand and New Hillenbrand, adopted a symmetrical approach under which each company will be responsible for any potential liability in an amount up to its "maximum funding proceeds" (as defined in the judgment sharing agreement). Both we and Original Hillenbrand are defendants in the antitrust litigation, but because the litigation relates to alleged conduct of the funeral service business and not the medical technology business, the judgment sharing agreement provides that we are initially responsible for any potential liability up to the amount of our "maximum funding proceeds" (less a set aside for required operating cash) before Original Hillenbrand is responsible for any portion of such liability.

Separation Costs

Original Hillenbrand expects to incur pre-tax separation costs of approximately $40 million to $45 million, of which a portion is being allocated to us. A majority of these separation costs are expected to be paid in cash, with a portion being non-deductible for income tax purposes. In addition to these separation costs, Original Hillenbrand and New Hillenbrand expect to incur an incremental combined charge related to the modification or acceleration of equity-based awards, subject to final approval by the Original Hillenbrand Board of Directors, in the range of $16 million to $19 million, with $7 million to $8 million attributable to New Hillenbrand. The estimates are dependent upon the fair value of our common stock and could change depending on actual fair value at the time of modification. For additional information on the proposed modification or acceleration of equity-based awards, see the section entitled "Executive Compensation — Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards."

Interests of Certain Persons in the Separation

Except as set forth below, none of our directors or executive officers will receive any benefits or remuneration not received by shareholders in connection with the separation and distribution.

Under a supplemental benefits agreement entered into in March 2006 between Original Hillenbrand and Kenneth A. Camp, our President and Chief Executive Officer, Mr. Camp will be credited with additional service under a Supplemental Executive Retirement Plan as a result of the distribution. The present value of the benefit associated with the additional service with which Mr. Camp will be credited was $546,628 as of September 30, 2007, calculated on the same basis and using the same assumptions as the present value of accumulated benefits shown in the Pension Benefits at September 30, 2007 table under "Executive Compensation — Compensation of Named Executive Officers." For a description of this agreement, see "Executive Compensation — Compensation Discussion and Analysis — Elements of Executive Compensation — Retirement, Change in Control Agreements and Severance — Supplemental Executive Retirement Plan."

In connection with the distribution, we expect that, subject to approval by the Original Hillenbrand Board of Directors, equitable adjustments will be made to outstanding stock option and deferred stock share awards that currently relate to Original Hillenbrand common stock, including stock option and deferred stock share awards held

by our directors and executive officers, to the extent necessary to maintain the equivalent value of such awards upon the distribution. Specifically, outstanding options to purchase Original Hillenbrand common stock held by our executive officers and directors (other than directors who will serve as directors of both Original Hillenbrand and New Hillenbrand) will be replaced with options to purchase New Hillenbrand common stock, with the number of shares issuable on exercise and the exercise price being adjusted so that the New Hillenbrand stock options have the same value as the replaced Original Hillenbrand stock options, based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution. Original Hillenbrand stock options held by former directors of Original Hillenbrand and by our directors who will serve as directors of both Original Hillenbrand and New Hillenbrand will be adjusted such that these directors will hold options to purchase the same number of shares of both Original Hillenbrand common stock and New Hillenbrand common stock, with the current exercise price being allocated between the Original Hillenbrand stock options and the New Hillenbrand stock options proportionally based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution.

Deferred stock shares of Original Hillenbrand held by our executive officers and directors (other than those held by directors who will serve as directors of both Original Hillenbrand and New Hillenbrand and those with respect to which an election has been made to defer payment) will be replaced by a number of deferred stock shares or unrestricted shares of common stock of New Hillenbrand such that the New Hillenbrand deferred stock shares or shares of common stock will have the same value as the replaced Original Hillenbrand deferred stock shares, based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution. All Original Hillenbrand deferred stock shares granted prior to December 2007 (other than performance based deferred stock shares) and held by persons who will be our employees following the distribution, including our executive officers, will vest in their entirety by their terms upon completion of the distribution and be replaced by unrestricted shares of New Hillenbrand common stock. Deferred stock shares of Original Hillenbrand (1) held by former directors of Original Hillenbrand and by our directors who will be directors of both Original Hillenbrand and New Hillenbrand and (2) with respect to which an election has been made to defer payment will be adjusted such that these directors and other holders will hold the same number of deferred stock shares in each of Original Hillenbrand and New Hillenbrand. Certain performance based deferred stock awards currently held by Mr. Camp will be replaced with performance based deferred stock awards of New Hillenbrand, with an adjustment in the number of shares subject to the awards intended to preserve the same value as the replaced Original Hillenbrand awards, based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution.

The following table sets forth, for each of our Named Executive Officers and directors and for our executive officers and directors as a group:

- the number of Original Hillenbrand deferred stock shares held by such person or group that will vest upon completion of the distribution and be replaced with unrestricted shares of New Hillenbrand common stock;
- the value, based on the market price of Original Hillenbrand common stock on February 25, 2008, of the Original Hillenbrand deferred stock shares held by such person or group that will vest upon completion of the distribution;
- the number of Original Hillenbrand stock options held by such person or group that will be replaced by New Hillenbrand stock options; and
- the number of Original Hillenbrand deferred stock shares held by such person or group that will be replaced by New Hillenbrand deferred stock shares.

	Number of Vesting Deferred Stock Shares(1)	Value of Vesting Deferred Stock Shares(2)	Number of Replaced Stock Options(3)	Number of Replaced Deferred Stock Shares(4)
Kenneth A. Camp	27,305	$ 1,477,749	188,500	11,742
John R. Zerkle . .	4,010	$ 217,022	15,866	2,022
Michael L. DiBease	5,379	$ 291,121	93,000	1,011
Douglas I. Kunkel	7,131	$ 385,949	28,566	3,032
Ray J. Hillenbrand	0	—	0	13,248
W August Hillenbrand	0	—	132,000	8,991
Eduardo R. Menascé	0	—	0	7,465
All executive officers and directors as a group (10 persons)	49,307	$ 2,668,511	502,592	53,416

(1) Represents the number of outstanding Original Hillenbrand deferred stock shares that will vest upon completion of the distribution and be replaced by unrestricted shares of New Hillenbrand common stock. The number of shares of New Hillenbrand common stock to be issued in replacement of these Original Hillenbrand deferred stock shares will be determined such that the shares of New Hillenbrand common stock will have the same value as the replaced Original Hillenbrand deferred stock shares based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution.

(2) Represents the dollar value of the Original Hillenbrand deferred stock shares that will vest upon completion of the distribution and be replaced by unrestricted shares of New Hillenbrand common stock based on the closing price of Original Hillenbrand common stock on the New York Stock Exchange on February 25, 2008, which was $54.12.

(3) Represents the number of shares of Original Hillenbrand common stock underlying outstanding options to purchase Original Hillenbrand common stock that will be replaced by options to purchase shares of New Hillenbrand common stock in connection with the distribution. The number of shares of New Hillenbrand common stock issuable upon exercise of such replacement options and the exercise price will be determined such that the New Hillenbrand stock options will have the same value as the replaced Original Hillenbrand stock options based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution. The New Hillenbrand stock options will have the same terms as to vesting as the replaced Original Hillenbrand stock options.

(4) Represents the number of outstanding deferred stock shares of Original Hillenbrand that will be replaced by deferred stock shares of New Hillenbrand in connection with the distribution. Except for the deferred stock shares held by W August Hillenbrand and Eduardo R. Menascé, the number of deferred stock shares of New Hillenbrand will be determined such that the New Hillenbrand deferred stock shares will have the same value as the replaced Original Hillenbrand deferred stock shares based on the market prices of Original Hillenbrand common stock and New Hillenbrand common stock on the date of the distribution. The New Hillenbrand deferred stock shares will have the same terms as to vesting as the replaced Original Hillenbrand deferred stock shares. For Mr. Camp, the number shown includes 7,700 performance based deferred stock shares. For W August Hillenbrand and Eduardo R. Menascé, who will be directors of both New Hillenbrand and Original Hillenbrand following the distribution, the deferred stock shares will be adjusted so that these directors will hold the same number of deferred stock shares in each of Original Hillenbrand and New Hillenbrand.

In connection with the modification or acceleration of outstanding Original Hillenbrand equity-based awards, Original Hillenbrand and New Hillenbrand expect to incur incremental combined charges in the range of $16 million to $19 million, with $7 million to $8 million attributable to New Hillenbrand. The estimates are dependent upon the fair value of our common stock and could change depending on the actual fair value at the time of modification.

In addition to the modification of outstanding Original Hillenbrand equity-based awards described above, immediately following the distribution we expect to grant new equity-based awards to Mr. Camp in recognition of his increased responsibilities as chief executive officer of a stand-alone, publicly traded company. These awards will comprise stock options with a value of $1.3 million on the date of the grant and deferred stock shares with a value of $154,000 on the date of the grant. The number of stock options, exercise price of the stock options and number of deferred stock shares will be determined at the time of the grant based on the market price of our common stock and, in the case of the stock options, the fair market value of the stock options on the date of the grant. The stock options will vest in one-third increments on the first, second and third anniversaries of the date of grant. The deferred stock shares will vest 20%, 25%, 25% and 30%, respectively, on the second, third, fourth and fifth anniversaries of the date of grant.

For information regarding outstanding Original Hillenbrand equity-based awards held by our named executive officers and directors, see "Executive Compensation — Compensation of Named Executive Officers — Outstanding Equity Awards of September 30, 2007" and "Security Ownership of Certain Beneficial Owners and Management." For additional information regarding the expected treatment of outstanding Original Hillenbrand equity-based awards in the distribution, see "Executive Compensation — Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards."

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to Original Hillenbrand shareholders who are entitled to receive shares of our common stock in the distribution. The information statement is not, and is not to be construed as, an inducement or encouragement to buy, hold or sell any of our securities or securities of Original Hillenbrand. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Original Hillenbrand nor we undertake any obligation to update such information.

ARRANGEMENTS BETWEEN ORIGINAL HILLENBRAND AND NEW HILLENBRAND

Prior to the distribution, we will enter into the distribution agreement as well as a number of other agreements with Original Hillenbrand for the purpose of accomplishing the separation from Original Hillenbrand of our business described in this information statement, which we sometimes refer to as the separation, and the distribution of our common stock to Original Hillenbrand shareholders. These agreements will govern the relationship between Hill-Rom Holdings and us subsequent to the distribution and provide for the allocation of the assets, employees, investments and property of Original Hillenbrand as well as of investments, property and employee benefits, tax and other liabilities and obligations attributable to periods prior to the distribution. In addition to the distribution agreement, these agreements include:

- judgment sharing agreement;
- employee matters agreement;
- tax sharing agreement;
- shared services agreements; and
- transitional services agreements.

In addition, we will enter into leases and subleases with Original Hillenbrand for locations that we will share after the distribution. Subleases for space in commercially leased locations will have varying terms generally matching the terms of the underlying leases, which we expect to approximate fair market value. Also, we will enter into agreements providing for the joint ownership by Hill-Rom Holdings and us of certain assets, including certain aircraft and corporate conference facilities used by both companies. We also expect to enter into a limited, mutual right of first offer or right of first refusal agreement with Original Hillenbrand with respect to various real estate and improvements thereon owned by us or Original Hillenbrand in the Batesville, Indiana area.

The distribution agreement, judgment sharing agreement, employee matters agreement and tax sharing agreement have each been filed as exhibits to the registration statement of which this information statement is a part, and the summary of each of these agreements sets forth those terms we believe to be material. These summaries are qualified in their entirety by reference to the full text of the agreements.

Distribution Agreement

The distribution agreement will set forth the agreements between Original Hillenbrand and us with respect to the principal corporate transactions required to effect the separation and the distribution of our shares to Original Hillenbrand shareholders, the allocation of certain corporate assets and liabilities of Original Hillenbrand and us, and other agreements governing the relationship between Original Hillenbrand and us.

The Distribution

The distribution agreement will provide that, subject to the terms and conditions contained in the agreement, Original Hillenbrand will effect the distribution after the close of business on the distribution date, which we expect will be , 2008. Nevertheless, Original Hillenbrand has reserved the sole and absolute discretion to determine whether to proceed with the distribution, the timing of the distribution and to alter any and all terms of the distribution until it has been completed. In addition, the distribution is subject to the satisfaction or waiver by Original Hillenbrand, in its sole discretion, of a number of conditions. See "The Separation — Conditions to the Distribution."

Releases and Indemnification

The distribution agreement will provide that New Hillenbrand and its subsidiaries will release and discharge Original Hillenbrand and its subsidiaries from all liabilities to New Hillenbrand and its subsidiaries of any sort, including in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. Original Hillenbrand and its subsidiaries (other than New Hillenbrand and its subsidiaries) will release and discharge New Hillenbrand and its subsidiaries from all liabilities to Original Hillenbrand and its

subsidiaries of any sort, including in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. The releases will not release any party from, among other matters, liabilities assumed by or allocated to the party pursuant to the distribution agreement or the other agreements entered into in connection with the separation or from the indemnification and contribution obligations under the distribution agreement or such other agreements.

Except as otherwise provided in the distribution agreement, we will agree to indemnify, defend and hold harmless Original Hillenbrand and each of its subsidiaries, other than us, from and against all losses relating to, arising out of or resulting from:

- any liabilities relating to us or our business or assumed by us pursuant to the distribution agreement, including the failure of us or any of our subsidiaries to pay, perform or otherwise promptly discharge any such liabilities in accordance with their respective terms;
- any breach by us or any of our subsidiaries of the distribution agreement or any of the other agreements;
- certain specified claims, other than the claims covered by the judgment sharing agreement discussed below under "— Judgment Sharing Agreement"; and
- any untrue statement or alleged untrue statement of a material fact, or any omission or alleged omission to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in this information statement or the registration statement of which it is a part (except for any information provided to us by Original Hillenbrand for inclusion therein) or in any information provided by us to Original Hillenbrand specifically for use in SEC filings made by Original Hillenbrand after the distribution date.

Except as otherwise provided in the distribution agreement, Original Hillenbrand will agree to indemnify, defend and hold harmless New Hillenbrand and its subsidiaries from and against all liabilities relating to, arising out of or resulting from:

- any liabilities relating to Original Hillenbrand or its business, including the failure of Original Hillenbrand or any of its subsidiaries, other than us, to pay, perform or otherwise promptly discharge any such liabilities in accordance with their respective terms;
- any breach by Original Hillenbrand or any of its subsidiaries, other than us, of the distribution agreement or any of the other agreements;
- certain specified claims, other than the claims covered by the judgment sharing agreement discussed below under "— Judgment Sharing Agreement"; and
- any untrue statement or alleged untrue statement of a material fact, or any omission or alleged omission to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any information provided by Original Hillenbrand to us specifically for inclusion in this information statement or the registration statement of which it is a part or in any information provided by Original Hillenbrand to us specifically for use in SEC filings made by us after the distribution date.

The distribution agreement also will establish procedures with respect to claims subject to indemnification and related matters.

Restrictive Covenants

In order to preserve the credit capacity of each of New Hillenbrand and Original Hillenbrand to perform its obligations under the judgment sharing agreement described below under "— Judgment Sharing Agreement," the distribution agreement will impose certain restrictive covenants on New Hillenbrand and Original Hillenbrand.

Specifically, the distribution agreement will provide that, until the occurrence of an Agreed Termination Event (as described below), New Hillenbrand and its subsidiaries will not:

- incur indebtedness to finance the payment of any extraordinary cash dividend on its outstanding capital stock or the repurchase of any outstanding shares of its capital stock;
- in the case of New Hillenbrand, declare and pay regular quarterly cash dividends on the shares of New Hillenbrand common stock in excess of the $0.1825 per share quarterly dividend that we initially expect to pay following the distribution;
- make any acquisition outside its core area of business, defined to mean the manufacture or sale of funeral service products or any of New Hillenbrand's existing business lines or any other basic manufacturing or distribution business where it is reasonable to assume that New Hillenbrand's core competencies could add enterprise value;
- incur indebtedness in excess of $100 million to finance any acquisition in its core area of business without the receipt of an opinion from a qualified investment banker that the transaction is fair to New Hillenbrand's shareholders from a financial point of view; or
- incur indebtedness to make an acquisition in its core area of business that either (1) causes New Hillenbrand's ratio, calculated as provided in the distribution agreement, of Pro Forma Consolidated Total Debt to Consolidated EBITDA (each as defined in the distribution agreement) to exceed a specified threshold that will be set to equate initially to approximately a $100 million limitation on incurrence of indebtedness or (2) causes New Hillenbrand's credit rating by either Standard & Poor's Ratings Services or Moody's Investor Services to fall more than one category below its initial rating after giving effect to the distribution.

As used in the distribution agreement, "Agreed Termination Event" means the first to occur of (1) the full and complete satisfaction of a trial court judgment in the last pending antitrust litigation matter described under "Business and Properties — Legal Proceedings — Antitrust Litigation" (including any similar future litigation matter that is asserted against both us and Original Hillenbrand prior to the completion of the distribution and any other matter that is consolidated with any such existing or future matter) or the suspension of the execution of such judgment by the posting of a supersede as bond or (2) the settlement or voluntary dismissal of such last pending matter as to us and Original Hillenbrand. These restrictive covenants will terminate in the event that either Original Hillenbrand's or New Hillenbrand's funding obligations under the judgment sharing agreement terminate in accordance with the terms of that agreement. The distribution agreement will impose similar restrictions on Original Hillenbrand and its subsidiaries, except that the definition of core business will be appropriate for Original Hillenbrand and the debt to EBITDA ratio described in the last bullet point will be set to equate initially to a higher limitation on incurrence of indebtedness.

Dispute Resolution

The distribution agreement will contain provisions that govern, except as otherwise provided in any other agreement, the resolution of disputes, controversies or claims that may arise between us and Original Hillenbrand related to the separation or distribution. These provisions will contemplate that efforts will be made to resolve disputes, controversies and claims by escalation of the matter to senior management or other mutually agreed representatives of us and Original Hillenbrand. If such efforts are not successful, either we or Original Hillenbrand may submit the dispute, controversy or claim to binding arbitration, subject to the provisions of the agreement.

Insurance

The distribution agreement will provide for the allocation among the parties of benefits under existing insurance policies for occurrences prior to the separation and sets forth procedures for the administration of insured claims. In addition, the agreement will allocate among the parties the right to proceeds and the obligation to incur deductibles under certain insurance policies.

Further Assurances

In addition to the actions specifically provided for in the distribution agreement, except as otherwise set forth therein or in any other agreement, both we and Original Hillenbrand agree to use commercially reasonable efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the distribution agreement and the other agreements.

Judgment Sharing Agreement

Because we, Original Hillenbrand and the other co-defendants in the antitrust litigation matters described under "Business and Properties — Legal Proceedings — Antitrust Litigation" are jointly and severally liable for any damages assessed at trial with no statutory contribution rights among the defendants, we and Original Hillenbrand will enter into a judgment sharing agreement to allocate any potential liability under these cases, any similar case brought against both us and Original Hillenbrand prior to the completion of the distribution and any other case that is consolidated with any such existing or future case.

Under the judgment sharing agreement, the aggregate amount that we and Original Hillenbrand will be required to pay or post in cash (1) to satisfy in its entirety any claim (including upon settlement) once the action has been finally judicially determined or (2) to post a bond, in the event we or Original Hillenbrand elect to do so, to stay the execution of any adverse judgment pending its final determination, will be funded in the following order of priority:

- First, we will be required to contribute an amount equal to:
  - the maximum amount of cash and cash proceeds that we have on hand or are able to raise using our best efforts, without any obligation to sell assets other than cash equivalents and subject to limitations on the amount of equity securities we are required to issue and the ability to retain cash sufficient to operate our business in the normal course, which we refer to as "maximum funding proceeds", minus
  - $50 million or, if the amount of cash retained to operate the business exceeds $50 million, the difference between $50 million and the amount of such cash;
- Second, Original Hillenbrand and its subsidiaries will be required to contribute their maximum funding proceeds; and
- Third, we will be required to contribute the remainder of our maximum funding proceeds.

Neither we nor Original Hillenbrand will be required to raise or provide funds if the total amount of funds available to both us and Original Hillenbrand would not be sufficient to cover a judgment or settlement amount or the cost of the appeal bond. The funding obligations of each company also are subject to a limitation relating to that company's continued solvency.

The judgment sharing agreement will provide that if the foregoing allocation is held to be unenforceable, we and Original Hillenbrand will be required to contribute to satisfy any funding obligation based upon a mutually satisfactory agreement as to our and Original Hillenbrand's relative culpability (if any) or, failing such an agreement, pursuant to arbitration under the arbitration provisions contained in the judgment sharing agreement.

The judgment sharing agreement will provide that we are responsible for bearing all fees and costs incurred in the defense of the antitrust litigation matters on behalf of ourselves and Original Hillenbrand. The distribution agreement contains provisions governing the joint defense of the antitrust litigation and other claims.

In the event that we or Original Hillenbrand is dismissed as a defendant in the antitrust litigation matters (except where the dismissal results from a settlement agreement other than a settlement not including both us and Original Hillenbrand) or is found upon conclusion of trial not to be liable for payment of any damages to the plaintiffs, any funding obligations under the judgment sharing agreement of the party so dismissed or found not liable will terminate once such dismissal or finding of no liability is finally judicially determined.

Employee Matters Agreement

We will enter into an employee matters agreement with Original Hillenbrand prior to the distribution that will govern our compensation and employee benefit obligations with respect to our directors and our current and former employees, along with the assumption of liabilities for certain former Original Hillenbrand directors and employees and former employees of other non-medical technology businesses. The employee matters agreement will allocate liabilities and responsibilities relating to employee compensation and benefits plans and programs and other related matters in connection with the distribution including, without limitation, the treatment of outstanding Original Hillenbrand equity-based awards, certain outstanding annual and long-term incentive awards, existing deferred compensation obligations and certain retirement, post-retirement and welfare benefit obligations. In connection with the distribution, we initially expect to adopt, for the benefit of our employees and directors, a variety of compensation and employee benefits plans that are generally comparable in the aggregate to those provided by Original Hillenbrand immediately prior to the distribution. Once we establish our own compensation and benefits plans, we reserve the right to amend, modify or terminate each such plan in accordance with the terms of that plan. With certain possible exceptions, the employee matters agreement will provide that as of the close of the distribution, our employees and directors will generally cease to be active participants in, and we will generally cease to be a participating employer in, the benefit plans and programs maintained by Original Hillenbrand. As of such time, our employees and directors will generally become eligible to participate in all of our applicable plans. In general, we will credit each of our employees with his or her service with Original Hillenbrand prior to the distribution for all purposes under plans maintained by us, to the extent the corresponding Original Hillenbrand plans give credit for such service and such crediting does not result in a duplication of benefits.

The employee matters agreement will provide that as of the distribution date, except as specifically provided therein, we generally will assume, retain and be liable for all wages, salaries, welfare, incentive compensation and employee-related obligations and liabilities for our directors and all current and former employees of our business, along with those for certain former Original Hillenbrand directors and corporate employees and former employees of other non-medical technology businesses. The distribution agreement provides that if neither we nor Original Hillenbrand is entitled to receive a full deduction for state and federal income tax purposes for any liabilities discharged by us with respect to these Original Hillenbrand directors and former employees, we will reassign those liabilities back to Original Hillenbrand and pay Original Hillenbrand an amount equal to the then carrying value of these liabilities on our books and records, net of taxes at an assumed tax rate of 36.25%, subject to adjustment at the time of such reassignment in the event of future changes in the federal income tax rate. Additionally, we and Original Hillenbrand will agree that with the assumption of liabilities for these Original Hillenbrand directors and former employees, we are entitled to the tax benefit from the satisfaction of such liabilities, and if it is determined that we are not entitled to this tax benefit, Original Hillenbrand will reimburse us for the tax benefit. This tax benefit will be determined based on the cash benefit to us as if such deduction were taken and allowed on our filed tax returns, including any amended tax returns.

The employee matters agreement will also provide for the transfer of assets and liabilities relating to the pre-distribution participation of employees and directors for which we have assumed responsibility in various Original Hillenbrand retirement, postretirement, welfare, incentive compensation and employee benefit plans from such plans to the applicable plans we adopt for the benefit of our employees and directors. The employee matters agreement will provide that we and Original Hillenbrand may arrange with current service providers with respect to Original Hillenbrand's employee benefit plans to continue such services on a shared basis for a period of time following the distribution and that we will reimburse Original Hillenbrand for our share of the cost of such shared services.

Tax Sharing Agreement

In conjunction with our separation from Original Hillenbrand, we will enter into a tax sharing agreement with Original Hillenbrand that generally will govern Original Hillenbrand's and our respective rights, responsibilities and obligations after the distribution with respect to taxes, including ordinary course of business taxes and the preparation and filing of tax returns and the handling of tax audits. Included in the taxes to be addressed will be taxes, if any, incurred as a result of any failure of the distribution to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D) of the Code (including as a result of

Section 355(e) of the Code). Under the tax sharing agreement, we expect that, with certain exceptions, we generally will be responsible for the payment of all income and non-income taxes attributable to our operations, and the operations of our direct and indirect subsidiaries, whether or not such tax liability is reflected on a consolidated or combined tax return filed by Original Hillenbrand. Other than the reimbursement or sharing of external and internal costs incurred as a result of and related to tax audits, no fees will be paid by either party to the other party under the tax sharing agreement.

Notwithstanding the foregoing, we expect that, under the tax sharing agreement, we also generally will be responsible for any taxes imposed on Original Hillenbrand that arise from the failure of the distribution to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D) of the Code, to the extent that such failure to qualify is attributable to actions, events or transactions relating to our stock, assets or business, or a breach of the relevant representations or covenants made by us in the tax sharing agreement. In addition, we generally will be responsible for a portion of any taxes that arise from the failure of the distribution to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D) of the Code, if such failure is for any reason for which neither we nor Original Hillenbrand is responsible. We will be responsible for taxes based on a fraction, the numerator of which shall be the price of our stock based on the five trading days after the distribution date and the denominator of which is the sum of the price of our stock and the price of Hill-Rom Holdings stock on the five trading days following the distribution. The tax sharing agreement also is expected to impose restrictions on our and Original Hillenbrand's ability to engage in certain actions following our separation from Original Hillenbrand and to set forth the respective obligations among us and Original Hillenbrand with respect to the filing of tax returns, the administration of tax contests, assistance and cooperation and other matters.

Shared Services and Transitional Services Agreements

We will enter into shared services agreements and transitional services agreements with Original Hillenbrand in connection with the separation. The shared services agreements will address services that may be provided for an extended period of time, while the transitional services agreements will cover services that are intended to be provided for a limited period of time while the recipient of the services makes other arrangements for these services.

Under the shared services agreements, we, on the one hand, and Hill-Rom Holdings, on the other hand, will agree to provide certain services to each other following the separation for an initial term of two years, with automatic two-year extensions if commercially viable alternatives for the services are not available, except as noted below. After the initial two-year term, either party may terminate an agreement by notice to the other party, and the recipient of the services must terminate if commercially viable alternatives for the services are available. For purposes of the foregoing, the determination of whether commercially viable alternatives are available is in the discretion of the recipient of the services. These services include aviation services related to the airfield that Hill-Rom Holdings will own and operate and certain aircraft that Hill-Rom Holdings and we will jointly own and operate following the separation, as well as certain ground transportation and fleet maintenance services. In addition, due to the interrelated nature of certain facilities that will be owned by Hill-Rom Holdings and us, we will enter into agreements requiring us and Hill-Rom Holdings to maintain our respective parts of such facilities, including, for example, maintaining fire protection systems for the facilities. In general, the recipient of services will be billed for the services at the fair value of the services, except that we will be billed at cost for aviation services provided to us by Hill-Rom Holdings, and we and Hill-Rom Holdings will be independently responsible for our respective obligations to maintain our portions of the interrelated facilities. Hill-Rom Holdings will continue to provide aviation services related to the airfield to us for as long as we continue to own an interest in certain aircraft. Ground transportation services could continue as long as Hill-Rom Holdings and we continue to jointly own corporate conference facilities used by both companies. Obligations under the agreements relating to the maintenance of interrelated facilities could continue for so long as required for the proper maintenance, operation and use of such facilities or until such interrelated facilities are segregated.

Under the transitional services agreements, Hill-Rom Holdings will provide certain services to us for a specified period following the separation. The services to be provided may include services regarding certain financial reporting and other public company staffing needs, legal services, including labor and employment and litigation support, human resources services, medical services and certain information technology services. We will

generally be billed at cost for these services, including information technology services provided through a third party under a contract to which Original Hillenbrand is a party. The transitional services agreements will generally provide that the services will continue for a period of up to two years following the separation, subject to earlier termination by the recipient of the services and to extension if the parties agree.

DIVIDEND POLICY

A goal of the separation is that current Original Hillenbrand shareholders initially receive combined quarterly cash dividends from Hill-Rom Holdings and us equal to the $0.285 per share quarterly dividend currently paid by Original Hillenbrand. Accordingly, following the distribution and beginning with the third quarter of fiscal 2008, we expect initially to pay a quarterly dividend of $0.1825 per share, and Hill-Rom Holdings expects initially to pay a quarterly dividend of $0.1025 per share. The declaration and payment of dividends by us or Hill-Rom Holdings will be subject to the sole discretion of our and Hill-Rom Holdings' respective boards of directors and will depend upon many factors, including financial condition, earnings, capital requirements, covenants associated with debt obligations, legal requirements and other factors deemed relevant by the respective boards of directors. In addition, our and Original Hillenbrand's ability to pay dividends will be limited by covenants contained in the distribution agreement. Specifically, until the occurrence of an Agreed Termination Event (as defined in the distribution agreement), we are prohibited from paying regular quarterly cash dividends in excess of the quarterly dividend we initially expect to pay following the distribution and from incurring indebtedness to finance the payment of any extraordinary cash dividend. See "Arrangements between Original Hillenbrand and New Hillenbrand — Distribution Agreement — Restrictive Covenants." We expect that our new credit facility will permit us to pay dividends on our common stock provided that no event of default under the credit agreement would exist after giving effect to the dividend. See "Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources — Other Liquidity Matters."

CAPITALIZATION

The following table sets forth our combined capitalization as of December 31, 2007 on a historical and pro forma basis to give effect to the separation and distribution and the transactions related to the separation and distribution. This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Unaudited Pro Forma Combined Financial Statements" and corresponding notes included elsewhere in this information statement. For an explanation of the pro forma adjustments made to our historical Combined Financial Statements for the separation and distribution and the transactions related to the separation and distribution to derive the pro forma capitalization described below, see "Unaudited Pro Forma Combined Financial Statements."

	As Reported	Pro Forma(1)
	(In millions)	
Long-term debt:		
Borrowings under new credit facility	$ —	$ 250.0
Total equity	183.8	259.1
Total capitalization	$ 183.8	$ 509.1

(1) Assumes the separation occurred as of December 31, 2007

The pro forma long-term debt of approximately $250 million reflects borrowings that we intend to make under a new senior unsecured credit facility to be negotiated for New Hillenbrand prior to the separation. The proceeds of these borrowings will be used to make a $250 million cash distribution to Original Hillenbrand immediately prior to the distribution.

We expect that we would have had, on a pro forma basis, approximately 62 million shares of common stock outstanding as of December 31, 2007 based on each holder of Original Hillenbrand common stock receiving a dividend of one share of our common stock for each share of Original Hillenbrand common stock, there being approximately 62 million shares of Original Hillenbrand common stock outstanding on that date, excluding treasury shares and assuming no exercise of outstanding options.

Our ability to issue additional stock is constrained because such an issuance of additional stock may cause the distribution to be taxable to Original Hillenbrand under Section 355(e) of the Internal Revenue Code, and under the tax sharing agreement we would be required to indemnify Original Hillenbrand against that tax. See "The Separation — U.S. Federal Income Tax Consequences of the Distribution" and "Arrangements between Original Hillenbrand and New Hillenbrand — Tax Sharing Agreement" for a more detailed discussion of Section 355(e) and our tax sharing agreement with Original Hillenbrand.

SELECTED FINANCIAL INFORMATION

The following table sets forth our selected financial information derived from our (i) unaudited Combined Financial Statements as of September 30, 2004 and 2003 and for the year ended September 30, 2003, which are not included in this information statement; (ii) audited Combined Financial Statements as of September 30, 2005 and for the year ended September 30, 2004, which are not included in this information statement; (iii) unaudited Combined Financial Statements as of December 31, 2007 and for the three months ended December 31, 2007 and 2006, which are included elsewhere in this information statement; and (iv) audited Combined Financial Statements as of September 30, 2007 and 2006 and for the years ended September 30, 2007, 2006 and 2005, which are included elsewhere in this information statement.

The historical financial information presented may not be indicative of the results of operations or financial position that would have been obtained if we had been an independent company during the periods shown or of our future performance as an independent company.

The selected financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Combined Financial Statements and the notes thereto included elsewhere in this information statement.

	Three Months Ended December 31,		Fiscal Years Ended September 30,				
	2007	2006	2007	2006	2005	2004	2003
	(Unaudited)		(In millions, except per share amounts)				(Unaudited)
Income Statement Data:							
Net revenues	$162.9	$162.2	$667.2	$674.6	$659.4	$640.3	$ 628.1
Gross profit	66.9	68.8	278.6	282.7	266.5	268.8	266.8
Net income	24.0	26.1	99.5	113.2	102.8	113.8	105.6
Unaudited pro forma basic and diluted net income per share	$ 0.38	$ 0.42	$ 1.60	$ 1.82	$ 1.65	$ 1.83	$ 1.69

	December 31,	September 30,				
	2007	2007	2006	2005	2004	2003
	(Unaudited)	(In millions)				(Unaudited)
Balance Sheet Data:						
Total assets	$ 322.0	$316.6	$329.4	$337.1	$320.5	$321.7

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The unaudited pro forma combined financial statements set forth below consist of unaudited pro forma combined statements of income for the fiscal year ended September 30, 2007 and for the three months ended December 31, 2007 and an unaudited pro forma combined balance sheet as of December 31, 2007. The unaudited pro forma combined financial statements should be read in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Combined Financial Statements and the notes thereto included elsewhere in this information statement.

The unaudited pro forma combined statements of income and balance sheet included in this information statement have been derived from the audited Combined Financial Statements included elsewhere in this information statement for the fiscal year ended September 30, 2007 and from the unaudited Combined Financial Statements included elsewhere in this information statement as of and for the three months ended December 31, 2007, and do not purport to represent what our results of operations and financial position actually would have been had the separation and distribution occurred on the dates indicated, or to project our results of operations or financial position for any future period or as of any future date. Original Hillenbrand did not account for New Hillenbrand as, and New Hillenbrand was not operated as, a separate, independent company for the periods presented.

The pro forma combined statements of income give effect to the separation and distribution and related transactions as if they occurred as of October 1, 2006. The pro forma combined balance sheet gives effect to the separation and distribution and related transactions as if they occurred as of December 31, 2007. The pro forma adjustments are based upon available information and assumptions that we believe are reasonable; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements.

In addition, the unaudited pro forma combined financial statements set forth below have been adjusted to give effect to the following planned transactions:

- the planned distribution of our common stock to Original Hillenbrand shareholders by Original Hillenbrand (on a one to one distribution ratio) and the related transfer to us from Original Hillenbrand of certain corporate assets and liabilities of Original Hillenbrand,
- the procurement of a revolving line of credit for a total of $400 million, of which we intend to draw approximately $250 million to be transferred to Original Hillenbrand as a cash distribution immediately prior to the distribution in order to establish appropriate long-term capital structures for us and Original Hillenbrand,
- the inclusion of interest expense to reflect the anticipated borrowings under our new revolving line of credit as of the date of separation, calculated based upon expected interest rates for our then outstanding debt, and
- the inclusion of investment income on certain investments that will be transferred to us.

The historical Combined Financial Statements of New Hillenbrand include allocations of expenses from Original Hillenbrand. These costs may not be representative of our future costs to be incurred as a separate public company. The unaudited pro forma combined statements of income also reflect certain incremental cost increases that we will experience as a stand-alone public entity. For example, Original Hillenbrand currently provides many corporate functions on our behalf. As an independent, publicly traded company, our total costs related to functions such as tax, accounting, legal, internal audit, human resources, risk management, shared information technology systems, procurement and other statutory functions, including a board of directors, are expected to increase from the costs for such shared functions that were historically allocated to us from Original Hillenbrand. The annualized incremental costs associated with replacing and/or establishing these functions are currently estimated to be approximately $5 million in fiscal 2008. This estimate includes the incremental costs we expect to incur or be allocated under the distribution agreement, employee matters agreement, tax sharing agreement, and shared services and transitional services agreements described under "Arrangements between Original Hillenbrand and New Hillenbrand."

Additionally, while annual investment income of $10 million to $12 million from limited partnership investments that will be transferred to us has been reported by Original Hillenbrand during recent years, such

incremental income has been excluded from the following unaudited pro forma combined statements of income due to its inherent volatility.

Based upon available cash on hand at the time of the distribution, it is intended that both New Hillenbrand and Original Hillenbrand will have minimum cash balances equivalent to their estimated normal operating cash needs. Should excess cash be available, it will be split among New Hillenbrand and Original Hillenbrand after taking into consideration certain funding requirements of Original Hillenbrand, the funding status of benefit plans and other factors.

Unaudited Pro Forma Combined Statement of Income

Fiscal Year Ended September 30, 2007

	As Reported	Pro Forma Adjustments	Unaudited Pro Forma
	(In millions, except per share amounts)		
Income Statement Data:			
Net revenues	$ 667.2	$ —	$ 667.2
Cost of goods sold	388.6	—	388.6
Gross Profit	278.6	—	278.6
Operating expenses	117.9	6.3(10)	124.2
Separation costs	5.1	(5.1)(2)	—
Operating profit	155.6	(1.2)	154.4
Interest expense	—	(14.4)(3)	(14.4)
Investment income and other	1.4	10.6(4)	12.0
Income before income taxes	157.0	(5.0)	152.0
Income tax expense	57.5	(3.3)(5)	54.2
Net income	$ 99.5	$ (1.7)	$ 97.8
Unaudited pro forma net income per share:(1)			
Basic	$ 1.60		$ 1.56
Diluted	$ 1.60		$ 1.56
Unaudited pro forma shares outstanding:(1)			
Basic	62.3		62.5
Diluted	62.3		62.7

See Notes to Unaudited Pro Forma Combined Financial Statements

Unaudited Pro Forma Combined Statement of Income
Three Months Ended December 31, 2007

	As Reported	Pro Forma Adjustments	Unaudited Pro Forma
	(In millions, except per share amounts)		
Net revenues	$ 162.9	$ —	$ 162.9
Cost of goods sold	96.0	—	96.0
Gross profit	66.9	—	66.9
Operating expenses	27.3	1.6(10)	28.9
Separation costs	1.2	(1.2)(2)	—
Operating profit	38.4	(0.4)	38.0
Interest expense	—	(3.3)(3)	(3.3)
Investment income and other	(0.4)	2.8(4)	2.4
Income before income taxes	38.0	(0.9)	37.1
Income tax expense	14.0	(0.8)(5)	13.2
Net income	$ 24.0	$ (0.1)	$ 23.9
Unaudited pro forma net income per share(1):			
Basic	$ 0.38		$ 0.38
Diluted	$ 0.38		$ 0.38
Unaudited pro forma shares outstanding(1):			
Basic	62.3		62.5
Diluted	62.3		62.7

Unaudited Pro Forma Combined Balance Sheet
As of December 31, 2007

	As Reported	Pro Forma Adjustments	Unaudited Pro Forma
		(In millions)	
ASSETS			
Cash and cash equivalents	$ 11.8	$ 167.6(12)	$ 179.4
Trade receivables, net	93.4	—	93.4
Inventories	48.7	—	48.7
Deferred income taxes	17.0	(0.2)(7)	16.8
Other	7.3	—	7.3
Total current assets	178.2	167.4	345.6
Property, net	87.5	7.6(6)	95.1
Investments	—	150.7(8)	150.7
Intangible assets	22.0	—	22.0
Prepaid pension	1.6	—	1.6
Deferred income taxes	16.1	(0.4)(7)	15.7
Other assets	16.6	—	16.6
Total assets	$ 322.0	$ 325.3	$ 647.3
LIABILITIES AND PARENT COMPANY/SHAREHOLDERS' EQUITY			
Trade accounts payable	$ 17.6	$ —	$ 17.6
Accrued compensation	19.6	—	19.6
Accrued customer rebates	19.4	—	19.4
Other current liabilities	18.3	—	18.3
Total current liabilities	74.9	—	74.9
Deferred compensation, long-term portion	7.9	—	7.9
Accrued pension and postretirement benefits	28.8	—	28.8
Long-term debt	—	250.0(9)	250.0
Other long-term liabilities	26.6	—	26.6
Total liabilities	138.2	250.0	388.2
Total equity	183.8	75.3(11)	259.1
Total liabilities and equity	$ 322.0	$ 325.3	$ 647.3

Notes to Unaudited Pro Forma Combined Financial Statements

(1) The calculation of unaudited pro forma basic net income per share and shares outstanding is based on the number of shares of Original Hillenbrand common stock outstanding at December 31, 2007 (plus unissued fully vested common shares and plus restricted stock units held by employees of New Hillenbrand that will fully vest at the time of the distribution), adjusted for the distribution ratio of one share of our common stock for every share of Original Hillenbrand common stock. The calculation of unaudited pro forma diluted net income per share and shares outstanding for the three months ended December 31, 2007 and the fiscal year ended September 30, 2007 pro forma periods is based on the number of diluted shares of common stock outstanding as of December 31, 2007 that are held by our employees, adjusted for the estimated ratio of our fair market price at the time of the separation. The ratio of our fair market price at the time of the separation factors in the number of stock-based awards equitably adjusted to preserve the intrinsic value of the award as of immediately prior to the separation. This calculation may not be indicative of the dilutive effect that will actually result from the replacement of Original Hillenbrand stock-based awards held by our employees or the grant of new stock-based awards. The number of dilutive shares of our common stock that will result from Original Hillenbrand stock options and restricted stock awards held by our employees will not be determined until immediately after the separation.

(2) Original Hillenbrand expects to incur pre-tax separation costs of approximately $40 million to $45 million, of which a portion has been allocated to the funeral service business of Original Hillenbrand. During the three month period ended December 31, 2007 and the fiscal year ended September 30, 2007, Original Hillenbrand incurred $2.3 million and $12.4 million of these costs, respectively, of which respective amounts of $1.2 million and $5.1 million were allocated to the funeral service business of Original Hillenbrand. A portion of these separation costs are expected to be non-deductible for income tax purposes. In addition to the above separation costs, Original Hillenbrand and New Hillenbrand expect to incur a non-cash combined charge related to the modification or acceleration of equity-based awards, subject to final approval by the Original Hillenbrand Board of Directors, in the range of $16 million to $19 million. Of this amount, $7 million to $8 million will be recognized by New Hillenbrand. These estimates are dependent upon the fair value of our common stock and could change depending on the actual fair value at the time of modification. These amounts are not recognized in the pro forma combined statements of income of New Hillenbrand as they have no continuing earnings impact. For additional information on the proposed modification of equity-based awards, see the section entitled "Executive Compensation — Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards."

(3) We expect to enter into a credit agreement related to a new revolving line of credit. This adjustment reflects the addition of interest expense on the anticipated $250 million of outstanding indebtedness at the date of separation at an interest rate of the applicable current LIBOR rate plus 50 basis points. For purposes of these pro forma financial statements, interest expense was calculated using an assumed annual interest rate of 5.0% and assumes constant debt levels throughout the year. Interest expense also includes estimated amortization of up front fees to establish the credit facility as well as annual commitment fees. As the final terms of the new facility have not yet been agreed upon, those terms may differ from what we have assumed herein. Additionally, our interest rate may be lower or higher if LIBOR rates or our credit rating changes. A 1/8 percent of 1 percent (12.5bps) change to the annual interest rate would change net earnings by $0.3 million on an annual basis. See footnote 9 below for more details of our anticipated indebtedness at the time of separation.

(4) Reflects investment income on investments to be transferred to us upon separation. Investment income consists of accretion and capitalized interest associated with certain FFS Holdings, Inc. investments, which was $10.6 million and $2.8 million for the fiscal year ended September 30, 2007 and the three month period ended December 31, 2007, respectively. See footnote 8 below for more details of investments that will be transferred to us at the time of separation.

(5) Reflects the tax effect of pro forma adjustments using a combined U.S. federal and state income tax rate of approximately 35.7 percent.

(6) Reflects the transfer of certain fixed assets from Original Hillenbrand to us, which will occur at the time of separation, including ownership interests in a corporate conference center and company owned aircraft.

(7) Reflects the deferred tax effects of the transfer of investments and certain fixed assets from Original Hillenbrand to us, which will occur at the time of separation.

(8) Reflects the transfer of certain investments from Original Hillenbrand to us, which will occur at the time of separation. These investments include holdings in FFS Holdings, Inc. of $124.8 million and private equity limited partnerships of $25.9 million. The investments in FFS Holdings, Inc. relate to seller financing associated with the sale of Forethought Financial Services, Inc. by Original Hillenbrand to FFS Holdings, Inc. in July 2004. The seller financing provided is in the form of a seller note receivable and stock warrants. The seller note has a carrying value of approximately $123.8 million and carries an increasing rate of interest over its ten-year term (beginning July 2004), with interest accruing at 6 percent for the first five years. No payments are due under the note until year six at which time annual payments of $10 million are required, with all remaining amounts, including unpaid interest, due at maturity. The seller financing also includes stock warrants in FFS Holdings, Inc., initially valued at $1.0 million. Transfer approvals from Original Hillenbrand to us will be obtained for certain FFS investments and the private equity limited partnership investments.

(9) For purposes of the Combined Financial Statements, none of Original Hillenbrand's consolidated debt and related interest expense has been attributed to the funeral service business of Original Hillenbrand based on the historical funding requirements of the funeral service business. At the date of separation, however, it is anticipated that we will have $250.0 million of outstanding indebtedness of which the proceeds will be paid to Original Hillenbrand in the form of a cash distribution just prior to the distribution. The planned $250.0 million will initially be placed on a new $400.0 million senior unsecured credit facility to be negotiated for New Hillenbrand prior to the separation. Post separation, we will review the need to refinance the borrowing on a more permanent basis.

(10) Represents additional operating expenses as follows:

- Additional equity-based awards that will be issued to our Chief Executive Officer in connection with the separation resulting in annual incremental compensation expense of $0.5 million ($0.1 million on a quarterly basis).
- Additional incremental operating expenses associated with operating as a stand-alone public entity of $5.0 million ($1.3 million on a quarterly basis).
- We expect to retain and be liable for retirement and postretirement benefit obligations of certain former employees of Original Hillenbrand. We expect to incur approximately $0.8 million of additional annual periodic benefit expense ($0.2 million on a quarterly basis) in connection with these obligations.

(11) Represents net adjustment to equity resulting from pro forma balance sheet adjustments.

(12) Reflects the transfer of cash from Original Hillenbrand to us, which will occur at the time of separation. Should excess cash be available, it will be split among New Hillenbrand and Original Hillenbrand after taking into consideration certain funding requirements of Original Hillenbrand, the funding status of benefit plans, the payment of separation costs and other factors.

BUSINESS AND PROPERTIES

General

New Hillenbrand is an Indiana corporation recently formed to be a holding company for Original Hillenbrand's funeral service business. Our principal executive offices are located at One Batesville Boulevard, Batesville, Indiana 47006, and our telephone number at that address is (812) 934-7500. We maintain an Internet site at http://www.batesville.com. Our website and the information contained on that site, or accessible through that site, are not incorporated into this information statement.

We are a leader in the North American death care industry through the manufacture, distribution and sale of funeral service products to licensed funeral directors who operate licensed funeral homes. Our products consist primarily of burial and cremation caskets, but also include containers and urns, selection room display fixturing for funeral homes and other personalization and memorialization products and services, including creating and hosting websites for funeral homes.

Products and Services

We manufacture and sell gasketed caskets made of carbon steel, stainless steel, copper and bronze. We also produce and market non-gasketed steel, hardwood and veneer hardwood caskets. In addition, we manufacture and sell cloth-covered caskets, all wood construction (orthodox) caskets and a line of urns, containers and other memorialization products used in cremations. We also supply selection room display fixturing through our System Solutions by Batesville® group.

Most Batesville brand metal caskets are gasketed caskets that are electronically welded to help resist the entrance of outside elements through the use of rubber gaskets and a locking bar mechanism. Our premium steel caskets also employ an alloy bar to help protect the casket cathodically from rust and corrosion. We believe that this system of cathodic protection is a feature found only on Batesville produced caskets.

Our solid and veneer hardwood caskets are made from mahogany, cherry, walnut, maple, pine, oak, pecan and poplar. Our veneer caskets are manufactured using a proprietary process for veneering that allows for rounded corners and a furniture-grade finished appearance. We also provide select lines of Marsellus® premium caskets to our funeral home customers.

Our Options by Batesville® cremation line offers a complete cremation marketing system for funeral service professionals. In addition to a broad line of cremation caskets, containers and urns, the system includes training, merchandising support and marketing support materials. Cremation caskets and containers are manufactured primarily of hardwoods and fiberboard. Our wide assortment of memorial urns are made from a variety of materials, including cast bronze, cast acrylic, wood, sheet bronze, cloisonné and marble.

We offer several other marketing and merchandising programs to funeral professionals for both casket and cremation products. Batesville caskets are marketed by our direct sales force to licensed funeral professionals operating licensed funeral establishments (or, in the absence of state licensing requirements, to full service funeral establishments offering both funeral goods and funeral services in conformance with state law) throughout the United States, Puerto Rico, Canada, Mexico, the United Kingdom, Australia and South Africa. A significant portion of our sales are made to large national funeral service providers under contracts we have entered into with these customers.

We maintain inventory at 88 company-operated Customer Service Centers (CSCs) and six Rapid Deployment Centers (RDCs) in North America. Batesville® caskets are generally delivered in specially equipped vehicles owned by us.

We mainly manufacture and distribute products in the United States. We also have two manufacturing facilities in Mexico and distribution facilities in Canada, Mexico, the United Kingdom, Puerto Rico, South Africa and Australia.

Competition

We are a recognized North American industry leader in the sale of funeral service products. We compete on the basis of product quality, personalization, price, and delivery and customer service. Major competitors that

manufacture and/or sell funeral service products over a wide geographic area include Aurora Casket Company and The York Group, Inc., a subsidiary of Matthews International Corporation ("Matthews").

Throughout the United States, many other enterprises manufacture, assemble, and/or distribute funeral service products for sale, often focusing on particular regions or geographic areas. Additionally, we are facing increasing competition from a number of non-traditional sources, including casket manufacturers located abroad.

Regulatory Matters

We are subject to a variety of federal, state, local and foreign environmental laws and regulations relating to environmental and health and safety concerns, including the handling, storage, discharge and disposal of hazardous materials used in or derived from our manufacturing processes. We are committed to operating all of our businesses in a manner that protects the environment. In the past, we have voluntarily entered into remediation agreements with various environmental authorities to address onsite and offsite environmental impacts. From time to time we provide for reserves in our financial statements for environmental matters. We believe we have appropriately satisfied the financial responsibilities for all currently known offsite issues. Based on the nature and volume of materials involved regarding onsite impacts, we do not expect the cost to us of the onsite remediation activities in which we are currently involved to exceed $1 million. Future events or changes in existing laws and regulations or their interpretation may require us to make additional expenditures in the future. The cost or need for any such additional expenditures is not known.

Raw Materials

We use carbon and stainless steel, copper and bronze sheet, wood, fabrics, finishing materials, rubber gaskets, zinc and magnesium alloy in the manufacture of our caskets.

When prices fluctuate for raw materials used in our products, based on a number of factors beyond our control, such fluctuations affect our profitability. We generally do not engage in hedging transactions with respect to raw material purchases, but do enter into fixed price supply contracts at times. Additionally, although most of the raw materials used in our products are generally available from several sources, certain of these raw materials currently are procured only from a single source.

Beginning in fiscal 2005, the rising prices of certain raw materials, including red metals (i.e., copper and bronze), fuel and petroleum based products in particular, and fuel related delivery costs, had a direct and material negative effect on our profitability. We have acted and have plans and actions in place to mitigate the impact of rising raw material and fuel prices, including continuous improvement initiatives, various sourcing actions, the completed consolidation of our United States wood manufacturing operations into a single facility, the continued and expanded roll-out of our veneer products from our Mexican manufacturing operations with overall lower material cost composition and annual product price adjustments as contractually allowed. However, there can be no assurance that we will be able to anticipate and react quickly to all changing raw material prices in the future.

Some of our sales are made pursuant to supply agreements with our customers, and historically, we have instituted annual price increases to help offset the impact of inflation and other rising cost factors. While there are certain limitations in some of our agreements, their provisions generally allow us to raise prices to offset some, but not necessarily all, raw material cost inflation.

Distribution

We have extensive distribution capabilities that serve our customers' increasing delivery expectations. Our high-velocity, hub and spoke distribution system, consisting of six Rapid Deployment Centers and 88 Customer Service Centers in North America, serves a majority of our customers each day and is critical to the rapid delivery requirements of funeral directors nationwide.

Patents and Trademarks

We own a number of patents on our products and manufacturing processes that are of importance, but we do not believe any single patent or related group of patents is of material significance to our business as a whole.

We also own a number of trademarks and service marks relating to our products and product services which are of importance to us, but, except for the mark "Batesville®," we do not believe any single trademark or service mark is of material significance to our business as a whole.

Our ability to compete effectively depends, to an extent, on our ability to maintain the proprietary nature of our intellectual property. However, we may not be sufficiently protected by our various patents, trademarks and service marks. Additionally, certain of our existing patents, trademarks or service marks may be challenged, invalidated, cancelled, narrowed or circumvented. Beyond that, we may not receive the pending or contemplated patents, trademarks or service marks for which we have applied or filed.

In the past, certain of our products have been copied and sold by others. We vigorously seek to enforce our intellectual property rights. However, we cannot ensure that the copying and sale of our products by others would not materially adversely affect the sale of our products.

Employees

As of December 31, 2007, we employed approximately 3,380 persons in our operations. Approximately 1,200 of these individuals, as part of our logistics and manufacturing operations in the United States and Canada, work under collective bargaining agreements. In the United States and Canada, the collective bargaining agreements have expiration dates ranging from May 2008 to February 2011.

Although we have not experienced any significant work stoppages in the past 20 years as a result of labor disagreements, we cannot ensure that such a stoppage will not occur in the future. Inability to negotiate satisfactory new agreements or a labor disturbance at one of our principal facilities could have a material adverse effect on our operations. However, we have no reason to suspect that we will have significant difficulties in negotiating new collective bargaining agreements to replace those that will expire in the future and we will continue to prepare contingency plans as part of routine preparation for negotiations in order to minimize the impact of any potential work stoppages.

Foreign Operations and Export Sales

Information about our foreign operations is set forth in tables relating to geographic information in Note 11 to our Combined Financial Statements included elsewhere in this information statement.

Our export revenues constituted less than 10 percent of combined revenues in fiscal 2007 and prior years.

Our foreign operations are subject to risks inherent in doing business in foreign countries. Risks associated with operating internationally include political, social and economic instability, increased operating costs, expropriation and complex and changing government regulations, all of which are beyond our control. Further, to the extent we receive revenue from U.S. export sales in currencies other than U.S. dollars, the value of assets and income could be, and have in the past been, adversely affected by fluctuations in the value of local currencies.

Properties

The principal properties used in our operations are listed below, and, except for our leased facility in Chihuahua, Mexico, are owned by us subject to no material encumbrances. All facilities are suitable for their intended purpose, are being efficiently utilized and are believed to provide adequate capacity to meet demand for the next several years.

Location	Description	Primary Use
Batesville, IN	Manufacturing plants Office facilities	Manufacture of metal caskets Administration
Manchester, TN	Manufacturing plant	Manufacture of metal caskets
Vicksburg, MS	Kiln drying and lumber cutting plant	Drying and dimensioning of lumber
Batesville, MS	Manufacturing plant	Manufacture of hardwood caskets
Chihuahua, Mexico	Manufacturing plant	Manufacture of veneer hardwood caskets
Mexico City, Mexico	Manufacturing plant	Manufacture of metal caskets

In addition to the foregoing, we lease or own a number of warehouse distribution centers, service centers and sales offices throughout North America, the United Kingdom, Mexico, Australia and South Africa.

Legal Proceedings

Antitrust Litigation

We, along with Original Hillenbrand, have been named in several purported antitrust class action lawsuits described below. We will enter into a judgment sharing agreement with Original Hillenbrand to allocate responsibility for funding any potential adverse final judgments or appeal bonds related to these matters, any similar matter asserted against both us and Original Hillenbrand prior to the completion of the distribution and any other matter that is consolidated with any such existing or future matter. See "Arrangements between Original Hillenbrand and New Hillenbrand — Judgment Sharing Agreement."

On May 2, 2005, a non-profit entity called Funeral Consumers Alliance, Inc. ("FCA") and several individual consumers filed a purported class action antitrust lawsuit ("FCA Action") against three national funeral home businesses, SCI, Alderwoods and Stewart Enterprises, Inc. ("Stewart") together with Original Hillenbrand and us, in the United States District Court for the Northern District of California. This lawsuit alleged a conspiracy to suppress competition in an alleged market for the sale of caskets through a group boycott of so-called "independent casket discounters," that is, third-party casket sellers unaffiliated with licensed funeral homes; a campaign of disparagement against these independent casket discounters; and concerted efforts to restrict casket price competition and to coordinate and fix casket pricing, all in violation of federal antitrust law and California's Unfair Competition Law. The lawsuit claimed, among other things, that our maintenance and enforcement of, and alleged modifications to, our long-standing policy of selling caskets only to licensed funeral homes were the product of a conspiracy among us, the other defendants and others to exclude "independent casket discounters" and that this alleged conspiracy, combined with other alleged matters, suppressed competition in the alleged market for caskets and led consumers to pay higher than competitive prices for caskets. The FCA Action alleged that two of our competitors, York Group, Inc. and Aurora Casket Company, are co-conspirators but did not name them as defendants. The FCA Action also alleged that SCI, Alderwoods, Stewart and other unnamed co-conspirators conspired to monopolize the alleged market for the sale of caskets in the United States.

After the FCA Action was filed, several more purported class action lawsuits on behalf of consumers were filed based on essentially the same factual allegations and alleging violations of federal antitrust law and/or related state law claims. It is not unusual to have multiple copycat class action suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations could be brought against Original Hillenbrand and us.

We, Original Hillenbrand and the other defendants filed motions to dismiss the FCA Action and a motion to transfer to a more convenient forum. In response, the court in California permitted the plaintiffs to replead the complaint and later granted defendants' motion to transfer the action to the United States District Court for the Southern District of Texas (Houston, Texas) ("Court").

On October 12, 2005, the FCA plaintiffs filed an amended complaint consolidating all but one of the other purported consumer class actions in the Court. The amended FCA complaint contains substantially the same basic allegations as the original FCA complaint. The only other then remaining purported consumer class action, Fancher v. SCI et al., was subsequently dismissed voluntarily by the plaintiff after the defendants filed a motion to dismiss. On October 26, 2006, a new purported class action was filed by the estates of Dale Van Coley and Joye Katherine Coley, Candace D. Robinson, Personal Representative, consumer plaintiffs, against us and Original Hillenbrand in the Western District of Oklahoma alleging violation of the antitrust laws in fourteen states based on allegations that we engaged in conduct designed to foreclose competition and gain a monopoly position in the market. This lawsuit was largely based on similar factual allegations to the FCA Action. We and Original Hillenbrand had this case transferred to the Southern District of Texas in order to coordinate this action with the FCA Action and filed a motion to dismiss this action. On September 17, 2007, the Court granted our and Original Hillenbrand's motion to dismiss and ordered the action dismissed with prejudice.

The FCA plaintiffs are seeking certification of a class that includes all United States consumers who purchased our caskets from any of the funeral home co-defendants at any time during the fullest period permitted by the

applicable statute of limitations. On October 18, 2006, the Court denied our, Original Hillenbrand's and the other defendants' November 2005 motions to dismiss the amended FCA complaint.

In addition to the consumer lawsuits discussed above, on July 8, 2005 Pioneer Valley Casket Co. ("Pioneer Valley"), an alleged casket store and Internet retailer, also filed a purported class action lawsuit ("Pioneer Valley Action") against us, Original Hillenbrand, SCI, Alderwoods, and Stewart in the Northern District of California on behalf of the class of "independent casket distributors," alleging violations of state and federal antitrust law and state unfair and deceptive practices laws based on essentially the same factual allegations as in the consumer cases. Pioneer Valley claimed that it and other independent casket distributors were injured by the defendants' alleged conspiracy to boycott and suppress competition in the alleged market for caskets, and by an alleged conspiracy among SCI, Alderwoods, Stewart and other unnamed co-conspirators to monopolize the alleged market for caskets.

Plaintiff Pioneer Valley seeks certification of a class of all independent casket distributors in the United States who are or were in business at any time from July 8, 2001 to the present. Excluded from this class are independent casket distributors that: (1) are affiliated in any way with any funeral home; (2) manufacture caskets; or (3) are defendants or their directors, officers, agents, employees, parents, subsidiaries or affiliates.

The Pioneer Valley complaint was also transferred to the Southern District of Texas but was not combined with the FCA Action, although the scheduling orders for both cases are identical. On October 21, 2005, Pioneer Valley filed an amended complaint adding three new plaintiffs, each of whom purports to be a current or former "independent casket distributor." Like Pioneer Valley's original complaint, the amended complaint alleges violations of federal antitrust laws, but it has dropped the causes of actions for alleged price fixing, conspiracy to monopolize, and violations of state antitrust law and state unfair and deceptive practices laws. On October 25, 2006, the district court denied Original Hillenbrand's and our December 2005 motions to dismiss the amended Pioneer Valley complaint.

Class certification hearings in the FCA Action and the Pioneer Valley Action were held in early December 2006. Post-hearing briefing on the plaintiffs' class certification motions in both cases was completed in March 2007, though briefing on certain supplemental evidence related to class certification in the FCA Action also occurred in September 2007 and October 2007. The Court has not yet ruled on the motions for class certification. On August 27, 2007, the Court suspended all pending deadlines in both cases, including the previously set February 2008 trial date. The Court reset a docket call in both the FCA and Pioneer Valley Actions for May 5, 2008. A docket call is typically a status conference with the Court to set a trial date. It is anticipated that new deadlines, including a trial date, will not be set until sometime after the Court has ruled on the motions for class certification.

Plaintiffs in the FCA and Pioneer Valley Actions generally seek monetary damages, trebling of any such damages that may be awarded, recovery of attorneys' fees and costs, and injunctive relief. The plaintiffs in the FCA Action served a report indicating that they are seeking damages ranging from approximately $947 million to approximately $1.46 billion before trebling. Additionally, the Pioneer Valley plaintiffs served a report indicating that they are seeking damages of approximately $99.2 million before trebling. Because we continue to adhere to our long-standing policy of selling our caskets only to licensed funeral homes, a policy that we continue to believe is appropriate and lawful, if the case goes to trial the plaintiffs are likely to claim additional alleged damages for the period between their reports and the time of trial. At this point, it is not possible to estimate the amount of any additional alleged damage claims that they may make. We and our co-defendants are vigorously contesting both liability and the plaintiffs' damages theories.

If a class were certified in any of the antitrust cases filed against Original Hillenbrand and us and if the plaintiffs in any such case were to prevail at trial, any damages awarded to the plaintiffs, which would be trebled as a matter of law, could have a significant material adverse effect on our results of operations, financial condition and/or liquidity. In antitrust actions such as the FCA and Pioneer Valley Actions the plaintiffs may elect to enforce any judgment against any or all of the co-defendants, who have no statutory contribution rights against each other.

We believe that we and Original Hillenbrand have committed no wrongdoing as alleged by the plaintiffs and that we have meritorious defenses to class certification and to plaintiffs' underlying allegations and damage theories. In accordance with applicable accounting standards, neither Original Hillenbrand nor we have established a loss reserve for any of these cases.

After the FCA Action was filed, in the summer and fall of 2005, we were served with Civil Investigative Demands ("CIDs") by the Attorney General of Maryland and certain other state attorneys general who have begun an investigation of possible anticompetitive practices in the death care industry relating to a range of funeral service and products, including caskets. We have been informed that approximately 26 state attorneys general offices are participating in the joint investigation, although more could join. We cooperated with the attorneys general, and to date, no claims have been filed against us.

Other Pending Litigation Matter

On August 17, 2007, a lawsuit styled *Vertie Staples v. Batesville Casket Company, Inc.* was filed against us in the United States District Court for the Eastern District of Arkansas. The case is a putative class action on behalf of the plaintiff and all others in Arkansas who purchased a Monoseal® casket manufactured by us from a licensed funeral home located in Arkansas from January 1, 1989 to the present. The plaintiff claims that Monoseal® caskets were marketed as completely resistant to the entrance of air and water when they allegedly were not. The plaintiff asserts causes of action under the Arkansas Deceptive Trade Practices Act and for fraud, constructive fraud and breach of express and implied warranties. On January 9, 2008, the plaintiff filed an amended complaint that added another putative class plaintiff, restated the pending claims, and added a claim for unjust enrichment. In order to establish federal jurisdiction over the claims under the Class Action Fairness Act, the plaintiff alleges that the amount in controversy exceeds $5,000,000.

This action is in the very early stages of litigation and as such, we are not yet able to assess the potential outcome of this matter. There is a trial date of November 3, 2008. We believe the claims are without merit and will vigorously defend the case. It is not unusual to have multiple copycat suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations could be brought against us.

General

We are subject to various other claims and contingencies arising out of the normal course of business, including those relating to commercial transactions, product liability, employee related matters, antitrust, safety, health, taxes, environmental and other matters. Litigation is subject to many uncertainties and the outcome of individual litigated matters is not predictable with assurance. It is possible that some litigation matters for which reserves have not been established could be decided unfavorably to us, and that any such unfavorable decisions could have a material adverse effect on our financial condition, results of operations and cash flows.

We are also involved in other possible claims, including product and general liability, workers compensation, auto liability and employment related matters. These have deductibles and self-insured retentions ranging from $150 thousand to $1.0 million per occurrence or per claim, depending upon the type of coverage and policy period. For the self-insured exposures, outside insurance companies and third-party claims administrators establish individual claim reserves and an independent outside actuary provides estimates of ultimate projected losses, including incurred but not reported claims. These independent third-party estimates are used to record reserves for all projected deductible and self-insured retention exposures.

Claim reserves for employment related matters are established based upon advice from internal and external counsel and historical settlement information for claims and related fees when such amounts are considered probable of payment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

New Hillenbrand will be a holding company for Original Hillenbrand's funeral service business, which has operated under the Batesville Casket name and group of subsidiaries that are being separated from Original Hillenbrand's medical technology business. We are a leader in the North American death care industry through the manufacture, distribution, and sale of funeral service products to licensed funeral directors who operate licensed funeral homes. Our products consist primarily of burial and cremation caskets, but also include containers and urns, selection room display fixturing for funeral homes, and other personalization and memorialization products and services, including the creation and hosting of websites for funeral homes.

Batesville Casket today operates relatively autonomously within the operating company structure of Original Hillenbrand. Accordingly, our primary business operations are not expected to change significantly from the current operating environment as a result of the separation. However, there are certain shared assets and functions among the Original Hillenbrand business units, including shared corporate and business services, as well as shared capital resource allocations. As a result, we will be required to divide or co-own certain assets and engage in certain business support and governance activities upon our separation from Original Hillenbrand. Additionally, the separation will result in changes to our capital structure.

The combined financial statements included elsewhere in this information statement do not include all expenses that would have been incurred had the funeral service business of Original Hillenbrand been a separate, stand-alone entity and do not reflect the funeral service business of Original Hillenbrand's results of operations, financial position and cash flows had the funeral service business of Original Hillenbrand been a stand-alone company during the periods presented. This Management's Discussion and Analysis should be read together with the unaudited pro forma combined financial statements, as well as the Combined Financial Statements of the funeral service business of Original Hillenbrand and the notes thereto included elsewhere in this information statement.

Death Care Industry Trends

The death of a family member or loved one causes most people to seek the services of a state (or a Canadian province) licensed funeral director to provide specific services regarding handling and preparing the deceased. Most consumers have only limited familiarity with funeral-related products and usually expect funeral directors to provide information on product and service alternatives. Although caskets and urns can be purchased from a variety of sources, including directly from internet sellers and casket stores, the overwhelming majority of those who arrange a funeral purchase directly from the funeral home as a matter of choice and convenience.

Demographics and Consumer Preferences. For the past several decades the total number of deaths in the U.S. and Canada (where most of our products are sold) has been relatively flat. During the same period the rate of cremation selection has been slowly but steadily increasing to the point where cremations as a percentage of total deaths now represent approximately one third in the United States and one half in Canada. These combined factors have yielded a slow but steady decline in the total number of casketed deaths in North America. The current trends are expected to continue for the foreseeable future until the post-WWII spike in births may cause an increase in deaths. While the primary driver of market size is population and age, the actual number of deaths (and, therefore, the actual number of caskets sold) is affected by a variety of additional factors, including improving health care and the varying timing and severity of seasonal pneumonia and influenza outbreaks. The unpredictability of these factors can cause periodic fluctuations in industry demand patterns and revenue generated in any given fiscal period. While it is difficult to predict precisely the number of deaths on a month-to-month or even a year-to-year basis, we anticipate that the number of deaths in North America will be relatively flat and the cremation rate will continue to gradually increase, resulting in a steady decline in the demand for burial caskets for the foreseeable future.

Along with the declining number of casketed deaths, the casket industry has experienced a long-term gradual decline in the average price (normally referred to as product mix) of burial caskets sold, a trend that has also affected us. One of the factors which has affected mix is the pricing practice of many funeral homes, which places most of the margin expectation on the sale of products instead of the services provided. We have observed a recent change in the pricing practices of many funeral homes wherein they are recovering margin on their services and reducing the

mark- up of products, primarily caskets. Additionally, more consumers are expecting higher levels of personalization, both in products and services. Our response to this changing consumer preference is described below.

Competition. Competition in the casket industry is based on product quality, features and personalization, price, and customer and delivery service. We compete in the sale of burial and cremation containers with several national casket manufacturers/distributors, a larger number of regional manufacturers/distributors, and more than 100 independent casket distributors, most of whom serve fairly narrow geographic segments. Recently, the industry has seen a few new foreign manufacturers, mostly from China, who import caskets into the U.S. and Canada. Additionally, some others such as Costco, local casket stores, and internet sellers sell caskets directly to consumers, although we estimate that total sales among this latter group are a small portion of annual burial casket volume.

The effect of gradually declining casket demand has also resulted in economic pressures on casket manufacturers and distributors as they seek to maintain volume by increasing market share. The industry has approximately double the necessary domestic production capacity which further increases these pressures. Additionally, the costs of delivery have increased as well with higher fuel prices resulting in increased per unit costs. Established manufacturers and distributors have responded to these competitive pressures by increasing discounts.

Over the past decade, funeral homes have sought to minimize their inventory costs by shifting the inventory burden to their suppliers. Today, many funeral homes do not maintain any casket inventory and expect their casket suppliers to provide same day or next day delivery to satisfy their funeral requirements. Our high velocity, “hub and spoke” distribution system enables us to meet these customer expectations with lower inventory investment per dollar of sales. This system enables us to deliver the majority of our volume, including uniquely personalized caskets, within 24 hours of receiving the customer’s order. In 2007 we delivered the “right casket at the right time” 99.3% of the time. We believe this highly effective distribution system is aligned with the increasing time demands of families and the inventory reduction expectations of our customers. We also believe this represents an important competitive advantage, although some competitors are able to offer comparable delivery capability in certain geographic areas.

Industry Consolidation. The underlying industry trends are leading to consolidations, acquisitions, and partnerships among casket manufacturers and distributors. In the past few years, two of the larger casket manufacturers have merged and several independent distributors have been acquired. In the past two years we acquired two smaller regional distributors. We continue to be interested in the possibility of acquiring high-quality distributors and will remain selective in this process.

The demographic and economic pressures that are driving consolidation among casket manufacturers and distributors are also driving some consolidation among funeral homes. In the fourth calendar quarter of 2006 our largest customer acquired our second largest customer. We have retained essentially all of the combined business after the acquisition with the exception of some of the individual firms that were divested to meet regulatory requirements. On a smaller scale we have also seen an increased number of regional funeral home operators expanding through selected acquisitions. Earlier in 2007 we established a dedicated sales team to focus on this regional consolidator customer segment, and we will continue to invest to meet the needs of this growing customer group.

Costs of Raw Material and Energy. The primary raw materials used in our products include steel, wood, and red metals (i.e., copper and bronze). Although the key materials have fluctuated in price from time-to-time, current economic conditions are such that we expect all casket manufacturers to continue to be affected by increased costs of raw materials over the next few years. Higher fuel costs in the past few years have resulted in fuel surcharges on many raw materials and services, along with an unfavorable impact on manufacturing and distribution costs.

We believe that we are affected by raw material and energy cost increases to a lesser degree than many of our competitors because of the scale and scope of our operations. Additionally, our wide use of Continuous Improvement has enabled us to reduce waste in many areas of our business. We intend to continue to use this powerful tool of Continuous Improvement, practices which are based on the Toyota Production System, to better serve our customers and to maintain and increase margins.

Strategy and Results

We believe that we have a number of capabilities that yield significant competitive advantage. Among them are:

- Our leadership position as the largest manufacturer and distributor of caskets and containers in North America provides scale and scope that enables us to seize emerging opportunities rapidly and effectively.
- Our highly integrated manufacturing facilities in the United States and Mexico employ “pull production” and “one-piece flow” to feed our high velocity replenishment system with products quickly and efficiently to meet the growing time demands of our customers and their client families.
- The Batesville business system of Continuous Improvement (based on the Toyota Production System) and effective execution enables us to reduce waste in administrative processes as well as manufacturing and distribution.
- The Batesville® brand is widely recognized among funeral professionals and the breadth of our product line enables us to support our customers as they seek to serve client families of varying means.
- Our ability to apply proven merchandising principles and proprietary database tools enables us to help our customers increase their average mix and drive greater profitability for them and for us, all while increasing the satisfaction of their clients.
- Our talent management process helps us to identify and develop our people through exposure to lean business principles, participation in strategic projects, and planned multifunctional assignments. We have a track record of developing and retaining multi-disciplined leaders.

By building on these core competencies we seek to grow organic revenue and operating income by an average of 3% to 4% annually over the fiscal 2008-2009 time frame. We plan to invest selectively to maintain and further develop our current leadership position with funeral directors while exploring new opportunities in less penetrated areas. Our strategy remains centered on growing our business of selling Batesville branded burial caskets and cremation products direct to funeral homes while investing in opportunities to sell private label caskets and parts to manufacturers and distributors, a new channel of distribution for us. Finally, we intend to pursue strategic acquisitions in and closely adjacent to our casket and cremation businesses in which we can capitalize on our core competencies and utilize our scope and scale. Important elements of this strategy, and our results to-date, include the following.

Grow our sales to our funeral home customers. We seek to profitably grow revenue by selling products to licensed funeral homes through a combination of growth in volume, improved mix of products sold and strategic acquisitions within the funeral services industry.

Grow our burial casket revenue.

- We have responded to the consolidation trend in our industry and the growth of regional funeral home consolidators by creating a sales team which differentially serves those customers whose business spans multiple sales territories. This group of customers is currently an under-penetrated opportunity for us. We have converted several of these regional customers to our Batesville brand by demonstrating the value of our products and services to their operations and the families they serve.
- In 2004 and 2005 we discontinued unprofitable products from our product line. During that time we also introduced our Dimensions® line of wider caskets designed to provide a dignified funeral to the increasing number of obese consumers. In 2006 we introduced new lines of caskets (our Geminitm and Haileytm lines) designed for consumers that value high eye appeal and low feature content. We are very encouraged by the response of our funeral home customers and their families to these new products.

Improve the mix of burial caskets.

- Using our proprietary funeral product merchandising analytic and predictive tools enables our customers to improve their profitability while increasing the satisfaction of their client families. Product and service merchandising, along with consumer friendly display and information systems, enables a funeral home to

present a broad array of products to serve all of their client families, and to articulate the value of the product in an environment that makes families more comfortable with the selection process. We have experienced increased sales and improved product mix with customers who have implemented our merchandising systems in fiscal 2007. While our average selling price increased overall in 2007, those customers that implemented our merchandising systems experienced even greater improvement in average selling price for each casket sold. We intend to continue to invest in these tools and to make them available to more funeral homes.

Grow our Options by Batesville™ Cremation product sales

- Our Options by Batesville™ product line consists of cremation caskets, containers, urns and other cremation products to funeral homes and cemeteries. Continued growth in these products is expected as more consumers choose cremation over burial. To further accelerate growth we have dedicated a sales and marketing team to focus on developing new products and services for these consumers.

Grow sales in the independent distributor channel. In 2006 we launched the NorthStar™ private label program. Under the NorthStar program, we manufacture private label caskets and casket parts, which do not include Batesville proprietary features, for other manufacturers and distributors, a channel of distribution we had not served in the past.

Sales of Private Label Caskets

- 2007 was the first full year for our sales of private label caskets and casket parts under the NorthStar program. We plan to increase sales of these products over the next few years. Our private label caskets and parts are differentiated and made with unique tooling in our existing facilities. These private label caskets and parts are marketed and sold by a small, dedicated, independent team of sales engineers.

Continued pursuit of strategic acquisitions within the casket industry. Our recent efforts with respect to this initiative include the following:

- In January 2007 we consummated the acquisition of a small regional casket distributor, which marked the second such acquisition in ten months. We effectively and efficiently integrated both of those businesses into ours such that they were accretive to earnings in year one. We have earned returns on both acquisitions well in excess of our cost of capital. Because of our scale and scope advantages in manufacturing and distribution, we continue to believe we are well positioned to take advantage of additional strategic acquisition opportunities as they arise.
- During fiscal 2007 and 2006, we also attempted to acquire Yorktowne Caskets, Inc. ("Yorktowne") but after a delay caused by litigation involving Yorktowne and its previous supplier, a subsequent due diligence effort made it clear that an acquisition of the business was not in the best interests of our shareholders.
- We also intend to explore prudent acquisitions of or relationships with other businesses closely adjacent to our casket and cremation businesses in which we can capitalize on our core competencies and utilize our scale and scope to further enhance shareholder value.

Recent Factors Impacting our Business

Customer consolidation — In October 2006 we signed a new, non-exclusive supply agreement with Service Corporation International, our largest customer and the largest provider of funeral services in North America. The agreement covers our casket product line through fiscal 2008, with an option to extend for two additional one-year periods. Although SCI is currently purchasing essentially all of their casket requirements from us, the agreement does not impose specific purchase requirements on SCI. While we anticipate that SCI will continue to buy substantially all its burial and cremation container products from us for the foreseeable future, there can be no guarantee that SCI will do so. In November 2006 SCI acquired our second largest customer, Alderwoods. As a result of this acquisition, the purchase of our products by both organizations was brought under the same agreement. Although we have lost some business as this new combined entity continues to divest itself of certain overlapping properties, we have been able to offset most of the financial impact of these divestitures by supplying many of the owners of these newly divested properties.

Acquisition activity — In July 2007, we announced the termination of negotiations related to the possible acquisition of Yorktowne. Our intentions to acquire Yorktowne were previously announced in the fall of 2005, but our efforts were delayed because of certain legal impediments, which expired on April 15, 2007. Effective at that time, a supply agreement between Yorktowne and us was put into place and we began to update the due diligence process. Ultimately, we were unable to reach acceptable terms with Yorktowne with respect to an acquisition and Matthews subsequently announced that its casket division, York Caskets, had purchased certain assets of Yorktowne. Termination of our negotiations with Yorktowne resulted in the recognition of a $2.8 million charge in fiscal 2007 for previously deferred costs related to the planned acquisition. Shortly before the transfer of its assets to York, Yorktowne ceased purchasing funeral products from us under the supply agreement. We filed suit against Yorktowne and York in Federal Court for the Southern District of Ohio asserting our rights under the supply agreement and recorded a $4.3 million charge during fiscal 2007, primarily related to amounts due from Yorktowne under the supply agreement. We subsequently settled this suit, together with suits pending against us that York had filed in conjunction with our 2005 attempt to purchase Yorktowne. The settlement of these matters had no material impact on our financial statements. None of these developments preclude us from seeking business from Yorktowne's customers.

Legal proceedings — We are a defendant, along with Original Hillenbrand and several other companies in the death care industry, in two purported antitrust class action lawsuits in which the plaintiffs have alleged substantial damages, prior to trebling. In addition to the risks associated with an adverse outcome in this litigation, we continue to incur significant legal costs in the defense of this litigation and expect these costs to continue for the foreseeable future. Under the proposed judgment sharing agreement with Original Hillenbrand, we will be responsible for all costs incurred by us and Original Hillenbrand in defense of this litigation. All fees and costs incurred in defense of the antitrust litigation matters are included in our historical combined financial statements. To date, we have incurred approximately $16.9 million in legal and related costs associated with this matter, of which $1.0 million and $7.8 million were incurred in the three months ended December 31, 2007 and the fiscal year ended September 30, 2007, respectively.

See "Risk Factors — Risks related to Our Business", "Arrangements between Original Hillenbrand and New Hillenbrand — Distribution Agreement" and "— Judgment Sharing Agreement."

Results of Operations

Three Months Ended December 31, 2007 Compared to Three Months Ended December 31, 2006 (unaudited)

The following table presents comparative operating results for the periods discussed within this section of Management's Discussion and Analysis:

	Three Months Ended December 31, 2007	% of Revenues	Three Months Ended December 31, 2006	% of Revenues
Net revenues	$ 162.9	100.0	$ 162.2	100.0
Cost of goods sold	96.0	58.9	93.4	57.6
Gross profit	66.9	41.1	68.8	42.4
Operating expenses	27.3	16.8	26.7	16.5
Separation costs	1.2	0.7	—	—
Operating profit	38.4	23.6	42.1	25.9
Investment income and other	(0.4)	(0.2)	(0.4)	(0.2)
Income before income taxes	38.0	23.4	41.7	25.7
Income tax expense	14.0	8.6	15.6	9.6
Net income	$ 24.0	14.8	$ 26.1	16.1

Our revenues in the first quarter of 2008 were essentially flat increasing $0.7 million or 0.4 percent over the prior year comparable period. Revenues were favorably impacted by improved net price realization of $5.6 million as a result of our annual price increase. A relatively flat number of deaths in North America along with the slow, steady

increase in cremation selection continue to negatively impact the burial market. Strong preceding quarter sales due to customers buying ahead of our price increase also reduced demand for caskets. As a result, lower sales volumes, primarily related to burial caskets, reduced revenues for the quarter by $4.3 million. While our merchandising initiative is positively impacting our mix of products sold, the overall mix impact on revenue was unfavorable for the quarter by $1.9 million. Further, our expansion in the lower-end metal product offerings has resulted in volume growth, but has also negatively impacted mix. Our revenues during the first quarter of 2008 reflected a positive impact of $1.3 million resulting from the impact of foreign exchange rates over the prior year comparable period.

Cost of goods sold of $96.0 million increased $2.6 million over the prior year comparable period. Distribution expenses were $2.1 million higher compared to the prior year comparable period resulting from inflation on personnel and benefit expenses of $0.8 million, higher fuel costs of $0.7 million, and other cost increases of $0.6 million. Material and conversion costs decreased $1.7 million related to a 3.0 percent reduction in burial units sold during the quarter as compared to the prior year comparable period. This decrease was partially offset by aggregate increased costs of $1.3 million related primarily to inflation on commodities (red metals, carbon steel and textiles), personnel and benefits costs, and higher pension expenses. Fixed manufacturing costs were essentially flat as lower benefit expenses of $0.6 million offset inflationary increases from personnel and other costs. In the prior year comparative period, we also recognized $0.5 million in gains from asset sales.

Operating expenses increased $0.6 million over the prior year comparable period. We experienced increased expenses of $1.5 million, primarily related to personnel and benefits costs. Legal expenses related to the ongoing antitrust litigation decreased $1.2 million, offset by a $0.3 million increase in other legal fees.

In addition to the operating expenses discussed above, results reflect an allocation of $1.2 million of separation related expenses from Original Hillenbrand, primarily legal and professional fees, in preparing for the pending separation of Batesville Casket.

Net income was reduced $2.1 million as our lower operating profit was partially offset by the incremental reduction in our income tax expense of $1.6 million. The effective rate of our income tax provision was 36.8% compared to 37.5% in the prior year comparable period.

Fiscal Year Combined Results of Operations

The following table presents comparative operating results for the fiscal years discussed within this section of Management's Discussion and Analysis:

	Year Ended September 30, 2007	% of Revenues	Year Ended September 30, 2006	% of Revenues	Year Ended September 30, 2005	% of Revenues
Net revenues	$ 667.2	100.0	$ 674.6	100.0	$ 659.4	100.0
Cost of goods sold	388.6	58.2	391.9	58.1	392.9	59.6
Gross profit	278.6	41.8	282.7	41.9	266.5	40.4
Operating expenses	117.9	17.7	105.3	15.6	105.2	15.9
Separation costs	5.1	0.8	—	—	—	—
Operating profit	155.6	23.3	177.4	26.3	161.3	24.5
Investment income and other	1.4	0.2	1.4	0.2	2.0	0.3
Income before income taxes	157.0	23.5	178.8	26.5	163.3	24.8
Income tax expense	57.5	8.6	65.6	9.7	60.5	9.2
Net income	$ 99.5	14.9	$ 113.2	16.8	$ 102.8	15.6

Fiscal Year Ended September 30, 2007 Compared to Fiscal Year Ended September 30, 2006

For the year ended September 30, 2007, our revenues were down slightly compared to the same period in the prior year, declining by 1.1 percent, or $7.4 million. The lower volume of burial caskets sold was the primary driver, negatively impacting revenues by $20.7 million. Market conditions continue to be a challenge as rising cremations reduce the amount of burial caskets sold on a relatively flat number of estimated deaths in North America. A lower

mix of burial caskets sold resulted in an $8.0 million reduction in revenues for the year. While this mix trend has been consistent for several years, recent product launches in under penetrated areas have focused on lower price points with high eye-appeal, low feature content offerings, contributing to the unfavorable mix. However, our merchandising efforts have helped to partially offset this trend, driving increased customer satisfaction in addition to sales of higher value products. The Batesville brand continues to generate year over year price realization improvement, contributing an additional $21.5 million to revenues in fiscal 2007.

Cost of goods sold of $388.6 million decreased $3.3 million compared to the same period in 2006. Material and conversion cost reductions totaled $8.2 million, with $6.2 million of the difference related to the 1.9 percent reduction in burial units sold during the year. Additional drivers of the lower costs included a local sourcing initiative at our Chihuahua, Mexico facility, yield improvement initiatives at our Vicksburg, Mississippi rough mill, and lower pension, bonus, and utility rates compared to the prior year. Various process improvements within the plants have generated productivity improvements that more than offset compensation inflation for the year. Fixed manufacturing costs were lower by $1.4 million driven primarily by savings of $2.7 million from the plant consolidation completed in the prior year, offset by higher benefit costs of $0.8 million and general cost increases of $0.5 million. Distribution expenses were $1.8 million higher than prior year resulting primarily from increased costs of $0.6 million realized in connection with a distributor acquisition during the year, while depreciation and personnel costs also increased. In the prior year, we also recognized $1.9 million in increased gains from asset sales (including our Nashua facility) as well as a $0.9 million insurance settlement, all as components of cost of goods sold.

Operating expenses increased $12.6 million compared to 2006, including $8.7 million in costs associated with the Yorktowne acquisition attempt and related supply agreement. In conjunction with our strategic initiatives, $3.8 million of spending occurred which was targeted at generating revenue growth and focused primarily on sales force expansion and support of our merchandising initiative. Increased costs associated with healthcare, pension, equity based awards totaled $2.8 million and were more than offset by the $3.0 million reduction in incentive compensation earned for the fiscal year. Likewise, increased recruiting expenses and additional bad debt expenses also impacted our year over year spending but were partially countered by savings within our information technology group as a result of insourcing certain functions.

In addition to the operating expenses discussed above, we were allocated $5.1 million of expenses from Original Hillenbrand, primarily legal and professional fees, in preparing for the pending separation of Batesville Casket.

Net income was reduced $13.7 million as our lower operating profit was offset by the incremental reduction in our income tax expense of $8.1 million. The effective rate of our income tax provision was 36.6%, compared to 36.7% in the prior year.

Fiscal Year Ended September 30, 2006 Compared to Fiscal Year Ended September 30, 2005

For the year ended September 30, 2006, our revenues rose when compared to the same period in the prior year, increasing by 2.3 percent, or $15.2 million. We realized improved pricing on our burial product lines of $25.1 million which helped to offset other revenue pressures. Lower volumes in our burial casket product line reduced revenues by $9.0 million as the impact of cremation continued to occur. During the second quarter of fiscal 2006, we began a phased geographic launch of the new Gemini^{tm} product line, a high eye appeal, low feature content non-gasketed steel product. While this product introduction was well received in the marketplace, the added volume contributed to a lower product mix sold during the year, a primary driver to the $7.3 million unfavorable mix impact on revenues. Sales of our private label caskets and casket parts from our NorthStar product line added $4.1 million of revenue growth as we continue to expand into this channel of independent manufacturers and distributors.

Cost of goods sold totaling $391.9 was down slightly from the prior year. Overall burial units sold (including both core products as well as NorthStar private label units) were down less than 1%. Total material and conversion costs were down $1.8 million. We experienced lower costs in carbon steel and wood prices (two of our largest commodity spends), although inflationary pressures continued with plastics, chemicals, zinc and red metals. Our solid wood plant consolidation progressed as scheduled, contributing additional costs as a result of material yield issues and production inefficiencies, not unusual for a consolidation of this size. Utility rates continued to be higher in 2006 as our overall spending in this area increased year over year. Fixed manufacturing costs decreased nearly $3.0 million from the prior year driven mostly by the closure of our New Hampshire solid wood plant as well as the gain recognized from the sale of that facility. We also recorded a $1.0 million gain on the insurance recovery of costs incurred due to a fire at our

Vicksburg rough mill. Distribution expenses increased in fiscal 2006 by $3.8 million, driven by higher fuel costs, increased compensation and benefits and investments in certain geographies related to initiatives to improve service.

Operating expenses were substantially flat in fiscal 2006 compared to the prior year. Legal expenses increased by $6.3 million driven by the outstanding antitrust litigation that is ongoing. Incentive compensation cost also increased by $7.1 million as a payout was earned during 2006 which had not occurred in 2005. Offsetting these items were lower pension and post retirement benefit costs of $2.5 million, favorable variable sales compensation and marketing expenses of $2.2 million, and reduced allocated corporate costs and information technology expenses totaling $4.1 million combined. In addition, improved operating expenses were realized as 2005 included a $2.3 million special charge related to a manufacturing facility closure and an organizational rightsizing.

Net income improved $10.4 million as the additional operating profit was offset by the incremental tax expense of $5.1 million. The effective rate of our income tax provision was 36.7%, compared to 37.0% in the prior year.

Special Charges

In the third fiscal quarter of 2005, we announced plans to close our Nashua, New Hampshire plant and consolidated our solid wood casket production into our Batesville, Mississippi plant. The consolidation of the two plants resulted in a special charge, reported as a component of Operating expenses in the third quarter of fiscal 2005, of $1.5 million. Additionally, other pre-tax costs of $2.3 million, including certain severance and other termination benefits, as well as costs related to accelerated depreciation expense, the transfer of equipment, training of employees and other costs, were realized through the completion of the consolidation of the plants in the second quarter of fiscal 2006 as a component of costs of goods sold. All cash charges associated with this action have since been paid.

Liquidity and Capital Resources

Our financial resources have historically been provided by Original Hillenbrand, which has historically managed cash on a centralized basis. Accordingly, cash receipts associated with our business have been transferred to Original Hillenbrand on a daily basis, and Original Hillenbrand has funded our cash disbursements. These net cash transfers are reflected in parent company investment in our Combined Financial Statements.

Net cash flows from operating activities have represented our primary sources of funds for growth of our business, including capital expenditures and acquisitions.

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2007	2006	2007	2006	2005
	(Unaudited)				
Cash flows provided by (used in):					
Operating activities	$ 22.7	$ 29.9	$ 127.3	$ 124.6	$ 88.9
Investing activities	(2.2)	(1.1)	(20.1)	(15.3)	(13.2)
Financing activities*	(20.2)	(26.5)	(103.5)	(107.0)	(78.3)
Effect of exchange rate changes on cash	(0.4)	(0.1)	0.3	0.3	0.1
Increase (decrease) in cash	$ (0.1)	$ 2.2	$ 4.0	$ 2.6	$ (2.5)

* Represents net cash provided to our parent company.

Operating Activities

Operating cash flows for the three month period ended December 31, 2007, were $22.7 million, which was $7.2 million lower than the prior year comparable period. This decrease resulted from lower operating profits, as well as an increase in accounts receivable and prepaid expenses.

Operating cash flows for the year ended September 30, 2007 were $127.3 million, which was $2.7 million higher than the prior fiscal year. Although our net income decreased in fiscal 2007 from the prior year, the effect of this was more than offset by improved collection of accounts receivable and reduced payments related to deferred compensation compared to prior year.

Compared to the fiscal year ended September 30, 2005, net cash provided by operating activities increased $35.7 million to $124.6 million in fiscal 2006. That increase was driven largely by lower funding of defined benefit retirement plans, as funding in the prior year included a significant contribution to Original Hillenbrand's master defined benefit retirement plan and totaled $43.6 million. Other significant cash flow drivers were higher 2006 net income of $10.4 million and lower inventories as we finished the year with stronger deliveries in the fourth quarter of 2006. Partially offsetting the impact of those items was an increase in deferred compensation payments during 2006 of $10.9 million.

Investing Activities

Net cash used in investing activities for the three month period ended December 31, 2007, increased by $1.1 million over the prior year comparable period due to increased capital expenditures.

Net cash used in investing activities for the year ended September 30, 2007 increased by $4.8 million over the prior fiscal year. This increase resulted from a reduction in the proceeds we received from disposal of property, primarily related to the sale of our former Nashua wood manufacturing facility sold in fiscal 2006. Additionally, our spending for business acquisitions increased by $2.9 million over the prior fiscal year.

In January 2007, Batesville acquired a small regional casket distributor for cash of $5.2 million. This acquisition capitalizes on our capacity to serve the broad needs of funeral service professionals and expands our distribution base in the Midwest and Florida. We have completed the valuation of assets and liabilities acquired and an allocation of the purchase price, resulting in the recognition of approximately $1.6 million of intangible assets and $2.6 million of goodwill. The purchase price remains subject to a contingent consideration provision based on volume retention which, if paid, would be recorded as an adjustment to goodwill, thus this allocation of purchase price remains subject to change.

During the fiscal year ended September 30, 2006 net cash used in investing activities totaled $15.3 million compared to $13.2 million in the 2005 fiscal year. The slightly higher use of cash was driven by the fiscal 2006 acquisition of a small regional casket distributor for $2.7 million, along with $2.5 million of higher capital expenditures. Those increases in cash spend were partially offset by a $3.1 million increase in proceeds from the disposal of property and equipment in fiscal 2006, primarily related to sale of our former Nashua wood manufacturing facility.

Financing Activities

During the three month period ended December 31, 2007, net cash provided to our parent company decreased by $6.3 million to $20.2 million when compared to the same period prior year.

Cash flows from financing were comprised of changes in our parent company investments account, which represents net cash withdrawn from the funeral service business by Original Hillenbrand. Net cash provided to our parent company decreased by $3.5 million to $103.5 million for fiscal 2007.

For the fiscal year ended September 30, 2006, the change in parent company investment represented an additional net use of our cash, when compared to fiscal 2005, of $28.7 million.

Other Liquidity Matters

In connection with the separation we expect to enter into a new $400 million five-year senior revolving credit facility with a syndicate of banks. We expect that the availability of borrowings under the facility will be subject to our ability at the time of borrowing to meet certain specified conditions, including certain financial ratios. We expect the facility will provide that we may use borrowings under the facility for working capital, capital expenditures, and other lawful corporate purposes and to finance acquisitions. The terms of the facility have not been finalized, but we expect that the facility will contain covenants that, among other matters, will require us to maintain a leverage ratio of no more than 3.50 to 1.0 and an interest coverage ratio of not less than 3.50 to 1.0. In connection with the consummation of the separation, we expect to borrow approximately $250 million under this facility and to use those borrowings to make a $250 million cash distribution to Original Hillenbrand. We expect to have $150 million of remaining borrowing capacity available under this facility.

We believe that, upon consummation of the separation, we will have a solid financial position with continued strong operating cash flows and availability under our previously discussed revolving credit facility, as well as potential access to the capital markets to fund the execution of our strategic initiatives. We also believe that upon separation it is likely that our borrowing costs will increase somewhat from Original Hillenbrand's past borrowing costs, as our credit rating as an independent public company is expected to be lower than that of Original Hillenbrand. Although our combined financial statements do not reflect a history of paying dividends as a stand-alone public company, we expect to initially pay annual dividends of approximately $45 million, assuming an initial quarterly per share dividend of $0.1825 and assuming approximately 62 million of our shares are outstanding (based on the number of shares of Original Hillenbrand common stock outstanding on December 31, 2007 and a distribution ratio of one share of our common stock for every share of Original Hillenbrand common stock outstanding). Although not a guarantee of future results, we believe that our initial cash flows from operations will adequately fund our operating activities, service our debt under the proposed revolving credit facility, and support paying cash dividends at this level.

We intend to continue to pursue selective acquisition candidates in certain areas of our business, but the timing, size or success of any acquisition effort and the related potential capital commitments cannot be predicted. We expect to fund future acquisitions primarily with cash on hand, cash flow from operations and borrowings, including the unborrowed portion of the five-year credit facility, but we may also issue additional debt and/or equity in connection with acquisitions.

We expect capital spending in 2008 to be generally consistent with previous capital spending levels, before consideration of additional capital requirements for any new business acquisitions.

We believe that cash on hand and generated from operations will be sufficient to fund operations, working capital needs, capital expenditure requirements and financing obligations for the foreseeable future. However, if a class is certified in any of the purported class action antitrust lawsuits filed against us, as described in "Business and Properties — Legal Proceedings — Antitrust Litigation," and the plaintiffs prevail at trial, potential damages awarded the plaintiffs could have a material adverse effect on our results of operations, financial condition and/or liquidity.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements.

Contractual Obligations and Contingent Liabilities and Commitments

To provide visibility to matters potentially impacting our liquidity position, the following table outlines our contractual obligations as of September 30, 2007 (Dollars in millions):

	Payments Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1–3 Years**	**4–5 Years**	**After 5 Years**
Operating Lease Obligations	$ 15.7	$ 4.9	$ 7.2	$ 3.3	$ 0.3
Purchase Obligations(1)	11.6	11.6	—	—	—
Deferred Compensation Arrangements(2)	8.6	1.1	2.1	1.8	3.6
Pension Funding(3)	2.9	1.2	1.7	—	—
Other long-term liabilities(4)	27.7	4.5	8.1	5.2	9.9
Total Contractual Cash Obligations	$ 66.5	$ 23.3	$ 19.1	$ 10.3	$ 13.8

(1) Purchase obligations represent contractual obligations under various take-or-pay arrangements entered into as part of the normal course of business. These commitments represent future purchases in line with expected usage to obtain favorable pricing. Also included are obligations related to purchase orders for which we have firm commitments related to order releases under the purchase order. The amounts do not include obligations related to other purchase obligations that are not considered take-or-pay arrangements or subject to firm commitments. Such purchase obligations are primarily reflected in purchase orders at fair value that are part of normal operations, which we do not believe represent firm purchase commitments. We expect to fund these commitments with operating cash flows.

(2) Deferred compensation arrangements represent amounts due current and former executives and directors in accordance with elective deferrals. Under our deferred compensation program, deferred amounts can appreciate over time based on the individual's election of either (a) a variable interest rate equal to the prime rate or (b) a phantom stock account whose value moves in accordance with the market value of Original Hillenbrand common stock and dividends paid by Original Hillenbrand.

(3) The minimum pension funding represents payments to comply with funding requirements. The annual projected payments beyond fiscal 2008 are not currently determinable. Our minimum pension funding requirements were substantially reduced as a result of the $42.8 million of funding made to the Original Hillenbrand primary benefit pension plan during 2005.

(4) Other long-term liabilities includes the forecasted liquidation of liabilities related to our casket pricing obligation, self-insurance reserves and long-term severance payments.

During the three months ended December 31, 2007, there have not been any material changes in our contractual obligations.

In addition to the contractual obligations disclosed above, we also have a variety of other agreements related to the procurement of materials and services and other commitments. We are not subject to any contracts that commit us to material non-cancelable commitments. While many of these agreements are long-term supply agreements, some of which are exclusive supply or complete requirements-based contracts, we are not committed under these agreements to accept or pay for requirements which are not needed to meet production needs.

As provided in the employee matters agreement and the distribution agreement and summarized under "Arrangements Between Original Hillenbrand and New Hillenbrand — Employee Matters Agreement," we have assumed certain employee-related obligations for Original Hillenbrand directors and former corporate employees and employees of other non-medical technology businesses. Should neither we nor Original Hillenbrand be able to receive a full deduction for the discharge by us of such assumed liabilities, the associated assumed liabilities may be assigned back to Original Hillenbrand requiring us to make an immediate cash payment equivalent to the then net-of-tax carrying value of such liabilities in our books and records. Based upon the carrying amounts of these liabilities and the related tax benefits as of December 31, 2007, the cash payment that we would have been required to make under the circumstances described above was approximately $16 million.

In conjunction with our recent acquisition activities, we have entered into certain guarantees and indemnifications of performance with respect to the fulfillment of our commitments under the respective purchase agreements. The arrangements generally indemnify the seller for damages associated with breach of contract, inaccuracies in representations and warranties surviving the closing date and satisfaction of liabilities and commitments retained under the applicable contract. Those representations and warranties which survive closing generally survive for periods up to the maximum period allowed by the applicable statutes of limitations. Guarantees and indemnifications with respect to acquisition activities, if triggered, would not have a materially adverse impact on our financial condition and results of operations. As discussed above, in conjunction with the separation we will enter into a distribution agreement and judgment sharing agreement with Original Hillenbrand. If we are required to make any payments to Original Hillenbrand under the provisions of these agreements, those payments could be substantial and could materially adversely affect our financial condition and liquidity. See "Risk Factors — Risks Related to the Separation" and "Arrangements between Original Hillenbrand and New Hillenbrand — Distribution Agreement" and "— Judgment Sharing Agreement."

Critical Accounting Policies

Our accounting policies, including those described below, require management to make significant estimates and assumptions using information available at the time the estimates are made. Such estimates and assumptions significantly affect various reported amounts of assets, liabilities, revenues and expenses. If future experience differs materially from these estimates and assumptions, results of operations and financial condition could be affected. Our most critical accounting policies are described below. A more detailed description of our significant accounting policies is included in the Notes to our Combined Financial Statements included elsewhere in this information statement.

Revenue Recognition

We recognize revenue in accordance with SEC Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition." Revenue for our products is generally recognized upon delivery of the products to the customer, but in no case prior to when the risk of loss and other risks and rewards of ownership are transferred.

Net revenues reflect gross revenues less sales discounts, customer rebates, sales incentives, and product returns. In accordance with Emerging Issue Task Force ("EITF") 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)," we record reserves for customer rebates, typically based upon projected customer volumes. In addition, in connection with obtaining long-term supply agreements from our customers, we may offer sales incentives in the form of custom showrooms and fixtures. Costs associated with these sales incentives are amortized over the term of the related agreement, typically 3 to 5 years. Our sales terms generally offer customers various rights of return. We record reserves for estimated product returns in accordance with Statement of Financial Accounting Standards ("SFAS") No. 48, "Revenue Recognition When Right of Return Exists."

Liabilities for Loss Contingencies Related to Lawsuits

We are involved on an ongoing basis in claims and lawsuits relating to our operations, including environmental, antitrust, patent infringement, business practices, commercial transactions and other matters. The ultimate outcome of these lawsuits cannot be predicted with certainty. An estimated loss from these contingencies is recognized when we believe it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. However, it is difficult to measure the actual loss that might be incurred related to litigation. The ultimate outcome of these lawsuits could have a material adverse effect on our financial condition, results of operations and cash flow. See "Business and Properties — Legal Proceedings" for additional details.

Legal fees associated with claims and lawsuits are generally expensed as incurred. Upon recognition of an estimated loss resulting from a settlement, an estimate of legal fees to complete the settlement is also included in the amount of the loss recognized.

We are also involved in other possible claims, including product and general liability, workers compensation, auto liability and employment related matters. Claims other than employment and related matters have deductibles and self-insured retentions ranging from $150 thousand to $1.0 million per occurrence or per claim, depending upon the type of coverage and policy period. Outside insurance companies and third-party claims administrators establish individual claim reserves and an independent outside actuary provides estimates of ultimate projected losses, including incurred but not reported claims, which are used to establish reserves for losses. Claim reserves for employment related matters are established based upon advice from internal and external counsel and historical settlement information for claims and related fees, when such amounts are considered probable of payment.

The recorded amounts represent our best estimate of the costs we will incur in relation to such exposures, but it is possible that actual costs could differ from those estimates.

Stock-Based Compensation

Prior to fiscal 2006, we applied the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," in accounting for stock-based compensation. As a result, no compensation expense was recognized for stock options granted with exercise prices equivalent to the fair market value of stock on the date of grant. Compensation expense was recognized on other forms of stock-based compensation, including stock and performance-based awards and units. Effective October 1, 2005, we adopted SFAS No. 123(R), "Share-Based Payment" using the modified prospective application method. This Statement requires companies to measure and recognize compensation expense for all stock options and share-based compensation transactions using a fair-value-based method. SFAS No. 123(R) eliminated the use of the intrinsic value method of accounting in APB Opinion No. 25. See further discussion of SFAS No. 123(R) in Notes 1 and 9 to the Combined Financial Statements.

Retirement and Postretirement Plans

Original Hillenbrand sponsors and we will assume retirement and postretirement benefit plans covering a majority of employees. Expense recognized in relation to such plans is based upon actuarial valuations and inherent in those valuations can be key assumptions including discount rates, expected returns on assets and projected future

salary rates. The discount rates used in the valuation of our defined benefit pension and postretirement benefit plans are evaluated annually based on current market conditions. In setting these rates we utilize long-term bond indices and yield curves as a preliminary indication of interest rate movements, and then make adjustments to the respective indices to reflect differences in the terms of the bonds covered under the indices in comparison to the projected outflow of our pension obligations. Our overall expected long-term rate of return on pension assets is based on historical and expected future returns, which are inflation adjusted and weighted for the expected return for each component of the investment portfolio. Our rate of assumed compensation increase for pension benefits is also based on our specific historical trends of past wage adjustments in recent years and expectations for the future.

Changes in retirement and postretirement benefit expense and the recognized obligations may occur in the future as a result of a number of factors, including changes to any of these assumptions. Our expected rate of return on pension assets was 8.00 percent for fiscal 2007, 2006 and 2005. A 25 basis point increase in the expected rate of return on pension assets reduces annual pension expense by approximately $0.4 million. The discount rate was increased to 6.50 percent in 2007, up from 6.00 percent in 2006. For each 50 basis point change in the discount rate, the impact to annual pension expense ranges from $0.3 million to $0.5 million. Impacts from assumption changes could be positive or negative depending on the direction of the change in rates. See Note 5 to the Combined Financial Statements included elsewhere in this information statement for key assumptions and other information regarding our retirement and postretirement benefit plans.

In September 2006, the FASB issued SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R).” This Statement requires recognition of the funded status of a benefit plan in the statement of financial position. SFAS No. 158 also requires recognition in other comprehensive income of certain gains and losses that arise during the period but are deferred under pension accounting rules, as well as modifies the timing of reporting and adds certain disclosures. The Statement provides recognition and disclosure elements to be effective as of the end of the fiscal year after December 15, 2006, our fiscal year 2007. As such, we have adopted the recognition and disclosure elements at the end of the 2007 fiscal year. See Note 5 in the Combined Financial Statements for the impact of adopting SFAS No. 158.

Environmental Matters

We are committed to operating all of our businesses in a manner that protects the environment. In the past, we have voluntarily entered into remediation agreements with various environmental authorities to address onsite and offsite environmental impacts. From time to time we provide for reserves in our financial statements for environmental matters. We believe we have appropriately satisfied the financial responsibilities for all currently known offsite issues. Based on the nature and volume of materials involved regarding onsite impacts, we do not expect the cost to us of the onsite remediation activities in which we are currently involved to exceed $1 million dollars. Future events or changes in existing laws and regulations or their interpretation may require us to make additional expenditures in the future. The cost or need for any such additional expenditures is not known.

Recently Issued Accounting Standards

On October 1, 2007, we adopted Financial Accounting Standards Board (“FASB”) Interpretation 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), which addresses the accounting and disclosure of uncertain material income tax positions. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The difference between the tax benefit recognized in the financial statements for a position in accordance with FIN 48 and the tax benefit claimed in the tax return is referred to as an unrecognized tax benefit. The adoption of FIN 48, which was reflected as a cumulative effect of a change in accounting principle, resulted in a decrease to beginning parent company equity at October 1, 2007 of $1.8 million.

In September 2006, the FASB issued “SFAS” No. 157, “Fair Value Measurements,” which is effective for fiscal years beginning after November 15, 2007, our fiscal year 2009, and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. In December 2007, the FASB released a proposed FASB Staff Position (FSP FAS 157-b — Effective Date of FASB Statement No. 157) which, if adopted as proposed, would delay the effective date of SFAS No. 157

for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis. We are currently evaluating its potential impact to our financial statements and results of operations.

In September 2006, the Securities and Exchange Commission (SEC) issued SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements". This SAB redefines the SEC staff views regarding the process of quantifying financial statement misstatements and is aimed at eliminating diversity with respect to the manner in which registrants quantify such misstatements. Specifically, the SAB requires an entity to consider both a balance sheet and income statement approach in its evaluation as to whether misstatements are material. The adoption of SAB 108 did not have a material impact on our combined financial statements or results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which gives entities the option to measure eligible financial assets, and financial liabilities at fair value. Its objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. If opted, the difference between carrying value and fair value at the election date is recorded as a transition adjustment to opening retained earnings. SFAS No. 159 is effective as of the beginning of a company's first fiscal year after November 15, 2007, our fiscal year 2009. We are evaluating, the statement and have not yet determined the impact its adoption will have on our combined financial statements.

On December 4, 2007, the FASB issued SFAS No. 141(R), "Business Combinations," and SFAS No. 160, "Noncontrolling interests in Consolidated Financial Statements — an amendment of ARB No. 51." SFAS No. 141(R) changes the accounting for acquisition transaction costs by requiring them to be expensed in the period incurred, and also changes the accounting for contingent consideration, acquired contingencies and restructuring costs related to an acquisition. SFAS No. 160 requires that a noncontrolling (minority) interest in a consolidated subsidiary be displayed in the consolidated balance sheets as a separate component of equity. It also indicates that gains and losses should not be recognized on sales of noncontrolling interests in subsidiaries but that differences between sale proceeds and the consolidated basis of accounting should be accounted for as charges or credits to consolidated additional paid-in-capital. However, in a sale of a subsidiary's shares that results in the deconsolidation of the subsidiary, a gain or loss would be recognized for the difference between proceeds of that sale and the carrying amount of the interest sold. Also, a new fair value in any remaining noncontrolling ownership interest would be established. Both of these statements are effective for the first annual reporting period beginning on or after December 15, 2008, and early adoption is prohibited. As such, we will adopt the provisions of SFAS No. 141(R) and SFAS No. 160 beginning in our fiscal year 2010.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks, collection risk associated with our accounts and notes receivable portfolio and variability in currency exchange rates. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are subject to variability in foreign currency exchange rates primarily in our Canadian operations. Exposure to this variability is periodically managed primarily through the use of natural hedges, whereby funding obligations and assets are both managed in the local currency. We, from time-to-time, enter into currency exchange agreements to manage our exposure arising from fluctuating exchange rates related to specific transactions. The sensitivity of earnings and cash flows to variability in exchange rates is assessed by applying an appropriate range of potential rate fluctuations to our assets, obligations and projected results of operations denominated in foreign currencies. We operate the program pursuant to documented corporate risk management policies and do not enter into derivative transactions for speculative purposes.

Our pension plan assets are also subject to volatility that can be caused by fluctuation in general economic conditions. Plan assets are invested by the plans' fiduciaries, which direct investments according to specific policies. Those policies subject investments to the following restrictions: short-term securities must be rated A2/P2 or higher, fixed income securities must have a quality credit rating of "BBB" or higher, and investments in equities in any one company may not exceed 10 percent of the equity portfolio.

MANAGEMENT

Our Directors and Executive Officers

Our Board of Directors following the distribution will be comprised of eight directors. We have appointed Ray J. Hillenbrand as Chairman of our Board of Directors. Kenneth A. Camp, our President and Chief Executive Officer, also is a director, and each of the non-employee directors designated below has been elected to the board. We expect to identify four additional directors prior to the completion of the distribution. Upon completion of the distribution, a majority of the members of our Board of Directors will be independent as defined by New York Stock Exchange listing standards.

Upon completion of the distribution, our Board of Directors will be divided into three classes. Class I directors will be elected for terms expiring at the annual meeting of shareholders to be held in 2009, Class II directors will be elected for terms expiring at the annual meeting of shareholders to be held in 2010, and Class III directors will be elected for terms expiring at the annual meeting of shareholders to be held in 2011. Class assignments for our directors will be determined prior to completion of the distribution. Commencing with the annual meeting of shareholders to be held in 2009, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires for three year terms.

The following table sets forth information as to persons who serve or who are currently expected to serve as our directors or executive officers immediately following the distribution, including their ages as of December 31, 2007. None of the identified executive officers will retain their positions with Original Hillenbrand after the distribution. The positions identified in the table refer to positions with New Hillenbrand, except where the table indicates that the position is with our Batesville Casket subsidiary.

Name	Age	Position
Ray J. Hillenbrand	73	Chairman of the Board of Directors
Kenneth A. Camp	62	President, Chief Executive Officer and Director
Cynthia L. Lucchese	47	Senior Vice President and Chief Financial Officer
John R. Zerkle	53	Senior Vice President, General Counsel and Secretary
Michael L. DiBease	54	Vice President, Marketing of Batesville Casket
Mark A. English	45	Vice President, Global Sales of Batesville Casket
Douglas I. Kunkel	43	Vice President, Global Supply Chain Management of Batesville Casket
Theodore S. Haddad	44	Chief Accounting Officer
W August Hillenbrand	67	Director
Eduardo R. Menascé	62	Director

Ray J. Hillenbrand has been a director of Original Hillenbrand since 1970 and served as Chairman of the Board of Original Hillenbrand from January 17, 2001 until March 20, 2006. He has been engaged in the management of personal and family investments for much of his career. Mr. Hillenbrand was employed by and active in the management of Original Hillenbrand prior to his resignation as an officer in 1977. Mr. Hillenbrand is President of Dakota Charitable Foundation and serves as a member of the Board of Trustees of The Catholic University of America, Washington, D.C. He is past Chairman of the Board of Rushmore Health Systems, which includes Rapid City Regional Hospital. Mr. Hillenbrand and W August Hillenbrand are cousins.

Kenneth A. Camp was elected President and Chief Executive Officer of Batesville Casket on May 1, 2001 and was elected Senior Vice President of Original Hillenbrand on October 1, 2006, having been a Vice President of Original Hillenbrand since October 8, 2001. He has been employed by Original Hillenbrand since 1981. Mr. Camp previously held the position of Vice President of Administration of Original Hillenbrand from 2000 to 2001. Prior to that assignment he held various positions at Batesville Casket including Vice President/General Manager of Operations from 1995 to 2000; Vice President, Sales and Service; Vice President, Marketing; and Vice President, Strategic Planning.

Cynthia L. Lucchese was elected as Vice President and Chief Financial Officer of Batesville Casket effective January 3, 2008. From 2005 to 2007, she served as Senior Vice President and Chief Financial Officer for Thoratec Corporation (NASDAQ: THOR). Prior to that, she worked for Guidant Corporation (NYSE: GDT) in a variety of senior finance roles, including Vice President and Treasurer, Vice President of Finance and Administration of the Guidant Sales Corporation, and Corporate Controller and Chief Accounting Officer.

John R. Zerkle was elected as Vice President and General Counsel of Batesville Casket in March 2004. From September 2002 to February 2004, Mr. Zerkle served as Vice President and General Counsel of Forethought Financial Services, Inc., then a subsidiary of Original Hillenbrand. He also served as Compliance Officer for Forethought Investment Management, Inc. Prior to joining Forethought, Mr. Zerkle was in private practice for twenty years, where he focused his practice on corporate, securities, regulatory and banking law matters.

Michael L. DiBease is currently Vice President, Marketing for Batesville Casket, and has held this position since April 2004. Mr. DiBease has been employed by Batesville Casket for 30 years during which time the majority of his assignments have been within the sales organization. From 2001 until April 2004, Mr. DiBease held the position of Vice President of Sales. Prior to that, Mr. DiBease served Batesville Casket as its Vice President of Strategic Accounts, serving in that capacity for ten years.

Mark A. English is currently the Vice President, Global Sales of Batesville Casket. Mr. English has held this position since August 2006. Mr. English joined Batesville Casket in December 2002 as the Vice President of Strategy and Planning, then serving as the Vice President, Sales of the East Division prior to his current role. Mr. English began his career with Original Hillenbrand in 1989 when he joined Support Systems International, now Hill-Rom Company, Inc. During his tenure with Hill-Rom, Mr. English served in various senior logistics positions.

Douglas I. Kunkel is the Vice President, Global Supply Chain Management for Batesville Casket. He has held this position since May 2007. Prior to that, Mr. Kunkel was the Vice President of Operations of Batesville Casket from September 2005 to April 2007, and was the Vice President and Chief Financial Officer for Batesville Casket from January 2002 to August 2005. Before joining Batesville Casket, Mr. Kunkel held various finance positions for Hill-Rom Company, Inc., including Vice President and Controller, Director of International and Financial Planning, and Manager of International Finance. Prior to joining Hill-Rom, Mr. Kunkel spent six years in public accounting with the firm of Arthur Andersen. Mr. Kunkel is a member of the Board of Directors of MainSource Financial Group (NASDAQ: MSFG), a $2.5 billion financial holding company, where he serves on the compensation committee and audit committee.

Theodore S. Haddad, CPA, was hired as the Chief Accounting Officer of Batesville Casket effective September 17, 2007. Prior to joining Batesville Casket Company, Mr. Haddad served as a Senior Manager in the Audit and Business Advisory Services group of PricewaterhouseCoopers, LLP since July 2002.

W August Hillenbrand has served as a director of Original Hillenbrand since 1972 and served as Chief Executive Officer of Original Hillenbrand from 1989 until 2000. Mr. Hillenbrand also served as President of Original Hillenbrand from 1981 until 1999. Prior to his retirement in December 2000, Original Hillenbrand had employed Mr. Hillenbrand throughout his business career. Mr. Hillenbrand is the Chief Executive Officer of Hillenbrand Capital Partners, an unaffiliated family investment partnership. He is also a director of DPL Inc. of Dayton, Ohio and Pella Corporation of Pella, Iowa. Mr. Hillenbrand and Ray J. Hillenbrand are cousins.

Eduardo R. Menascé has served as a director of Original Hillenbrand since 2004. He is the retired President of the Enterprise Solutions Group for Verizon Communications, Inc., New York City, New York. Prior to the merger of Bell Atlantic and GTE Corporation, which created Verizon Communications, he was the President and Chief Executive Officer of CTI MOVIL S.A. (Argentina), a business unit of GTE Corporation, from 1996 to 2000. Mr. Menascé has also held senior positions at CANTV in Venezuela and Wagner Lockheed and Alcatel in Brazil and from 1981 to 1992 served as Chairman of the Board and Chief Executive Officer of GTE Lighting in France. He earned a Bachelor’s degree in Industrial Engineering from Universidad Pontificia Catolica de Rio de Janeiro and a Master’s degree in Business Administration from Columbia University. Mr. Menascé currently serves on the Boards of Directors of Pitney Bowes Inc., a global provider of integrated mail and document management solutions, John Wiley & Sons, Inc., a developer, publisher and seller of products in print and electronic media for educational, professional, scientific, technical, medical, and consumer markets, and KeyCorp, one of the nation’s leading bank-based financial service companies.

Committees of the Board of Directors

Following completion of the distribution, our Board of Directors will have the following committees, each of which will operate under a written charter adopted by our Board of Directors:

Audit Committee

The Audit Committee will have general oversight responsibilities with respect to our financial reporting and financial controls. It will review annually our financial reporting process, our system of internal controls regarding accounting, legal and regulatory compliance and ethics that management or the Board has established and the internal and external audit processes of New Hillenbrand. The Audit Committee is expected to consist of Eduardo R. Menascé (Chairman), Ray J. Hillenbrand and an additional director to be identified prior to the distribution. Each member of the Audit Committee will be independent under Rule 10A-3 of the Securities and Exchange Commission and NYSE listing standards and meet the financial literacy guidelines established by the board in the Audit Committee Charter. The Board interprets "financial literacy" to mean the ability to read and understand audited and unaudited financial statements (including the related notes) and monthly operating statements of the sort released or prepared by New Hillenbrand, as the case may be, in the normal course of its business. Original Hillenbrand's Board of Directors has determined that each of Mr. Menascé and Mr. Hillenbrand is an "audit committee financial expert" as that term is defined in Item 407 of Regulation S-K of the Securities and Exchange Commission.

Compensation and Management Development Committee

The Compensation and Management Development Committee will assist the Board in ensuring that our officers and key management are effectively compensated in terms of salaries, supplemental compensation and other benefits that are internally equitable and externally competitive. The Committee also will be responsible for reviewing and assessing the talent development and succession management actions concerning our officers and key employees. The composition of the Compensation and Management Development Committee will be determined prior to the distribution. Each member of the Compensation and Management Development Committee will be independent as defined by the New York Stock Exchange listing standards.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee will assist the board in ensuring that New Hillenbrand is operated in accordance with prudent and practical corporate governance standards, ensuring that the Board achieves its objective of having a majority of its members be independent in accordance with New York Stock Exchange and other regulations and identifying candidates for the Board of Directors. Ray J. Hillenbrand is expected to be Chairman of the Nominating/Corporate Governance Committee, and the remaining members will be identified prior to the distribution. Each member of the Nominating/Corporate Governance Committee will be independent as defined by the New York Stock Exchange listing standards.

Common Director Policy

Following the completion of the distribution, we expected that W August Hillenbrand and Eduardo R. Menascé will serve as directors of both New Hillenbrand and Hill-Rom Holdings. We refer to these directors as "common directors." In order to avoid potential conflicts of interest and inadvertent divulgence of confidential information regarding any matter in which the interests of New Hillenbrand and Hill-Rom Holdings are potentially adverse (a "potentially adverse matter"), the Boards of Directors of each of New Hillenbrand and Original Hillenbrand have adopted the following general practices and procedures related to these common directors:

- No common director will be entitled to receive any pre-meeting materials or meeting handouts relating to any potentially adverse matter;
- Prior to the commencement of the discussion of any potentially adverse matter, each common director will excuse himself from the meeting at which such matter is about to be discussed;
- No common director will be entitled to vote on any resolution relating to a potentially adverse matter; and

- Each director of New Hillenbrand and Hill-Rom Holdings will use all reasonable efforts to ensure that no potentially adverse matter is discussed at any informal gathering where a common director is present.

These practices and procedures will be applicable to all committee and board meetings of New Hillenbrand and Hill-Rom Holdings as long as both companies share a common director.

Compensation Committee Interlocks and Insider Participation

Following the separation, none of our executive officers will serve as a member of the compensation committee of any entity that has one or more executive officers serving on our Compensation and Management Development Committee.

Compensation of Directors

Of the persons who will be members of our Board of Directors following the distribution, only Mr. Camp will be a salaried employee of New Hillenbrand. All other directors will receive separate compensation for Board service.

We expect the compensation that we will pay to our non-employee directors following the distribution will be substantially similar to the compensation that Original Hillenbrand currently pays to its non-employee directors. The details of Original Hillenbrand's compensation program for its non-employee directors are as follows:

- Non-employee directors receive an annual retainer of $25,000 for their service as directors, together with a $3,500 fee for each board meeting attended. The Chairman of the Board's annual retainer is $150,000.
- For any Board meeting lasting longer than one day, each non-employee director who attends receives $1,000 for each additional day.
- Non-employee directors who attend a Board meeting or standing committee meeting by telephone receive fifty percent (50%) of the usual meeting fee.
- Each non-employee director who is a member of the Nominating/Corporate Governance, Audit or Compensation and Management Development Committee receives a fee of $1,500 for each committee meeting attended.
- The Chairs of the Audit, Compensation and Management Development and Nominating/Corporate Governance Committees receive an additional $10,000, $8,000 and $7,000 annual retainer, respectively.
- Non-employee directors who attend meetings of committees of which they are not members receive no fees for their attendance.
- Notwithstanding the foregoing, for any meeting of an ad hoc committee or team of the Board that requires attendance in person or by telephone, the non-employee directors who attend each receive a meeting fee of $1,500, except when such meetings occur before, during or after a meeting of the Board or a standing committee of the Board that also is attended by such directors.
- Board and committee retainers are paid in quarterly installments and the meeting fees are paid following the meeting.
- Each director is reimbursed for expenses incurred as a result of attendance at Board or committee meetings. Original Hillenbrand also makes its aircraft available to directors for attendance at Board meetings.
- Each non-employee director is awarded on the first trading day following the close of each annual meeting of shareholders 1,800 restricted stock units (otherwise known as deferred stock awards) under Original Hillenbrand's Stock Incentive Plan. Delivery of shares underlying such restricted stock units will occur on the later to occur of one year and one day from the date of the grant or the six month anniversary of the date that the applicable director ceases to be a member of the Board of Directors. In the case of the Chairman of the Board, his or her annual grant of restricted stock units is 3,500.
- Non-employee directors also are eligible to participate in Original Hillenbrand's group term life insurance program in which Original Hillenbrand pays premiums. Death benefits, which are age related, range from $60,000 to $150,000.

Directors may elect to defer all or a portion of their compensation under the Original Hillenbrand Board of Directors' Deferred Compensation Plan. We expect to adopt a similar plan for our directors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers

Our named executive officers are Kenneth A. Camp, President and Chief Executive Officer; John R. Zerkle, Vice President, General Counsel and Secretary; Michael L. DiBease, Vice President, Marketing of Batesville Casket Company; and Douglas I. Kunkel, Vice President, Global Supply Chain of Batesville Casket Company. These individuals are referred to as the "Named Executive Officers." Cynthia L. Lucchese, who will be our Senior Vice President and Chief Financial Officer, was not an employee of Original Hillenbrand or any of its subsidiaries during fiscal year 2007. Accordingly, we do not present executive compensation information below for a principal financial officer.

Background

Prior to the separation, the elements and amounts of the compensation of the Named Executive Officers have been determined or approved by Original Hillenbrand. Accordingly, this discussion and analysis is of the compensation arrangements applicable to our Named Executive Officers prior to the separation, except where we indicate otherwise or the context otherwise requires. In general, we expect that the objectives of New Hillenbrand's compensation program and the elements of compensation paid by New Hillenbrand after the separation will be similar to those of Original Hillenbrand. However, compensation of our executive officers will be determined by the Compensation and Management Development Committee of our Board of Directors, which may make adjustments to these compensation arrangements, or adopt new compensation arrangements following the separation.

As Senior Vice President of Original Hillenbrand and President and Chief Executive Officer of its Batesville Casket business unit, Mr. Camp has been a named executive officer of Original Hillenbrand. Accordingly, Mr. Camp's compensation has been set by, and been a specific focus of, Original Hillenbrand's Compensation and Management Development Committee (the "Compensation Committee"). As senior officers of Batesville Casket but not executive officers of Original Hillenbrand, our other Named Executive Officers have been compensated within the existing Original Hillenbrand pay grade structure approved by the Compensation Committee. Their compensation generally has been set by, or based on the recommendation of, the President and Chief Executive Officer of Batesville Casket within the parameters of the Original Hillenbrand pay grade structure. Because of Mr. Camp's role as a senior executive of the parent company as well as President and Chief Executive Officer of Batesville Casket, compared to the other Named Executive Officers who have been division level officers, Mr. Camp's total compensation has been substantially greater than the total compensation of the other Named Executive Officers. We expect the compensation of Messrs. Camp and Zerkle going forward to reflect their increased responsibilities as executive officers of a separate publicly traded company.

Original Hillenbrand's compensation programs have been designed by Original Hillenbrand's Compensation Committee and approved by Original Hillenbrand's Board of Directors.

Objectives and Principles of Original Hillenbrand's Executive Compensation Program

The objectives of Original Hillenbrand's executive compensation program are to ensure officers and key management personnel are effectively compensated in terms of base salary, supplemental compensation and other benefits that are internally equitable and externally competitive and advance the long term interests of Original Hillenbrand's shareholders. Original Hillenbrand's compensation program is designed to reward individual performance relative to predefined duties and responsibilities (which may appropriately change as circumstances change). The compensation program also considers business performance at enterprise and business unit levels and long-term shareholder value creation.

Original Hillenbrand's compensation program is based on the following guiding principles, which support Original Hillenbrand's commitment to maintain a compensation program that fosters performance and the creation of long-term shareholder value:

- Aligning management's interests with those of shareholders;
- Motivating and providing incentive for employees to achieve superior results;
- Assuring clear accountabilities and providing rewards for producing results;
- Ensuring competitive compensation in order to attract and retain superior talent; and
- Ensuring simplicity and transparency in compensation structure.

To attract and retain high-caliber executive officers, Original Hillenbrand's total compensation packages for the Named Executive Officers are intended to be in line with what is offered by companies with which it competes for executive talent. Original Hillenbrand also analyzes overall compensation carefully to ensure it recognizes other factors such as length of service, the level of experience and responsibility, complexity of position, internal pay equity within Original Hillenbrand and the degree of replacement difficulty. Original Hillenbrand also analyzes individual performance, including such qualities as leadership, strategic vision and execution of corporate initiatives. In addition to compensation being competitive and aligned with individual performance, significant portions of executive compensation should be tied to both the achievement of Original Hillenbrand's key operational and financial performance goals and the value of Original Hillenbrand stock, thereby aligning executive compensation with both the success of Original Hillenbrand's business strategy and objectives as well as the returns realized by its shareholders. To that end, Original Hillenbrand management has been granted opportunities for both short-term and long-term incentives that are tied to the achievement of key operational and financial metrics that drive Original Hillenbrand's business strategy. Furthermore, Original Hillenbrand grants time-based stock options and deferred stock shares (also referred to as restricted stock units) and performance based deferred stock shares to ensure alignment with the interests of Original Hillenbrand's shareholders. See the discussion under "— Equitable Adjustments to Outstanding Equity-Based Awards" below regarding the treatment of Original Hillenbrand equity-based awards in the separation.

Original Hillenbrand's executives' fixed compensation (which primarily includes base salaries, benefits and limited perquisites), as well as executives' short-term and long-term performance-based compensation at target levels of performance, have generally been designed to fall at approximately the 50th percentile of compensation paid by companies with which Original Hillenbrand competes for executive talent. Total compensation is paid above or below the 50th percentile of the applicable market when pre-established business and/or personal criteria targets are exceeded or are not achieved. Our executives' short-term and long-term performance-based compensation are each expressed as a percentage of their salaries. For fiscal 2007, Mr. Camp's total compensation was below the 50th percentile of the applicable market, primarily as the result of the failure of both Original Hillenbrand and Batesville Casket to achieve target levels of financial performance for short term incentive compensation purposes. See "— Elements of Executive Compensation — Annual Cash Incentives." Original Hillenbrand's Compensation Committee did not review peer group or survey data for our other Named Executive Officers for 2007 compensation purposes.

To create an ongoing personal financial stake in Original Hillenbrand's success for each officer, further align the interests of the officers and Original Hillenbrand's shareholders and motivate officers to maximize shareholder value, Original Hillenbrand's Board of Directors has adopted guidelines that require its executive officers to maintain specified stock ownership percentages. We expect to adopt similar guidelines.

Process for Determining Compensation

The Compensation Committee is charged with ensuring that Original Hillenbrand's compensation programs meet the objectives outlined above. In that role, the Compensation Committee makes all executive compensation decisions, administers Original Hillenbrand's compensation plans and keeps the Board of Directors informed regarding executive compensation matters. The Compensation Committee in consultation with Original Hillenbrand's compensation consultant determines the compensation of the Chief Executive Officer. The Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation of his

direct reports, including Original Hillenbrand's other named executive officers, including Mr. Camp. As noted above, our other Named Executive Officers have been senior officers of Batesville Casket but not executive officers of Original Hillenbrand and have been compensated within the existing Original Hillenbrand pay grade structure approved by the Compensation Committee. Their compensation generally has been set by, or based on the recommendation of, the President and Chief Executive Officer of Batesville Casket within the parameters of the Original Hillenbrand pay grade structure. From time to time, Original Hillenbrand management also provides recommendations to the Compensation Committee regarding modifications to the elements and structure of Original Hillenbrand's compensation program.

The Compensation Committee has normally engaged nationally recognized independent compensation and benefits consulting firms (1) to evaluate independently and objectively the effectiveness of and assist with implementation of Original Hillenbrand's compensation and benefit programs and (2) to provide the Compensation Committee with additional expertise in the evaluation of Original Hillenbrand's compensation practices and of the recommendations developed by management and firms engaged by Original Hillenbrand. The consultants also provide information and insights relative to current and emerging compensation and benefits practices. Since April 2005, the Compensation Committee has retained Ernst & Young as its compensation and benefits consulting firm. For executive officers of Original Hillenbrand, including Mr. Camp, Ernst & Young has provided peer group proxy and survey data regarding the amount, form and mix of compensation at the twenty-fifth percentile, median and seventy fifth percentile, which have been used by the Compensation Committee as one reference point in its decision making around compensation packages.

Among the factors considered by the Compensation Committee in determining the elements and amounts of total compensation are peer group data, survey data, internal pay equity, external market conditions, individual factors and aggregate compensation.

Peer Group and Survey Data. As one of several factors in considering approval of elements of Original Hillenbrand's compensation programs, the Compensation Committee has compared Original Hillenbrand's compensation programs and performance against an approved peer group of companies. The compensation peer group, which is periodically reviewed and updated by the Compensation Committee, currently consists of twelve companies that are similar in size and in similar industries as Original Hillenbrand and with whom Original Hillenbrand may compete for executive talent. The companies comprising Original Hillenbrand's compensation peer group, which was last revised in late 2004, through the end of fiscal year 2007 were:

Bard (C.R.), Inc.
Beckman Coulter, Inc.
Conmed Corporation
Invacare Corporation
Mettler-Toledo International, Inc.
Steris Corporation
Baxter International, Inc.
Becton Dickinson & Co.
Dade Behring Holdings, Inc.
Kinetic Concepts, Inc.
Respironics, Inc.
Viasys Healthcare, Inc.

The Compensation Committee also has received and considered supplemental information regarding the compensation paid by Apria Healthcare Group, Inc. and Hospira Inc. Although these companies have not been included in Original Hillenbrand's compensation peer group, they are included in a performance peer group used by Original Hillenbrand's management for other business purposes. In addition, in considering the compensation of management employees whose services relate solely to the funeral services business, which includes all of our Named Executive Officers other than Mr. Camp, the Compensation Committee has utilized comparative data from a peer group consisting of Carriage Services, Inc., Matthews International Corporation, Service Corporation International and Stewart Enterprises, Inc.

For fiscal 2008 and assuming the separation, the Original Hillenbrand Compensation Committee has established a new compensation peer group for use in its compensation related decisions for the Named Executive Officers. The companies in this peer group have been selected because they are in industries that are similar to ours, such as furniture, metals and fabrication, use manufacturing and distribution methodologies that are similar to ours and are comparable to us in size, based on revenues and number of employees, profitability and valuation

methodology. This peer group currently consists of the following companies but may be subject to changes after the separation:

Acuity Brands
Drew Industries
Herman Miller, Inc.
Matthews International Corporation
Service Corporation International
Stewart Enterprises, Inc.
The Middleby Corporation
American Woodmark Corporation
Ethan Allen Interiors, Inc.
La-Z-Boy
Sealy Corporation
Simpson Manufacturing
Tempur-pedic International, Inc.

In addition to peer group data, the Compensation Committee considers survey data that include a broad sample of Fortune 1000 companies, focusing on data regarding companies with revenues within a reasonable range of Original Hillenbrand or its business units, companies in the manufacturing industry and companies with a comparable number of full time equivalent employees. The Compensation Committee uses data compiled from various compensation surveys (i.e., consolidated data averaged from at least three surveys) from human resource benefit firms such as Watson & Wyatt, Mercer and others as appropriate. The purpose of the survey data is to provide an additional source of market data to validate the findings under the proxy analysis. In particular, the survey data provide additional data based on the specific job responsibilities of Original Hillenbrand's named executive officers compared to the appropriate market.

Internal Pay Equity. From time to time, the Compensation Committee has examined the relationship between the compensation paid to executives within each pay grade and within Original Hillenbrand as a whole to avoid any unjustified differences in compensation. In December 2007, the Compensation Committee compared the pay of the Original Hillenbrand's Chief Executive Officer to the next highest executive and to the average of its four other named executive officers as part of its analysis and approval of the compensation program for fiscal year 2008. In light of this information (coupled with other information reviewed as described in more detail below), the Compensation Committee did not identify issues within this analysis that would warrant any changes in compensation strategy. We expect that our Compensation and Management Development Committee will conduct similar internal pay equity reviews periodically for our Named Executive Officers.

External Market Conditions and Individual Factors. The Compensation Committee is aware that it cannot establish total executive compensation levels solely on the basis of the median range of competitive benchmark survey data without additional analysis. Accordingly, the Compensation Committee also takes into account external market conditions and individual factors when establishing the total compensation of each executive. Some of these factors include the executive's length of service, the level of experience and responsibility, complexity of position, individual performance, internal pay equity within Original Hillenbrand and the degree of replacement difficulty.

Aggregate Compensation. For named executive officers of Original Hillenbrand, including Mr. Camp, the Compensation Committee has considered the aggregate value of base salary, short-term incentive compensation at target level and the estimated value of long-term incentive compensation. The Compensation Committee has compared the aggregate amount of these elements of compensation for Original Hillenbrand's named executive officers, including Mr. Camp, to the aggregate amount of the same elements of named executive officer compensation at other companies using peer group and survey data and targeted aggregate compensation of Original Hillenbrand's named executive officers at median levels. The most recent study for Original Hillenbrand's named executive officers was performed in November 2006. In July 2007, Ernst & Young conducted compensation market analysis for Messrs. Camp and Zerkle based on their expected increased responsibilities with New Hillenbrand as an independent publicly traded company. We expect that our Compensation and Management Development Committee will perform similar total direct compensation studies periodically for our Named Executive Officers.

In addition, in December 2007, the Compensation Committee reviewed the total compensation of Original Hillenbrand's named executive officers, including Mr. Camp, in comparison to the total compensation of its peer group companies, in each case as reported under the SEC's new disclosure rules for executive compensation. The purpose of this high level review was to look at all elements of compensation that are not typically captured within a total direct compensation analysis covering base salary, annual incentive, and long term incentive compensation

and, if there were significant differences, to understand what elements of compensation gave rise to the differences. Based on its total compensation review, the Compensation Committee did not identify any issues that warranted a change to the existing strategy.

As a supplemental analytical tool for the review of the total compensation of Original Hillenbrand's named executive officers, the Compensation Committee also reviewed tally sheets for Original Hillenbrand's named executive officers, including Mr. Camp, in December 2007. The tally sheets provided information not only relative to the total compensation of Original Hillenbrand's named executive officers, but also provided information on how changing one element of pay could impact other payments, including payments under severance and change in control agreements. In light of the fact that generally no merit increases were proposed for Original Hillenbrand's named executive officers in fiscal year 2008 (with Mr. Camp being the lone exception), the short-term incentive compensation opportunities did not change, and the long-term incentive awards were consistent with prior years, the Compensation Committee did not identify any issues that would warrant a change in the current compensation strategy for any of Original Hillenbrand's named executive officers.

Elements of Executive Compensation

The three major components of Original Hillenbrand's executive officer compensation are: (1) base salary, (2) variable cash incentive awards and (3) long-term, equity-based incentive awards. Each component of the program was developed in a "building block" approach, with the objective of developing a compensation package based on each element being competitive, based on peer group proxy statement and survey data, while also being competitive as a whole.

Base Salary. Original Hillenbrand provides senior management with a fixed level of cash compensation in the form of base salary that is competitive and consistent with their skill level, experience, knowledge, length of service with Original Hillenbrand and the level of responsibility and complexity of their position. Base salary is intended to aid in the attraction and retention of talent in a competitive market. The target salary for Original Hillenbrand's senior management has been based in part on the competitive market median of Original Hillenbrand's peer group, supplemented by published survey data (the "competitive market"). Actual base salaries may differ from the competitive market median target as a result of various factors including length of service, the level of experience and responsibility, complexity of their position, individual performance, internal pay equity within Original Hillenbrand and the degree of difficulty in replacing the individual. The base salaries of senior management are reviewed by the Compensation Committee on an annual basis, generally during the first quarter of the fiscal year, as well as at the time of promotion or significant changes in responsibility. Executives are eligible for merit based increases based on prior year performance. Individual performance is determined by use of a broad based internal performance management system, which differentiates individual achievement. Performance is ranked on a scale that ranges from "unacceptable" to "outstanding," with a corresponding range of possible merit based increases in base salary. For 2007, the recommended range of possible merit based increases was 0% to 6%, with a target increase of 3.5%. Our Named Executive Officers received merit based increases in 2007 ranging from 0% to 5%. Merit increases also may be positively or negatively affected by changes in the competitive market as determined through compensation market analysis. When adjusting base salaries, the Compensation Committee also considers the effects of the adjustment on other elements of compensation that may be tied to or related to base salary, including annual cash incentive awards, pension and retirement plan benefits and severance and change in control benefits.

The base salary paid to each of our Named Executive Officers during the year ended September 30, 2007, is set forth in the Summary Compensation Table under "— Compensation of Named Executive Officers" below. The Original Hillenbrand Compensation Committee has approved the following post separation base salaries for the Named Executive Officers, which in the case of Mr. Camp and Mr. Zerkle reflect the increased responsibilities of their positions with a stand alone public company: Mr. Camp — $650,000, Mr. Zerkle — $275,000, Mr. DiBease — $299,990, and Mr. Kunkel — $286,000.

Annual Cash Incentives

Overview. The payment of annual cash incentives is formula-based, with adjustments for achievement of individual performance goals, and is governed by Original Hillenbrand's Short-Term Incentive Compensation Plan ("STIC Plan"). The objective of the STIC Plan is to provide a total level of cash compensation that is heavily weighted on the achievement of internal performance objectives, which takes into consideration the competitive market median total cash compensation.

The STIC Plan is designed to motivate executives to perform and meet company and individual objectives, with significant compensation at risk. The program provides a mechanism to pay amounts above the market median (50th percentile) total cash compensation when Original Hillenbrand experiences above average financial success, is designed to encourage high individual and group performance and is based on the philosophy that employees should share in the success of Original Hillenbrand if above average value is created for Original Hillenbrand shareholders. The potential to be paid significant awards plays an important role in the attraction and retention of executives.

Pool Funding Percentage. Under the terms of the STIC Plan, the Compensation Committee establishes specific financial objectives for Original Hillenbrand and its business units, and may also establish non-financial objectives. A STIC Plan pool is established for each of Original Hillenbrand and its business units and is funded based upon the achievement by Original Hillenbrand or the applicable business unit of the established performance objectives. Each STIC Plan pool is funded between 30% and 150% of the product of the target incentive compensation opportunity (expressed as a percentage of their base salary) for each STIC Plan participant times their base salary ("Pool Funding"). STIC Plan pools are funded at 100% when performance is at target levels and are funded up to 150% when performance exceeds target levels. STIC Plan pools are not funded, and no short-term incentive compensation is payable, when minimum financial performance objectives are not met.

Short-term financial performance objectives are established annually at levels that typically reflect strong financial performance under then existing conditions. Fiscal year 2007 financial performance objectives were measured in terms of revenues and operating income for Original Hillenbrand and its business units, with each STIC Plan pool being funded seventy five percent by operating income and twenty five percent by revenues generated within Original Hillenbrand or the applicable business unit. Despite the performance objectives, however, the Compensation Committee has the discretion to exclude from the calculation of applicable revenue and operating income targets for purposes of funding STIC Plan pools, nonrecurring special charges and amounts. These adjustments generally include items such as significant litigation and settlement costs; restructuring charges; changes in accounting policies; acquisition and divestiture impacts; and major unbudgeted material expenses incurred by or at the direction of the Original Hillenbrand Board of Directors. Additionally, for fiscal year 2007, to the extent business unit operating expenses were favorable to plan based on under spending against 2007 through 2009 strategic plan investment objectives, the Compensation Committee, in its discretion, further excluded that favorability from the calculation of the applicable operating income targets for purposes of funding STIC Plan pools. The target objectives are intended to represent stretch goals based on the business plan of Original Hillenbrand or the applicable business unit. The objectives are set with the intention that the relative level of difficulty in achieving the targets is consistent from year to year. Original Hillenbrand and Batesville Casket failed to meet minimum financial performance objectives in fiscal year 2005. In fiscal year 2006, performance of Batesville Casket was above target, and Original Hillenbrand's consolidated performance achievement was slightly below target. In fiscal year 2007, achievement by Original Hillenbrand and Batesville Casket was above the minimum financial performance objectives but below target. The target financial performance objectives for Original Hillenbrand for fiscal 2007 were revenues of $2,080.4 million and operating income off $293.7 million. For Batesville Casket, the target financial performance objectives for 2007 were revenues of $704.7 million and operating income of $173.2 million.

Individual STIC Percentage. Each participant is entitled to participate in the STIC Plan pools determined by the Compensation Committee. In fiscal 2007, Mr. Camp participated in both the Original Hillenbrand pool and the Batesville Casket pool and was eligible for payouts based 25% on the funding of the Original Hillenbrand pool and 75% on the funding of the Batesville Casket pool. Each of the other Named Executive Officers participated in and was eligible for payout under only the Batesville Casket pool.

Under the terms of the Plan for fiscal 2007, short term incentive compensation target opportunity, based on Original Hillenbrand or business unit performance, was equal to 75% of base salary in the case of Mr. Camp and 40% to 50% of base salary in the case of the other Named Executive Officers. The STIC Plan provides for individual short term incentive compensation payouts ranging up to a maximum of two times the executive's short term incentive compensation target opportunity set forth above depending upon achievement of applicable Pool Funding and personal performance objectives (measured by a personal performance multiplier from 0% to 150%) determined by the President and Chief Executive Officer of Original Hillenbrand and approved by the Compensation Committee. Individual performance is measured using the same performance factors used for determining merit based increases in base salary. Those personal performance factors are based on achievement of personal performance goals established for each individual, including each of the Named Executive Officers, at the beginning of each fiscal year. Those goals are both qualitative and quantitative in nature and, therefore, the evaluation of performance against those objectives by the Compensation Committee is, in part, subjective. Additionally, the Compensation Committee evaluates individual performance against objectives that arise during the course of the applicable fiscal year that were not considered when individual goals were determined at the beginning of the year.

For 2007, the objectives established at the beginning of the year for Mr. Camp included executing the Batesville Casket business plan through continuous improvement in all facets of the business, managing pending litigation, consummating the acquisition of and integrating Yorktowne (see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Factors Impacting Our Business — Acquisition activity"), demonstrating superb service and support to Batesville Casket's largest customer while continuing to enhance customer relationships generally and nurturing our new growth initiatives. For Mr. Zerkle, the objectives established at the beginning of 2007 included conducting legal issues training to key employees, managing key litigation and intellectual property matters, coordinating all legal aspects for mergers and acquisitions and managing contract review. For Mr. DiBease, the objectives established at the beginning of 2007 included executing elements of the Batesville Casket strategic plan as it pertains to all elements of brand management, product development, marketing communication and promotion and technology solutions. Mr. DiBease's objectives also included matters related to acquisitions and the further development of the NorthStar^{tm} program. For Mr. Kunkel, the objectives established at the beginning of 2007 included executing elements of the Batesville Casket strategic plan, including driving improvements in safety, quality, cost, delivery and customer satisfaction throughout the entire supply chain. Additionally, Mr. Kunkel had objectives around the development of talent throughout the supply chain organization and ensuring synchronization of the supply chain with other functional areas throughout Batesville Casket.

After considering personal performance against the goals described above and other objectives that arose during the course of the year, and Original Hillenbrand and Batesville Casket financial performance, the Compensation Committee awarded short-term incentive compensation to our Named Executive Officers for fiscal 2007 as set forth in the Summary Compensation Table under "— Compensation of Named Executive Officers" below.

The following provides an example of the calculation of annual cash incentives, using Mr. Camp. As described above, Mr. Camp's target short term incentive compensation opportunity for fiscal 2007 was 75% of base salary, or approximately $318,077. He was eligible for payouts based 25% on the funding of the Original Hillenbrand pool and 75% on the funding of the Batesville Casket pool. Based on performance above minimum levels but below target levels at each of Original Hillenbrand and Batesville Casket, the Original Hillenbrand and Batesville Casket pools were funded at 78.4% and 59.0% of target opportunity, respectively. Thus, the financial performance modifier for Mr. Camp based on these funding levels was approximately 63.78% [(25% x 78.4%) + (75% x 59.0%)]. Based on his individual performance, Mr. Camp received an individual performance modifier of 100%. Accordingly, Mr. Camp's annual cash incentive payment was equal to approximately 63.78% of his $318,077 target opportunity, or $202,881.

Short-term incentive compensation is calculated for each executive participant at the end of each fiscal year and is payable in cash. Payment of earned 2007 short-term incentive compensation was made during the first quarter of fiscal 2008. All or a portion of short term incentive compensation may be deferred by the executive and invested either in cash or common stock to be paid at the end of the deferral period.

Following the separation, we will have a short-term incentive compensation plan that is substantially the same as Original Hillenbrand's, except that performance objectives will relate only to our company.

Long-Term Equity Awards

Overview. Original Hillenbrand's Stock Incentive Plan, which was approved by Original Hillenbrand's shareholders in 2002, provides for the opportunity to grant stock options and other equity-based incentive awards to officers, other key employees and non-employee directors to help align those individuals' interests with those of shareholders, to motivate executives to make strategic long-term decisions, and to better enable Original Hillenbrand to attract and retain capable directors and executive personnel. For a description of the treatment of Original Hillenbrand equity-based awards in the separation and the terms of the Stock Incentive Plan that we expect to adopt, see "— Equitable Adjustment to Outstanding Equity-Based Awards" and "— Stock Incentive Plan" below.

Equity based awards are generally granted to executive officers annually based on a grant range of between 0% and 200% of a standard grant amount. The standard grant amount is determined by the Compensation Committee as competitive market median awards for each executive grade level. The actual grant of awards, with potential grants up to 200% of standard grant, is made by considering the individual's performance through the Original Hillenbrand performance management system, using the same performance factors as those used for merit based salary increases and short-term incentive compensation awards. While equity based awards are focused primarily on motivating future performance, to the extent that the executive officers' personal performance objectives for the most recently completed fiscal year have not been achieved, those individuals' equity based grants may be made at levels that are lower on the standard range of grants available. Awards made in 2007 based on 2006 performance for our Named Executive Officers other than Mr. Camp were based on the following ranges of potential stock option and deferred stock share (otherwise known as restricted stock unit) awards:

	Stock Option Range	Deferred Stock Share (otherwise known as Restricted Stock Unit) Range
Michael L. DiBease	0 to 8,800	0 to 2,300
Douglas I. Kunkel	0 to 22,800	0 to 6,000
John R. Zerkle	0 to 8,800	0 to 2,300

Awards made to Mr. Camp in 2007 based on 2006 performance were determined on an assessment of Mr. Camp's individual performance in relation to the number of stock options and deferred stock shares awarded to Mr. Camp in prior years. Actual awards granted to the Named Executive Officers during the year ended September 30, 2007 are set forth in the Grants of Plan-Based Awards Table under "— Compensation of Named Executive Officers" below.

As part of its analysis and approval of the fiscal 2008 long-term incentive awards, the Compensation Committee reviewed information relative to equity wealth accumulation based on previous grants as well as the anticipated fiscal 2008 grants. The purpose of this analysis was to determine whether prior and proposed grants are likely to be effective for retention and performance incentive to Original Hillenbrand's named executive officers, including Mr. Camp, as well as to determine whether the accumulation of equity warranted continued participation in severance and change in control programs of Original Hillenbrand. Based on its analysis, the Compensation Committee did not identify any issues that would warrant a change in the existing long-term incentive strategy.

In addition to reviewing the equity accumulation information, the Compensation Committee also reviewed the overall share usage under Original Hillenbrand's current stock incentive program prior to approving the fiscal 2008 awards. The Compensation Committee determined that Original Hillenbrand's overall dilution trends and its annual dilution rate, when compared to peer group and market data, were reasonable, and no changes were warranted.

The budgeted awards for fiscal 2008 were adjusted upward approximately 5% for all eligible executives. This adjustment was made to partially address a shortfall to the competitive median market for equity compensation.

After considering the market shortfall and the individual performance for the Named Executive Officers, the Compensation Committee granted the following equity awards in December 2007:

	Stock Options	Deferred Stock Shares (otherwise known as Restricted Stock Units)
Kenneth A. Camp	20,000	4,000
Michael L. DiBease	4,000	1,000
Douglas I. Kunkel	11,400	3,000
John R. Zerkle	6,600	2,000

Time Based Equity Awards. To better align the interests of executive officers with those of Original Hillenbrand's shareholders, the Compensation Committee began in 2004 to substitute deferred stock shares (otherwise known as restricted stock units under the Stock Incentive Plan) for a significant portion of the stock option grants that would have previously been granted to executives. In September of 2005, after considering the Stock Incentive Plan burn rate, number of participants and potential aggregate target awards for participants, the Compensation Committee decided that the total value of equity based grants should be divided equally between stock options and deferred stock shares because the Compensation Committee wanted to provide long term equity based incentives balanced between higher risk and opportunity stock options, which are potentially more dilutive to Original Hillenbrand's Stock Incentive Plan and outstanding equity with less risky and potentially less dilutive deferred stock shares, which are effective executive retention vehicles.

An option's value to an executive upon exercise of the option and sale of the underlying shares is tied to corporate performance because higher corporate performance leads to higher share price and options have no value if equity value does not increase over the grant date stock price. Deferred stock shares (otherwise known as restricted stock units) provide for long-term incentive opportunities that differ from stock options. Deferred stock shares can have value to the executive even if the issuer's share price declines prior to vesting, increasing their value as a retention device. While there is still value in the event of a declining stock price and less exposure to downside equity performance, there is less opportunity related to upside equity performance with deferred stock shares when compared to stock options because a lower number of deferred stock shares is awarded to provide comparable grant date fair value to stock options. Deferred stock shares and stock options typically vest in increments over five and three years, respectively. If an executive does not perform and is terminated before full vesting, he or she loses the value of unvested awards' full potential award value, subject to certain early vesting events, such as a change in control, death, disability or retirement as described in more detail under "— Retirement, Change in Control Agreements and Severance" below.

Consistent with Original Hillenbrand's long term practices, stock options and deferred stock shares (otherwise known as restricted stock units) are only granted by the Compensation Committee and are typically granted annually in November or December, following certification of Original Hillenbrand's financial results from the immediately preceding fiscal year, regardless of the current trading price of Original Hillenbrand's equity. Stock option exercise prices are the average of high and low equity price on the date of grant. Stock options are typically granted for terms of ten years, and vest one-third on each of the first three anniversaries of the date of grant. Deferred stock shares typically vest in twenty percent, twenty-five percent, twenty-five percent and thirty percent increments on the day after the dates of each of the second, third, fourth and fifth anniversaries of grant. Prior to fiscal 2008, an executive's accumulated retirement and/or equity benefits have not been considered as a factor in the decision as to the annual grant size of long-term incentives, although we expect that wealth accumulation data will be used in setting compensation for our Named Executive Officers going forward.

On September 7, 2005, Original Hillenbrand's Board of Directors ratified the Compensation Committee's decision to accelerate the vesting of options granted in fiscal 2005 and certain other "underwater" stock options that had exercise prices of $50.48 or higher. In order to maintain high standards of integrity and governance, executive officers are restricted from performing exercise and sell transactions with such vested options until the original vesting date of the affected options. The primary purpose of the accelerated vesting of these options was to reduce Original Hillenbrand's future reported compensation expense upon the adoption of SFAS No. 123(R), "Share Based Payment," in the first fiscal quarter of 2006. In connection with its evaluation of the Stock Incentive Plan, the

Compensation Committee utilized the services of an independent compensation consulting firm to provide marketplace competitive information.

Performance Based Equity Awards. During the third quarter of 2007, Original Hillenbrand granted a Performance Based Stock Award to Mr. Camp. This award is consistent with Original Hillenbrand's compensation program's guiding principles and was designed to (1) align Batesville Casket's Chief Executive Officer's interests with those of shareholders, (2) motivate and provide incentive to achieve superior results, (3) assure clear accountabilities and provide rewards for producing results, and (4) ensure competitive compensation.

This award is performance based deferred stock shares (otherwise known as restricted stock units), which are subject to any stock dividends, stock splits, and other similar rights inuring to common stock, but unlike the deferred stock shares described above, are not entitled to cash dividend reinvestment. Vesting of the awards is contingent upon achievement of one, two and three-year performance targets and corresponding service requirements. Upon completion of the separation, in determining vesting for Mr. Camp, these performance targets will reflect only our performance. Prior to the separation, the performance targets are based on a combination of Original Hillenbrand and Batesville Casket performance. The targets for the 2007 grants are based on the following key measures:

- 2007 — 2009 cumulative revenue
- 2007 — 2009 cumulative operating income
- 2007 — 2009 return on assets employed

The performance measures for our Chief Executive Officer were chosen based upon the importance of these objectives in the achievement of Original Hillenbrand's strategic plan, providing quality earnings and creating value for Original Hillenbrand's stockholders. In setting these performance targets, Original Hillenbrand also considered the performance of its peer group, market indices and customer base with the intent that these goals be set to represent stretch goals that would result in superior upper quartile performance relative to Original Hillenbrand's customers and peers. Achievement of these targets is believed to be a "challenging" goal. However, 2007 was the first year in which these awards were made, and therefore there is no historical precedent on which to assess the likelihood of achievement. If the performance goals are met, the Performance Based Stock Award will fully vest at the end of 2009. These performance measures are subject to adjustment by the Compensation Committee based upon unusual or extraordinary items that were not contemplated when the performance measures were set and may be out of the control of management. These items are the same as those that are excluded in the calculation of performance measures for purposes of short-term incentive compensation. For 2007, the performance objectives were not achieved.

Other Equity Based Compensation. In addition to the equity awards described above, senior management may from time to time receive additional equity based compensation at the date of hire, upon promotion, for special recognition or upon a significant change in responsibility. These awards are used as a recruiting and retention tool. These grants are typically in the form of stock options or deferred stock shares (otherwise known as restricted stock units) and are typically granted as a percentage of the respective employee's base salary. There were no Other Equity Based Compensation awards made to the Named Executive Officers during fiscal year 2007.

Share Ownership Guidelines. All executive officers and designated members of management of Original Hillenbrand are expected to own shares of Original Hillenbrand common stock. Specifically, our Chief Executive Officer, his executive officer direct reports, including the other Named Executive Officers, from and after the later to occur of (i) February 13, 2006 or (ii) the date on which any such individual first became an officer of Original Hillenbrand or any of its subsidiaries ("Start Date") are required to hold shares of Original Hillenbrand common stock or equivalents described below at the following levels ("Required Ownership Level"):

Position	Required Ownership Level (Expressed as Base Annual Salary Multiple)
Chief Executive Officer	2 x Base Annual Salary
Other Named Executive Officers	1 x Base Annual Salary

Shares owned outright (including vested deferred shares) and deferred stock shares (otherwise known as restricted stock units), whether vested or unvested, count as share equivalents towards the Required Ownership

Level. The Required Ownership Level must be achieved within five years from the Start Date. Failure to achieve or maintain the Required Ownership Level may result in (1) the applicable individual being required to hold all after tax vested deferred stock shares and after-tax shares acquired upon exercise of stock options or (2) suspension of future restricted stock or deferred stock share grants until the Required Ownership Level is achieved. The Compensation Committee (or its designee) may make exceptions, in its (his or her) sole discretion, in the event of disability or great financial hardship.

The foregoing Required Ownership Levels for the Named Executive Officers are based on their current positions at the Original Hillenbrand Batesville Casket subsidiary level. It is anticipated that after or in connection with the separation the Original Hillenbrand Compensation Committee or our Compensation and Management Development Committee will review and may adjust the Required Ownership Levels to reflect the increased responsibility levels of each Named Executive Officer with New Hillenbrand.

Section 162(m). Section 162(m) of the Internal Revenue Code limits tax deductibility of certain executive compensation in excess of $1 million per year unless certain requirements are met. The Stock Incentive Plan is designed to provide for the grant of awards that meet these requirements and also enables the Compensation Committee to grant awards that do not satisfy the performance based pay exemption under the Section 162(m) requirements. For example, time-based vested deferred stock shares (otherwise known as restricted stock unit) awards do not satisfy the performance-based exception under 162(m) and therefore are subject to 162(m) and included in the $1 million dollar compensation cap in the year the awards are included in taxable income of the recipient.

Retirement, Change in Control Agreements and Severance

Overview. Original Hillenbrand believes that it is in the best interests of it and its shareholders to have the unbiased dedication of its executives, without the distraction of personal uncertainties such as retirement or a change in control. Original Hillenbrand has designed its senior management retirement and other post-employment benefit programs to reduce such distraction. Original Hillenbrand believes that its programs allow for a "smooth" transition in the event of retirement or a change in control without providing "windfall" benefits to management. It also believes that these benefits are at market levels and competitive with those of other comparable companies. We expect to adopt similar programs in connection with the separation.

The components of Original Hillenbrand's retirement benefits program are as follows:

- Normal Retirement Guidelines
- Deferred Compensation Program
- Pension Plan
- Savings Plan
- Supplemental Executive Retirement Plan
- Change in Control Agreements
- Severance Pay Plan

Normal Retirement Guidelines. Executives currently employed, including the Named Executive Officers, who are at least 55 years of age and with 5 years length of service are eligible to receive certain benefits under Original Hillenbrand's Stock Incentive Plan. These guidelines are incorporated into each individual equity award agreement and have been approved by the Compensation Committee. The following is allowed:

- accelerated vesting of outstanding time-based deferred stock awards and stock options, which have been held for at least one year;
- partial vesting of outstanding performance-based deferred stock awards, which have been held for at least one year; and
- an extension of up to three years of the time to exercise eligible outstanding stock options.

Executive Deferred Compensation Program. Under the Hillenbrand Industries, Inc. Executive Deferred Compensation Program (the "Deferred Compensation Program") certain executives, including the Named Executive Officers, who are chosen by the Compensation Committee may elect to defer all or a portion of their base compensation, payments under the Short-Term Incentive Compensation Program and certain other benefits to be paid in years later than when such amounts are due. As of September 30, 2007, none of the Named Executive Officers participate or have balances in the Deferred Compensation Program. We expect to adopt a similar deferred compensation program for our executive officers.

Pension Plan. The Hillenbrand Industries, Inc. Pension Plan (the "Pension Plan") covers officers and other employees of Original Hillenbrand and its subsidiaries. Directors of Original Hillenbrand who are not employees of Original Hillenbrand or one of its subsidiaries are not eligible to participate in the Pension Plan. In connection with the distribution, we intend to adopt a pension plan for our employees who are currently participants in the Pension Plan. Our employees will cease to participate in the Pension Plan effective upon the distribution. Our pension plan will replicate in all material respects the benefit formulas under the Original Hillenbrand Pension Plan, and the assets and liabilities of the Original Hillenbrand Pension Plan attributable to our employees and all other pension liabilities assumed by us in the separation will be transferred to our pension plan. Our employees will be given full credit under our pension plan for years of service and compensation accrued under the Original Hillenbrand Pension Plan. None of our employees who is not currently a participant in the Original Hillenbrand Pension Plan will be entitled to participate in our pension plan as this plan has been frozen to new participants. The principal terms of the Original Hillenbrand Pension Plan are described below.

Contributions to the Pension Plan by Original Hillenbrand are made on an actuarial basis, and no specific contributions are determined or set aside for any individual. Effective June 30, 2003, the Pension Plan was closed to new participants. Existing participants, effective January 1, 2004 were given the choice to remain in the Pension Plan and to continue earning credited service or to freeze their accumulated benefit as of January 1, 2004 and to participate in an enhanced defined contribution savings plan, as described below.

The Internal Revenue Code limits the amount of benefits that may be paid under the Pension Plan. A supplemental pension benefit that makes up for the Internal Revenue Code limitations is provided under the SERP described below. Benefits under the Pension Plan are not subject to deductions for Social Security or other offset amounts.

Employees who retire under the Pension Plan receive fixed benefits calculated by means of a formula that takes into account the highest average annual calendar year eligible compensation earned over five consecutive years and the employee's years of service.

For information regarding the pension benefits payable to our Named Executive Officers, see the Pension Benefits at September 30, 2007 table under "— Compensation of Named Executive Officers" below.

Savings Plan. Original Hillenbrand maintains the Hillenbrand Industries, Inc. Savings Plan (the "Savings Plan"), which covers substantially all employees, including senior management. In connection with the distribution, our employees, including the Named Executive Officers, will cease to participate in the Original Hillenbrand Savings Plan and instead will participate in a new savings plan that we will establish that is expected to be substantially similar to the current Savings Plan. The account balances of our employees and the related plan assets and all other participant liabilities assumed by us in the separation under the Original Hillenbrand Savings Plan will be transferred to our savings plan.

Under the Savings Plan, which is a tax-qualified retirement savings plan, participating employees may contribute up to 40 percent of compensation on a before-tax basis. Original Hillenbrand contributes a matching contribution to the Savings Plan for only those participants who are not active participants in the Pension Plan in an amount equal to fifty cents for each dollar contributed by participating employees on the first six percent of their compensation. Additionally, Original Hillenbrand annually contributes to the Savings Plan, (1) for employees who are active participants in the Pension Plan, an amount equal to three percent of such employees' compensation and, (2) for employees who are not active employees in the Pension Plan, an amount equal to four percent of such employees' compensation.

During 2007, the Savings Plan limited the "additions" that can be made to a participating employee's account to $45,000 per year. "Additions" include all Original Hillenbrand contributions and the before-tax contributions made by Original Hillenbrand at the request of the participating employee under Section 401(k) of the Internal Revenue Code. Of those additions, the current maximum before-tax contribution made by a participating employee is $15,500 per year (or $20,500 per year for certain participants age 50 and over). In addition, no more than $225,000 of annual compensation may be taken into account in computing benefits under the Savings Plan. A supplemental savings plan benefit that makes up for these limitations is provided under the SERP as described below.

Participants immediately vest in their own contributions and earnings. Matching contributions made by Original Hillenbrand cliff vest after three years of continuous employment and all subsequent matching contributions immediately vest thereafter.

Each year Original Hillenbrand performs standard year-end coverage, nondiscrimination and compliance testing on the Savings Plan to ensure compliance with applicable Internal Revenue Service rules and regulations. In the event the plan does not meet the nondiscrimination requirements, a prorated portion of the contributions made by "Highly Compensated" employees will be returned to the respective employee in order to ensure compliance.

For information regarding compensation paid to our Named Executive Officers under the Savings Plan, see the Summary Compensation Table for Fiscal Year Ending September 30, 2007 and footnote 6 thereto under "— Compensation of Named Executive Officers" below.

Supplemental Executive Retirement Plan. The Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan (the "SERP") provides additional retirement benefits to certain employees selected by the Compensation Committee or the Chief Executive Officer of Original Hillenbrand whose retirement benefits under the Pension Plan and/or Savings Plan are reduced, curtailed or otherwise limited as a result of certain limitations under the Internal Revenue Code. The employees that have been selected to participate in this plan include the senior executives of Original Hillenbrand and certain senior executives of its operating companies, including Kenneth A. Camp, Michael L. DiBease and Douglas I. Kunkel. In connection with the distribution, our employees who participate in the Original Hillenbrand SERP will cease to participate in the Original Hillenbrand SERP and instead will participate in a new SERP that we will establish that is expected to be substantially similar to the Original Hillenbrand SERP. The obligations to our employees under the Original Hillenbrand SERP will be transferred to our SERP. The Compensation and Management Development Committee of our board of directors or our Chief Executive Officer may select other employees of New Hillenbrand to participate in our SERP after the separation.

The additional retirement benefits provided by the SERP are (1) for certain Pension Plan participants chosen by the Compensation Committee, in an amount equal to the benefits under the Pension Plan which are so reduced, curtailed or limited by reason of the application of such limitation and/or (2) for certain Savings Plan participants chosen by the Compensation Committee, in an amount equal to the benefits under the Savings Plan which are so reduced, curtailed or limited by reason of the application of such limitation. Effective June 30, 2003, the Pension Plan and the Pension Plan portion of the SERP were closed to new participants. Additionally, certain participants in the SERP who are selected by the Compensation Committee may annually accrue an additional benefit of a certain percentage of such participants' Compensation (as defined below) for such year (the current percentage is three), and the amount of the retirement benefit shall equal the sum of such annual accruals plus additional earnings factor. "Compensation" under the SERP means the corresponding definition of compensation under the Pension Plan and the Savings Plan plus a percentage of a participant's eligible compensation as determined under Original Hillenbrand's Short-Term Incentive Compensation Program. Long-term incentive compensation is not included in the calculation of the SERP benefits.

The retirement benefit to be paid under the SERP is from the general assets of Original Hillenbrand, and such benefits, except as otherwise required by Section 409A of the Code, are generally payable at the time and in the manner benefits are payable under the Pension Plan. Under the Savings Plan, a lump sum cash payment is available to the participant within one year of retirement or termination of employment. In the alternative a participant may defer receipt by electing a stream of equal annual payments for up to 15 years.

On March 16, 2006, in addition to an award of 18,671 deferred stock shares (otherwise known as restricted stock units) as of that date, which are further described in the Outstanding Equity Awards at September 30, 2007 table and footnote 4 thereto under "— Compensation of Named Executive Officers," Original Hillenbrand agreed to provide supplemental benefits to Mr. Camp under the SERP as a further retention inducement. The agreement provides that if Mr. Camp remains employed by Original Hillenbrand or us for the entire four-year period beginning on March 16, 2006 and his employment is not thereafter terminated for "cause" (as defined in the employment agreement between us and Mr. Camp), then for benefit calculation purposes under the SERP, Mr. Camp will be credited with an additional four years of service earned under the Pension Plan portion of the SERP (in addition to the years of service Mr. Camp otherwise would earn under the SERP during such period). Also under this agreement, if during the four-year period beginning March 16, 2006 (1) Mr. Camp's employment with Original Hillenbrand or us is terminated after March 16, 2007 due to disability or death, (2) Mr. Camp's employment with Original Hillenbrand or us is terminated after March 16, 2007 without "cause" (as defined in Mr. Camp's employment agreement) or by Mr. Camp for "good reason" (as defined in Mr. Camp's employment agreement), (3) a "change in control" (as defined in the SERP) of Original Hillenbrand occurs, or (4) a sale, transfer or disposition of substantially all of the assets or capital stock of us occurs, then Mr. Camp will be credited with one additional year of service under the Pension Plan portion of the SERP for each full year worked during the four-year period beginning March 16, 2006 (in addition to the years of service Mr. Camp otherwise would earn under the SERP during such period). The distribution will constitute a disposition of all of the capital stock of us that will trigger the additional benefits under this agreement.

For information regarding the pension benefits payable to our Named Executive Officers under the SERP, see the Pension Benefits at September 30, 2007 table under "— Compensation of Named Executive Officers" below.

Change in Control Agreements. Original Hillenbrand has entered into a Change in Control Agreement (the "Change in Control Agreement") with Mr. Camp. The Change in Control Agreement is intended to encourage Mr. Camp's continued employment by Original Hillenbrand or us and to allow Mr. Camp to be in a position to provide assessment and advice to the Original Hillenbrand Board of Directors regarding any proposed Change in Control without concern that Mr. Camp might be unduly distracted by the uncertainties and risks created by a proposed Change in Control. The change in control agreement between Mr. Camp and Original Hillenbrand will be terminated in connection with the distribution, and no amounts will be paid to Mr. Camp thereunder. Effective as of the distribution, we intend to enter into change in control agreements with certain of our officers, including each of the Named Executive Officers, containing substantially the same terms as the existing change in control agreement between Mr. Camp and Original Hillenbrand, except that (1) we will make changes to the definition of "Change in Control" as noted below; (2) in the case of the agreement we will enter into with Mr. Camp, (a) benefits under the agreement will be payable if a termination event of the types described below occurs within three years (rather than two) after a Change of Control and will also be payable if Mr. Camp terminates his employment for any reason during the 30-day period immediately following the first anniversary of a Change in Control and (b) the lump sum payable upon the occurrence of a triggering event will be three (rather than two) times base salary and certain benefits will be provided for three years (rather than two); and (3) we will make certain other changes to comply with Section 409A of the Internal Revenue Code. The terms of the existing change in control agreement between Mr. Camp and Original Hillenbrand are described below.

The Change in Control Agreement provides for payment of specified benefits upon the termination of Mr. Camp's employment (other than on account of death, disability, retirement or "cause") in anticipation of or within two years after a Change in Control, or upon the executive's termination of employment for "good reason" within two years after a Change in Control. The benefits to be provided upon a Change in Control under any of the above circumstances are:

- a lump sum payment in cash equal to two times Mr. Camp's annual base salary;
- continued health and medical insurance for Mr. Camp and his dependents and continued life insurance coverage for 24 months, with the right to purchase continued medical insurance (at COBRA rates) from the end of this period until Mr. Camp reaches retirement age;
- a cash payment in lieu of certain perquisites, such as accrued and unpaid vacation; and

- an increase to the defined benefit and defined contribution pension benefit otherwise payable to Mr. Camp calculated by giving him equivalent credit for two additional years of service.

In addition, upon a Change in Control, whether or not Mr. Camp's employment is terminated, all outstanding stock options, restricted stock and deferred stock shares (otherwise known as restricted stock units) will become fully vested and he will be deemed to have earned all outstanding short-term incentive compensation and performance share compensation awards to the extent such awards would have been earned if all performance targets for the relevant period were achieved 100%. Mr. Camp's Change in Control Agreement provides that if he receives payments that would be subject to the excise tax on excess parachute payments imposed by Section 4999 of the Internal Revenue Code, Mr. Camp will be entitled to receive an additional "gross-up" payment in an amount necessary to put him in the same after-tax position as if such excise tax had not been imposed, except that if the value of all "parachute payments" to Mr. Camp does not exceed 120% of the maximum "parachute payment" that could be paid to him without giving rise to the excise tax, the payments otherwise called for by the Change in Control Agreement will be reduced to the maximum amount which would not give rise to the excise tax.

Based upon the hypothetical termination date of September 30, 2007, Mr. Camp's change in control termination benefits would be as follows:

						Acceleration of Stock Based Awards				
Salary	Incentive Compensation	Continuance of Heath & Welfare Benefits	Vacation and Insurance Benefits	Pension Benefits(1)	Retirement Savings Plan Benefit	Stock Options(2)	Restricted Stock Units	Performance Based Awards	Tax Gross-Up(3)	Total
$860,800	$ 318,077	$ 14,605	$ 41,028	$ 546,628	$ 83,627	$ 80,865	$1,641,687	$ 423,654	None	$4,010,971

(1) The change-in-control pension benefit is the excess of the monthly pension amount Mr. Camp would have received starting at age 62 calculated as if he had earned two additional years of service and pay at his Annual Base Salary over the monthly Pension Plan annuity benefit, the monthly SERP annuity benefit, and the additional pension benefit provided per agreement dated March 16, 2006, as discussed above.

(2) As mentioned, for purposes of these disclosures, we assumed that the stock options were cashed out on the hypothetical change in control. Whether the options would be cashed out or converted into stock of a buyer in an actual transaction will depend on the structure of the deal. However, if the options were converted into stock by the buyer, the excise tax, and thus the gross-up payments required under the agreements could be higher.

(3) Computed based upon the assumption that equity awards are paid out in cash using the closing price per share of Original Hillenbrand common stock on September 28, 2007 (the last trading day of fiscal 2007), which was $55.02 per share. We assumed an excise tax rate under Code Section 280G of 20 percent, a 35 percent federal income tax rate, a 1.45 percent Medicare tax rate and 4.65 percent state and local income tax rate based on Mr. Camp's resident tax location. Although Mr. Camp's hypothetical change in control benefits exceed the threshold necessary to generate potential excise taxes subject to tax gross-up, the benefits did not exceed 120% of the amount to give rise to the excise tax, and therefore his benefits are reduced as required by the agreement to the extent necessary to avoid the potential excise tax.

Under the Change in Control Agreement, a "Change in Control" is defined generally as (1) the acquisition of beneficial ownership of 35% or more of the voting power of all Original Hillenbrand voting securities by a person or group at a time when such ownership is greater than that of the members of the Hillenbrand Family; (2) the consummation of certain mergers or consolidations; (3) the failure of a majority of the members of the Original Hillenbrand Board of Directors to consist of Current Directors (defined as any director on the date of the Change in Control Agreements and any director whose election was approved by a majority of the then-Current Directors); (4) the consummation of a sale of substantially all of the assets of Original Hillenbrand; or (v) the date of approval by the shareholders of Original Hillenbrand of a plan of complete liquidation of Original Hillenbrand. We expect that the definition of "Change in Control" in the agreements that we will enter into will modify clause (1) of the definition above to provide that a Change in Control will occur upon the acquisition of beneficial ownership of 35% or more of the voting power of all of our voting securities by any person or group other than members of the Hillenbrand Family, subject to certain exceptions.

Severance Pay Plan. Under the Hillenbrand Industries, Inc. Severance Pay Plan for Salaried Employees (the "Severance Plan") post-employment severance benefits are provided to our employees who are terminated in

connection with a reduction-in-force or corporate reorganization. Generally these benefit amounts are based upon length of service and position level with Original Hillenbrand. Generally, under the Severance Plan an eligible participant will receive one week's pay for each year of service up to a maximum of twenty-six week's pay. An additional two week's pay will be made if the participant is age forty or older. Additional benefits may be provided by Original Hillenbrand if the participant is terminated as part of an Employer-designated reduction in force, determined in the sole discretion of Original Hillenbrand. In any case the total benefit payable under the Severance Plan will not exceed two times a participant's annual compensation.

Generally, the employment agreements that we have entered into with the Named Executive Officers provide severance benefits that are greater than those provided under the Severance Plan. For information regarding the severance benefits payable to our Named Executive Officers under their employment agreements, see the Potential Payments Upon Terminations tables under "— Compensation of Named Executive Officers" below.

Other Personal Benefits

In addition to the elements of compensation discussed above, Original Hillenbrand also provides senior level management with various other benefits as follows:

- Tuition Reimbursement
- Executive Financial Planning, Estate Planning and Tax Preparation Service
- Executive Physical
- Other Benefits

Original Hillenbrand provides these benefits in order to remain competitive with the market and believes that these benefits help it to attract and retain qualified executives. These benefits also reduce the amount of time and attention that senior management must spend on personal matters and allows them to dedicate more time to Original Hillenbrand. Original Hillenbrand believes that these benefits are in-line with the market, are reasonable in nature, are not excessive and are in the best interest of Original Hillenbrand and its shareholders.

Tuition Reimbursement Program. All employees are eligible to participate in Original Hillenbrand's Tuition Reimbursement Program. This program is provided to support Original Hillenbrand's innovation and commitment to improving its abilities. Original Hillenbrand believe that education will support the development of its employees for new positions and enhance their contributions to the achievement of its strategic goals. Under Original Hillenbrand's Tuition Reimbursement Program, Original Hillenbrand reimburses tuition, registration fees and laboratory fees for all of its employees. All fulltime employees are eligible for 100% reimbursement on a course-by-course basis within a job related degree program; there is no maximum limit to reimbursement. Minimum academic achievement is required in order to receive reimbursement. This program is not currently being used by any of our Named Executive Officers.

Executive Financial Planning, Estate Planning and Tax Preparation Service Program. Senior level managers are eligible for reimbursement of financial and estate planning services and for income tax preparation services. Reimbursement is approved for dollar amounts of up to 50% of executive's out of pocket costs up to $2,000 per year. Qualified expenses include income tax preparation, estate planning and investment planning, among others.

Executive Physical. Original Hillenbrand provides senior level managers with annual physicals. Original Hillenbrand covers 100% of the cost of this program. This program was developed to promote the physical well being and health of Original Hillenbrand's senior level managers. Original Hillenbrand believes this program is in the best long-term interests of its shareholders.

Other Benefits. Senior management also participates in other benefit plans that Original Hillenbrand fully or partially subsidizes. Their participation is on the same terms as other employees of Original Hillenbrand. Some of the more significant of these benefits include medical, dental, life and vision insurance, as well as relocation reimbursement; holiday and vacation benefits. All Named Executive Officers participate in Original Hillenbrand's group term life insurance program which provides death benefit coverage of up to two times base salary or

$500,000, whichever is lesser. In addition, beginning January 1, 2007 the named executive officers were eligible to participate in the optional supplemental group term life insurance program in which participants may purchase up to the lesser of five times their base annual salary or $600,000 of additional term life insurance at their own expense. After the distribution, we expect to adopt group term life insurance and supplemental group term life insurance programs substantially similar to those currently maintained by Original Hillenbrand.

Employment Agreements

We have entered into employment agreements with each of the Named Executive Officers. We believe that it is appropriate for our senior executives to have employment agreements because they provide certain contractual protections to us that we might not otherwise have, including provisions relating to non-competition with us, non-solicitation of our employees and confidentiality of our proprietary information. Additionally, we believe that employment agreements are a useful tool in recruiting and retention of senior level employees. We are in the process of amending these agreements to account for Code Section 409A changes related to payments of deferred compensation and to reflect the distribution.

The current employment agreements set forth the basic duties of the executive officers and provide that each executive officer is entitled to receive, in addition to base salary, incentive compensation payable in our discretion and such additional compensation, benefits and perquisites as we may deem appropriate. The employment agreements are terminable by either us or the executive officer "without cause" on sixty (60) days' written notice, or if terminated by us, pay in lieu of notice, and are terminable at any time by us for cause, as defined in each employment agreement. Generally "cause" is defined as (1) failure by the executive officer to comply with the terms of the employment agreement, specifically not complying with any reasonable instructions or orders issued by us, (2) illegal conduct, (3) violation of significant company policy, (4) improper disclosure of our confidential information, or (5) engaging in conduct that is contrary to our best interests. The executive officer may terminate his employment agreement and declare the agreement to have terminated "without cause" by us upon the occurrence without the executive officer's consent of a "good reason" event. Generally, a "good reason" event is defined as any of the following (1) an assignment to the executive officer of duties lasting more than sixty days that are materially inconsistent with the executive officer's then current position or a material change in the executive officer's reporting relationship to the CEO or his/her successor; (2) the failure to elect or reelect the executive officer as Vice President or other officer of us (unless such failure is related in any way to our decision to terminate the executive officer for cause); (3) our failure to provide the executive officer with office space and support personnel commensurate with level of responsibilities and/or position; (4) a reduction by us in the amount of the executive officer's base salary or the discontinuation or reduction by us of the executive officer's participation in the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites; (5) the relocation of our principal executive offices or the executive officer's place of work requiring a commuting change of more than fifty (50) miles; or (6) our failure to perform our obligations under the employment agreement. If an executive officer other than Mr. Camp is terminated by us without cause or terminated by the executive officer upon the occurrence, without the executive officer's consent, of a good reason event, we are required to pay severance to the executive in an amount equal to twelve months of the executive officer's base salary, with payments commencing six months after the time of termination. Mr. Camp's agreement provides that until March 20, 2007 (the first anniversary of the election of a permanent President and Chief Executive Officer of Original Hillenbrand), such severance amount will be in an amount equal to twenty-four months of the executive's base salary. For the twelve months after March 20, 2007, the additional severance will be reduced each month, returning the total severance benefit to twelve months of the executive officer's base salary on March 20, 2008. The employment agreements also contain limited non-competition and non-solicitation agreements of the executive officers, which continue generally for a period of two years after the termination of the executive officer's employment.

For information regarding the benefits payable to our Named Executive Officers under their employment agreements, see the Potential Payments Upon Terminations tables under "— Compensation of Named Executive Officers" below.

In connection with the appointment of Cynthia L. Lucchese as Vice President and Chief Financial Officer of Batesville Casket in January 2008, we entered into an employment agreement with Ms. Lucchese containing terms

generally consistent with the terms of the existing employment agreements with our Named Executive Officers other than Mr. Camp. The agreement provides for an initial annual base salary of $300,000 for Ms. Lucchese. Also in connection with her employment, Ms. Lucchese received an award of 4,140 Original Hillenbrand deferred stock shares (otherwise known as restricted stock units) and 16,560 Original Hillenbrand stock options.

Equitable Adjustments to Outstanding Equity-Based Awards

In connection with the distribution, we expect that, subject to approval by the Original Hillenbrand Board of Directors, equitable adjustments will be made to outstanding stock option and deferred stock share (otherwise known as restricted stock unit) awards that currently relate to Original Hillenbrand common stock to the extent necessary to maintain the equivalent value of such awards upon the distribution. In conjunction with these adjustments, which are currently discretionary with respect to outstanding Original Hillenbrand stock options, Original Hillenbrand and New Hillenbrand expect to incur charges in the range of $9 million to $11 million and $3 million to $4 million, respectively. Of these amounts, the Original Hillenbrand expects to recognize $5 million to $7 million just prior to or at the time of the distribution while $3 million to $5 million will be recognized over the following three years, but most notably in the initial year following the distribution. New Hillenbrand expects to recognize $3 million to $4 million just prior to or at the time of distribution. This amount excludes approximately $4 million of previously unrecognized compensation of deferred stock shares discussed below. These estimates are dependent upon the fair value of our common stock and could change depending on the actual fair value at the time of modification. In conjunction with these adjustments to outstanding Original Hillenbrand stock options, the Original Hillenbrand Stock Incentive Plan will also be modified to make future adjustments for equity-related transactions mandatory versus their current discretionary status.

Except as set forth below, effective as of the distribution, we expect that all Original Hillenbrand deferred stock shares (otherwise known as restricted stock units) granted prior to December 2007 and held by its Batesville Casket operating subsidiary employees who will be New Hillenbrand employees at the time of the distribution (other than deferred stock shares that vest upon the achievement of performance goals) will be replaced by New Hillenbrand deferred stock shares and immediately vest, and the underlying shares of New Hillenbrand common stock will be distributed to such employees, resulting in an acceleration of previously unrecognized compensation in the estimated amount of approximately $4 million. Except as set forth below, all other Original Hillenbrand deferred stock shares held by employees who will be New Hillenbrand employees at the time of the distribution will be replaced by New Hillenbrand deferred stock shares and will vest under the same terms as the replaced Original Hillenbrand deferred stock shares.

Effective as of the distribution, we expect that all Original Hillenbrand deferred stock shares held by directors who will be directors of New Hillenbrand (but not Original Hillenbrand) following the distribution, will be replaced with New Hillenbrand deferred stock shares. We expect the number of New Hillenbrand deferred stock shares that will be issued in replacement of the Original Hillenbrand deferred stock shares will be determined so as to preserve the value of the deferred stock shares held by such persons prior to the distribution. Notwithstanding the foregoing, we expect that if an employee or director has made an election to defer payment under a deferred stock share award, the deferred stock share award will be converted into deferred stock shares with respect to both Hill-Rom Holdings and New Hillenbrand common stock in the same ratio Hill-Rom Holdings and New Hillenbrand common stock is provided to shareholders pursuant to the distribution. Deferred stock shares are expected to be amended such that neither the distribution nor a transfer of employment in connection with the distribution will cause a forfeiture of the deferred stock shares. For Original Hillenbrand directors who will stop serving as directors of Original Hillenbrand and will be directors of New Hillenbrand following the distribution, we expect that the deferred stock shares held by such persons will be amended to allow such persons to elect to receive the underlying common stock on the six-month anniversary of the date the director ceases to be a director of New Hillenbrand. With the exception of the acceleration of unrecognized compensation on New Hillenbrand deferred stock shares outlined above, none of the amended deferred stock shares will result in a compensation charge.

Effective as of the distribution, we expect that all Original Hillenbrand stock options held by persons who will be New Hillenbrand employees at the time of the distribution, and by directors who will be directors of New Hillenbrand (but not Hill-Rom Holdings) following the distribution, will be replaced with New Hillenbrand stock options. The stock options held by persons who will be New Hillenbrand employees at the time of the

distribution will be amended or otherwise adjusted to provide that neither the distribution nor a transfer of employment in connection with the distribution will constitute a termination of employment or cause such options to expire. We expect that the number of New Hillenbrand stock options that will be issued in replacement of the Original Hillenbrand stock options and the exercise prices for the New Hillenbrand stock options will be determined so as to preserve the value of the Original Hillenbrand stock options held by such persons prior to the distribution. We expect that the New Hillenbrand stock options issued to employees in replacement of the Original Hillenbrand stock will vest on the same schedule and have the same expiration date as the replaced Original Hillenbrand stock options. The full impact of all amendments to stock options in conjunction with the distribution is fully outlined in the first paragraph of this section.

Effective as of the distribution, we expect that all (i) Original Hillenbrand stock options held by (1) former Original Hillenbrand employees, (2) our former employees, (3) former directors of Original Hillenbrand and (4) directors of Original Hillenbrand who will be directors of both Hill-Rom Holdings and New Hillenbrand following the distribution, and (ii) deferred stock shares held by (1) former directors of Original Hillenbrand and (2) directors of Original Hillenbrand who will be directors of both Hill-Rom Holdings and New Hillenbrand following the distribution will be converted into stock options and deferred stock shares with respect to both Hill-Rom Holdings and New Hillenbrand common stock in the same ratio Hill-Rom Holdings and New Hillenbrand common stock is provided to shareholders pursuant to the distribution.

The foregoing discussion relates to the adjustment of outstanding stock option and deferred stock share awards held by U.S. employees. We expect that such awards held by non-U.S. employees will be adjusted in the same manner, unless it is determined that such adjustment would result in adverse tax consequences under applicable non-U.S. tax laws, in which case such awards may be adjusted in an alternative manner that will, to the extent possible, mitigate or avoid such adverse tax consequences.

Stock Incentive Plan

Original Hillenbrand currently maintains a stock incentive plan under which the Original Hillenbrand options and restricted stock units described above have been issued. Following the distribution, we will have a new stock incentive plan substantially similar to Original Hillenbrand's. We expect our stock incentive plan to have the following principal terms:

Shares. The total number of shares of our common stock initially available for issuance under the plan will be 4,635,436. Shares awarded under the plan may be authorized but unissued shares or shares that have been issued and reacquired by us. The exercise of a stock appreciation right for cash or the payment of any award in cash shall not count against the plan's share limit. To the extent a stock option is surrendered for cash or terminates without having been exercised, an award terminates without the holder having received payment of the award, or shares awarded are forfeited, the shares subject to such award will be available for future awards under the plan. However, shares surrendered to us in payment of the option price or withheld by us to satisfy the award holder's tax liability with respect to an award will count against the share limit and will not be available for future issuance under the plan.

Administration. The plan will be administered with respect to awards to employees by either our full board of directors or a committee of the board, and with respect to awards to non-employee directors, by the full board. (The board or committee so acting is referred to in this description as the "Administrator.") The Administrator is authorized to, among other things, grant and set the terms of awards under the plan; amend such awards (which would permit repricing); waive compliance with the terms of such awards; interpret the terms and provisions of the plan and awards granted under it; adopt administrative rules and practices governing the plan; and make all factual and other determinations needed for administration of the plan. The terms of an award under the plan may vary from participant to participant.

Eligibility. Awards under the plan may be made by the Administrator, in its discretion, to all employees, officers, and directors of New Hillenbrand and of any entity which is more than 50% owned, directly or indirectly, by New Hillenbrand. Awards may also be made to prospective employees, officers, and directors, to become effective only upon their commencement of employment or service. Award recipients will be selected by the Administrator, in its sole discretion, from among those eligible. The maximum number of shares that may be subject to awards granted to an employee in any fiscal year is 400,000 shares of common stock with respect to the aggregate

of stock options and stock appreciation rights, and an additional 200,000 shares with respect to the aggregate of restricted stock, deferred stock, and bonus stock awards.

Discretionary Awards. The plan authorizes the Administrator to grant awards to employees, including officers, and non-employee directors on such terms as it may determine in its sole discretion. Awards may be granted alone or in tandem with other types of awards under the plan. A summary of the types of awards available under the plan is set forth below.

1. *Stock Options.* Incentive stock options ("ISOs") and non-qualified stock options may be granted for such number of shares of common stock as the Administrator determines. A stock option will be exercisable and vest at such times, over such term and subject to such terms and conditions as the Administrator determines, at an exercise price determined by the Administrator, which may not be less than the fair market value of the common stock on the date the option is granted. (ISOs are subject to restrictions as to exercise period and price as required by the Internal Revenue Code and may be granted only to employees.) Payment of the exercise price may be made in such manner as the Administrator may provide, including cash, delivery of shares of common stock already owned or subject to award under the plan, "attestation" of common stock ownership, broker-assisted "cashless exercise," or any other manner determined by the Administrator. The Administrator may provide that the stock options will be transferable. Upon an optionee's termination of service, the option will be exercisable to the extent determined by the Administrator, either in the initial grant or an amendment thereto. The Administrator may provide that an option which is outstanding on the date of an optionee's death will remain outstanding for an additional period after the date of such death, notwithstanding that such option would have expired earlier under its terms.

2. *Stock Appreciation Rights ("SARs").* Upon the exercise of an SAR, New Hillenbrand will pay to the holder in cash, common stock or a combination thereof (the method of payment to be at the discretion of the Administrator), an amount equal to the excess of the fair market value of the common stock on the exercise date over the fair market value of the common stock on the date of SAR grant, multiplied by the number of SARs being exercised. The Administrator may also grant "limited SARs" that will be exercisable only within the 60 days after a "Change in Control" of New Hillenbrand (as defined in the plan). The Administrator may provide that in the event of a Change in Control, SARs or limited SARs will be paid on the basis of the "Change in Control Price" (as defined in the plan).

3. *Restricted Stock.* Restricted stock is stock that has been issued, subject to forfeiture. In making an award of restricted stock, the Administrator will determine the periods, if any, during which the stock is subject to forfeiture, and the purchase price, if any, for the stock. The vesting of restricted stock (i.e., the point at which it becomes non-forfeitable) may be conditioned upon the completion of a specified period of service with New Hillenbrand or a subsidiary, the attainment of specific performance goals, or such other criteria as the Administrator may determine. During the restricted period, the award holder may not sell, transfer, pledge or assign the restricted stock, except as may be permitted by the Administrator. The certificate evidencing the restricted stock will be registered in the holder's name, although the Administrator may direct that it remain in the possession of New Hillenbrand until the restrictions have lapsed. Except as may otherwise be provided by the Administrator, upon the termination of the award holder's service for any reason during the period before the restricted stock has vested, or in the event the conditions to vesting are not satisfied, all restricted stock that has not vested will be subject to forfeiture and the Administrator may provide that any purchase price paid by the holder, or an amount equal to the restricted stock's fair market value on the date of forfeiture, if lower, shall be paid to the holder. During the restricted period, the holder will have the right to vote the restricted stock and to receive any cash dividends, if so provided by the Administrator. Stock dividends will be treated as additional shares of restricted stock and will be subject to the same terms and conditions as the initial grant, unless otherwise provided by the Administrator.

4. *Deferred Stock.* A deferred stock award represents New Hillenbrand's agreement to deliver shares of common stock (or their cash equivalent) at a specified future time. Such delivery may be conditioned upon the completion of a specified period of service, the attainment of specific performance goals or such other criteria as the Administrator may determine, or may provide for the unconditional delivery of shares (or their cash equivalent) on the specified date. In making an award of deferred stock the Administrator will determine the period during which receipt of the common stock will be deferred, and the period, if any, during which the award is subject to forfeiture, and may provide for the issuance of stock pursuant to the award without payment therefor. At the end of the deferral

period, and assuming the satisfaction of any condition(s) to vesting of the award, the award will be settled in shares of common stock, cash equal to the fair market value of such stock, or a combination thereof, as provided by the Administrator. During the deferral period set by the Administrator, the award holder may not sell, transfer, pledge or assign the deferred stock award. In the event of termination of service before the deferred stock award has vested, the award will be forfeited, except as may be provided by the Administrator. Deferred stock will carry no voting rights until such time as shares of common stock are actually issued. The Administrator has the right to determine whether and when dividend equivalents will be paid with respect to a deferred stock award.

5. *Bonus Stock.* A bonus stock award is a grant of stock to the recipient without payment of money, or the sale of stock at a discounted price. The Administrator may condition the award of bonus stock upon the attainment of specified performance objectives or upon such other criteria as the Administrator may determine. However, once the shares are issued, they are not subject to vesting conditions.

Performance Awards. The Administrator may designate any awards under the plan as "Performance Awards" which are intended to be granted and administered in a manner which would qualify as "performance-based compensation" for purposes of Section 162(m) of the Internal Revenue Code. Either the granting or vesting of a Performance Award will be subject to the achievement of performance objectives specified by the Administrator. The performance objectives specified for a particular award may be based on one or more of the following criteria, which the Administrator may apply to New Hillenbrand in its entirety and/or to a business unit, and which the Administrator may use either as an absolute measure, as a measure of improvement relative to prior performance, or as a measure of comparable performance relative to a peer group of companies: sales, operating profits, operating profits before taxes, operating profits before interest expense and taxes, net earnings, earnings per share, return on equity, return on assets, return on invested capital, total shareholder return, cash flow, debt to equity ratio, market share, stock price, economic value added, and market value added.

Although the Administrator generally has the power to amend awards and to waive conditions to the vesting of awards, this power may be exercised with respect to Performance Awards only to the extent that it would not cause the award to fail to qualify under Section 162(m).

Deferrals of Awards. The Administrator may permit an award recipient to elect to defer receipt of any award for a specified period or until a specified event, upon such terms as are determined by the Administrator.

Change in Control Provisions. If there is a Change in Control of New Hillenbrand, unless otherwise determined by the Administrator, all stock options and SARs which are not then exercisable will become fully exercisable and vested; the restrictions and vesting conditions applicable to restricted stock and deferred stock will lapse and such shares and awards will be deemed fully vested; and the Administrator, in its sole discretion, may accelerate the payment date of all restricted stock and deferred stock. Unless the Administrator provides otherwise, to the extent the cash payment of any award is based on the fair market value of common stock, such fair market value shall be the Change in Control Price. A "Change in Control" is expected to be defined in the plan in the same manner as in the Change in Control Agreements we will enter into with the Named Executive Officers. (See "— Compensation Discussion and Analysis — Retirement, Change in Control Agreements and Severance — Change in Control Agreements" above.) The "Change in Control Price" is generally the highest price per share paid for New Hillenbrand's common stock in the open market or paid or offered in any transaction related to a Change in Control at any time during the 90-day period ending with the Change in Control.

Amendment. The plan is of unlimited duration. The plan may be discontinued or amended by our Board of Directors, except that no amendment or discontinuation may adversely affect any outstanding award without the holder's written consent. Amendments may be made without shareholder approval except as required to satisfy stock exchange or regulatory requirements.

Adjustment. In the case of certain changes in New Hillenbrand's structure affecting the common stock, appropriate adjustments will be made by the Board in order to prevent dilution or enlargement of benefits, in the number of shares reserved under the plan, the number of shares as to which awards can be granted to any individual in any fiscal year, in the number and kind of shares or other property subject to awards then outstanding under the plan and, where applicable, the amount to be paid by the award holders or New Hillenbrand pursuant to awards under the plan. In addition, upon certain corporate transactions the Board will, in its discretion, (1) accelerate the

vesting and/or payment date of awards, (2) cash-out outstanding awards, (3) provide for the assumption of outstanding awards by a surviving or transferee company, (4) provide that in lieu of shares of Company common stock, the award recipient will be entitled to receive the consideration he would have received for such shares in the transaction (or the value of such consideration in cash), and/or (5) require stock options to be either exercised prior to the transaction or forfeited.

Compensation of Named Executive Officers

The following tables and notes set forth compensation information for the fiscal year ended September 30, 2007 for our Named Executive Officers. All of the information in the following tables reflects compensation earned by the individuals for services with Original Hillenbrand and its subsidiaries. All references in the following tables to stock and stock options relate to awards of stock and stock options granted by Original Hillenbrand. For a discussion of the treatment of these stock and stock option awards in connection with the distribution, see "— Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards" above. The compensation information set forth below does not necessarily reflect the compensation the Named Executive Officers will receive following the distribution, which could be higher or lower, because historical compensation was determined or approved by Original Hillenbrand and future compensation levels will be determined based on the compensation policies, programs and procedures to be established by our Compensation Committee.

Summary Compensation Table For Fiscal Year Ending September 30, 2007

The following table summarizes the total compensation paid or earned by each of the Named Executive Officers for the fiscal year ended September 30, 2007. We have entered into employment agreements with each of the Named Executive Officers — see the "Employment Agreements" section of the Compensation Discussion and Analysis for further discussion. The Named Executive Officers were not entitled to receive payments that would be characterized as "Bonus" payments for the fiscal year ended September 30, 2007.

Total cash compensation, which includes salary and non-equity incentive plan compensation, is based on individual performance as well as the overall performance of Original Hillenbrand as described in the "Base Salary" and "Annual Cash Incentives" sections of the Compensation Discussion and Analysis. Generally, the emphasis that is placed on stock-based compensation increases as the level of responsibility of the individual employee increases.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position (as of September 30, 2007)	Year	Salary $(1)	Bonus $	Stock Awards $(2)	Options Awards $(3)	Non-Equity Incentive Plan Compensation $(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings $(5)	All Other Compensation $(6)	Total $
Kenneth A. Camp President and Chief Executive Officer	2007	$424,102	—	$745,077	$279,017	$ 202,881	$ 338,345	$ 42,210	$2,031,632
Michael L. Dibease Vice President, Marketing	2007	$295,964	—	$132,859	$ 55,670	$ 59,432	$ 98,601	$ 12,998	$ 655,524
Douglas I. Kunkel Vice President, Global Supply Chain Management	2007	$259,062	—	$102,073	$ 75,687	$ 72,696	$ 25,169	$ 12,008	$ 546,695
John R. Zerkle Vice President, General Counsel and Secretary	2007	$207,404	—	$ 76,284	$ 37,776	$ 56,337	$ 22	$ 14,550	$ 392,373

(1) The amounts indicated represent the dollar value of base salary earned during fiscal year 2007.

(2) The amounts indicated represent the aggregate dollar amount of compensation expense, excluding the reduction for risk of forfeiture, related to deferred stock share (otherwise known as restricted stock unit) and performance based deferred stock share awards granted and recognized in our financial statements during fiscal year 2007 and includes amounts from awards granted prior to 2007. The determination of this expense is based on the methodology set forth in Notes 1 and 9 to the Combined Financial Statements included elsewhere in this information statement.

(3) The amounts indicated represent the aggregate dollar amount of compensation expense, excluding the reduction for risk of forfeiture, related to stock option awards granted and recognized in our financial statements during fiscal year 2007 and includes amounts from awards granted prior to 2007. The determination of this expense is based on the methodology set forth in Notes 1 and 9 to the Combined Financial Statements included elsewhere in this information statement.

(4) The amounts indicated represent cash awards earned for fiscal year 2007 and paid in fiscal year 2008 under Original Hillenbrand's STIC Plan. See "Annual Cash Incentives" section of the Compensation Discussion and Analysis.

(5) Change in Pension Value and Nonqualified Deferred Compensation earned or allocated during the fiscal year ended September 30, 2007, is as follows:

	Change in Actuarial Present Value of Accumulated Pension Benefit(a)	Above Market Nonqualified Deferred Compensation Earnings	Total
Kenneth A. Camp(b)	$ 335,354	$ 2,991	$338,345
Michael L. DiBease	$ 98,307	$ 294	$ 98,601
Douglas I. Kunkel	$ 24,914	$ 255	$ 25,169
John R. Zerkle	$ 22	—	$ 22

(a) See the Pension Benefits Table below for additional information, including present value assumptions used in this calculation.

(b) The pension benefit for Kenneth A. Camp includes the effect of the supplemental benefits per agreement dated March 16, 2006 and more fully described in footnote 5 in the following Pension Benefits Table.

(6) Consists of Original Hillenbrand provided contributions for the savings plan and the savings plan portion of the SERP. Also includes the incremental cost of professional services for tax preparation and financial planning services, and other personal benefits provided by Original Hillenbrand. All Other Compensation earned or allocated during the fiscal year ended September 30, 2007 is as follows:

Name	Company Contribution 401(K)	Company Contribution Supp 401(k)	Financial Planning Tax Preparation	Other Personal Benefits	Total
Kenneth A. Camp	$ 4,034	$ 37,779	—	$ 397	$42,210
Michael L. DiBease	$ 6,819	$ 5,708	$ 150	$ 321	$12,998
Douglas I. Kunkel	$ 7,237	$ 4,400	—	$ 371	$12,008
John R. Zerkle	$14,096	—	$ 310	$ 144	$14,550

Grants of Plan-Based Awards for Fiscal Year Ended September 30, 2007

The following table summarizes the grants of plan-based awards to each of the Named Executive Officers for the fiscal year ended September 30, 2007. All stock-based awards in fiscal year 2007 were granted under the Original Hillenbrand Stock Incentive Plan.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of	All Other Option Awards:	Exercise or	Grant Date Fair Value of Stock
Name	Grant Date	Threshold $	Target $	Maximum $	Threshold #	Target #	Maximum #	Stock or Units #(3)	Number of Securities Underlying Options #(4)	Base Price of Option Awards $/sh	and Option Awards $(5)
Kenneth A. Camp		$ 0	$ 318,077	$ 636,154							
	11/30/2006								20,000	$ 57.91	$ 286,948
	11/30/2006							4,000			$ 231,640
	4/5/2007				0	7,700	7,700				$ 468,584
Michael L. DiBease		$ 0	$ 118,385	$ 236,770							
	11/30/2006								5,000	$ 57.91	$ 71,736
	11/30/2006							1,800			$ 104,238
Douglas I. Kunkel		$ 0	$ 129,531	$ 259,062							
	11/30/2006								10,000	$ 57.91	$ 143,473
	11/30/2006							3,000			$ 173,730
John R. Zerkle		$ 0	$ 82,962	$ 165,924							
	11/30/2006								5,000	$ 57.91	$ 71,736
	11/30/2006							1,300			$ 75,283

(1) The amounts indicated represent potential cash awards that could be paid under Original Hillenbrand's STIC Program. Awards can range from 0% to 200% of the target amount. See "Annual Cash Incentives" section of the Compensation Discussion and Analysis for discussion of this program. See the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above for the actual amounts earned, which were paid in December, 2007.

(2) Performance based deferred stock share (otherwise known as restricted stock unit) awards were granted pursuant to Original Hillenbrand's Stock Incentive Plan for the fiscal year ended September 30, 2007. The vesting schedules, upon satisfying performance criteria, for incentive stock awards granted during the fiscal year 2007 are disclosed by individual in the footnotes in the following Outstanding Equity Awards table.

(3) Deferred stock share (otherwise known as restricted stock unit) awards were granted pursuant to Original Hillenbrand's Stock Incentive Plan for the fiscal year ended September 30, 2007. Dividends paid on Original Hillenbrand common stock will be deemed to have been paid with regard to the deferred stock shares awarded and deemed to be reinvested in Original Hillenbrand common stock at the market value on the date of such dividend, and will be paid in additional shares on the vesting date of the underlying award. The vesting schedules for stock awards granted during the fiscal year 2007 are disclosed by individual in the footnotes in the following Outstanding Equity Awards table.

(4) Options were granted pursuant to Original Hillenbrand's Stock Incentive Plan for the fiscal year ended September 30, 2007. The options expire in ten years from date of grant and will vest for exercise purposes in equal increments during the first three years of the option life. Stock awards and options are granted at the discretion of the Compensation Committee of Original Hillenbrand's Board of Directors.

(5) The valuation of stock options, deferred stock shares and performance based deferred stock shares are based on the methodology set forth in Notes 1 and 9 to the Combined Financial Statements included elsewhere in this information statement.

Outstanding Equity Awards at September 30, 2007

The following table summarizes the number and terms of stock option, deferred stock share (otherwise known as restricted stock unit) and performance based deferred stock share awards outstanding for each of the Named Executive Officers as of September 30, 2007.

	Options Awards					Stock Awards			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options #	Option Exercise Price $	Option Expiration Date	Number of Shares or Units of Stock that have Not Vested # (8)	Market Value of Shares or Units of Stock that have Not Vested $(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have Not Vested # (9)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have Not Vested $(1)
Kenneth A. Camp	8,000			$ 52.15625	1/18/2008				
	8,000			$ 52.15625	1/18/2009				
	2,500			$ 29.96875	8/23/2009				
	10,000			$ 36.3125	1/17/2010				
	10,000			$ 45.34375	1/15/2011				
	10,000			$ 48.64	4/9/2011				
	15,000			$ 50.11	11/9/2011				
	9,000			$ 61.49	4/9/2012				
	20,000			$ 47.49	12/4/2012				
	20,000			$ 58.24	12/3/2013				
	24,000			$ 55.58	12/15/2014				
	6,667	13,333(2)		$ 48.955	11/30/2015				
		20,000(3)		$ 57.910	11/30/2016				
						29,838(4)	$ 1,641,687	7,700	$ 423,654
Michael L. DiBease	4,000			$ 52.15625	1/18/2008				
	20,000			$ 57.09345	7/27/2008				
	10,000			52.15625	1/18/2009				
	10,000			$ 36.3125	1/17/2010				
	10,000			$ 45.34375	1/15/2011				
	8,000			$ 50.11	11/9/2011				
	4,000			$ 61.49	4/9/2012				
	8,000			$ 47.49	12/4/2012				
	4,000			$ 58.24	12/3/2013				
	5,000			$ 55.58	12/15/2014				
	1,667	3,333(2)		$ 48.955	11/30/2015				
		5,000(3)		$ 57.910	11/30/2016				
						6,817(5)	$ 375,071		
Douglas I. Kunkel	1,166			$ 55.58	12/15/2014				
		6,000(2)		$ 48.955	11/30/2015				
		10,000(3)		$ 57.910	11/30/2016				
						8,718(6)	$ 479,664		
John R. Zerkle	1,333			$ 55.58	12/15/2014				
		2,933(2)		$ 48.955	11/30/2015				
		5,000(3)		$ 57.910	11/30/2016				
						5,182(7)	$ 285,114		

(1) Value is based on the closing price of Original Hillenbrand common stock of $55.02 on September 28, 2007 (the last trading day of fiscal 2007) as reported on the New York Stock Exchange.

(2) The options were granted on November 30, 2005. Remaining unexercisable options will vest 50% each on November 30, 2007 and 2008, respectively.

(3) The options were granted on November 30, 2006. The options will vest 33 1/3% each on November 30, 2007, 2008 and 2009, respectively.

(4) Kenneth A. Camp was awarded 4,000 deferred stock shares on November 30, 2006 which will vest 20%; 25%; 25%; and 30% on December 1, 2008; 2009; 2010; and 2011 respectively. Mr. Camp was also awarded 18,671

deferred stock shares on March 16, 2006, which vested 15% on March 17, 2007 and which will vest 15%; 15%; and 55% on March 17, 2008; 2009; and 2010 respectively. Mr. Camp was also awarded 3,700 deferred stock shares on November 30, 2005, which will vest 20%; 25%; 25%; and 30% on December 1, 2007; 2008; 2009; and 2010 respectively. Mr. Camp was also awarded 3,600 deferred stock shares on December 15, 2004, which vested 20% on December 16, 2006 and which will vest 25%; 25%; and 30% on December 16, 2007; 2008; and 2009 respectively. Mr. Camp was also awarded 4,000 deferred stock shares on December 3, 2003, which vested 20% and 25% on December 4, 2005 and 2006 respectively; and will vest 25% and 30% on December 4, 2007 and 2008, respectively.

(5) Michael L. DiBease was awarded 1,800 deferred stock shares on November 30, 2006 which will vest 20%; 25%; 25%; and 30% on December 1, 2008; 2009; 2010; and 2011 respectively. Mr. DiBease was also awarded 2,000 deferred stock shares on November 30, 2005, which will vest 20%; 25%; 25%; and 30% on December 1, 2007; 2008; 2009; and 2010 respectively. Mr. DiBease was also awarded 2,000 deferred stock shares on December 15, 2004, which vested 20% on December 16, 2006, and which will vest 25%; 25%; and 30% on December 16, 2007; 2008; and 2009 respectively. Mr. DiBease was also awarded 2,000 deferred stock shares on December 3, 2003, which vested 20% and 25% on December 4, 2005 and 2006 respectively; and will vest 25% and 30% on December 4, 2007 and 2008, respectively.

(6) Douglas I. Kunkel was awarded 3,000 deferred stock shares on November 30, 2006 which will vest 20%; 25%; 25%; and 30% on December 1, 2008; 2009; 2010; and 2011 respectively. Mr. Kunkel was also awarded 2,800 deferred stock shares on November 30, 2005, which will vest 20%; 25%; 25%; and 30% on December 1, 2007; 2008; 2009; and 2010 respectively. Mr. Kunkel was also awarded 1,400 deferred stock shares on December 15, 2004, which vested 20% on December 16, 2006, and which will vest 25%; 25%; and 30% on December 16, 2007; 2008 and 2009 respectively. Mr. Kunkel was also awarded 2,600 deferred stock shares on December 3, 2003, which vested 20% and 25% on December 4, 2005 and 2006 respectively; and will vest 25% and 30% on December 4, 2007 and 2008.

(7) John R. Zerkle was awarded 1,300 deferred stock shares on November 30, 2006 which will vest 20%; 25%; 25%; and 30% on December 1, 2008; 2009; 2010; and 2011 respectively. Mr. Zerkle was also awarded 1,150 deferred stock shares on November 30, 2005, which will vest 20%, 25%, 25% and 30% on December 1, 2007, 2008, 2009 and 2010, respectively. Mr. Zerkle was also awarded 2,000 deferred stock shares on December 15, 2004, which vested 20% on December 16, 2006, and which will vest 25%, 25% and 30% on December 16, 2007, 2008 and 2009, respectively. Mr. Zerkle was also awarded 1,600 deferred stock shares on December 3, 2003, which vested 20% and 25% on December 4, 2005 and 2006, respectively, and will vest 25% and 30% on December 4, 2007 and 2008, respectively.

(8) Dividends paid on Original Hillenbrand common stock will be deemed to have been paid with regard to the deferred stock shares (otherwise known as restricted stock units) awarded and deemed to be reinvested in Original Hillenbrand common stock at the market value on the date of such dividend, and will be paid in additional shares on the vesting date of the underlying award. Generally, vesting is contingent upon continued employment. In the case of retirement, death or disability, vesting may be accelerated for options and deferred stock awards held over one year from issue date of award.

(9) Performance based deferred stock shares (otherwise known as restricted stock units) were awarded on April 5, 2007 which will vest 20%; 20% and 60% on December 10, 2007; 2008 and 2009, respectively, if certain performance goals are met. Vesting is also contingent on continued employment, except in the case of retirement, death or disability for awards over one year from issue date of award.

Option Exercises and Stock Vested For Fiscal Year Ended September 30, 2007

The following table summarizes the number of stock option awards exercised and the value realized upon exercise during the fiscal year ended September 30, 2007 for the Named Executive Officers, as well as the number of stock awards vested and the value realized upon vesting.

(a)	(b)	(c)	(d)	(e)
	Options Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise #	Value Realized on Exercise $(1)	Number of Shares Acquired on Vesting #	Value Realized on Vesting $(2)
Kenneth A. Camp	2,000	$ 33,195	5,093	$ 297,278
Michael L. DiBease	2,000	$ 31,083	1,264	$ 74,192
Douglas I. Kunkel	31,334	$ 500,400	984	$ 57,852
John R. Zerkle	12,634	$ 146,617	844	$ 49,872

(1) Based upon the difference between the price of Original Hillenbrand common stock on the New York Stock Exchange at the time of exercise and the exercise price for the stock options exercised.

(2) Based upon the average of the high and low price of Original Hillenbrand common stock on the New York Stock Exchange on the date the stock awards vest or if the vesting date is a non-trading day, then the next trading day thereafter.

Pension Benefits at September 30, 2007

The following table quantifies the pension benefits expected to be paid from the Hillenbrand Industries, Inc. Pension Plan ("Pension Plan") and the Hillenbrand Industries, Inc. Supplemental Executive Retirement Plan ("SERP").

(a)	(b)	(c)	(d)	(e)
Name	Plan Name (1)(2)	Number of Years Credited Service #(3)	Present Value of Accumulated Benefit $(4)	Payments During Last Fiscal Year $
Kenneth A. Camp(5)	Pension Plan	26	$ 651,130	$ 0
	SERP	27	$ 1,637,236	$ 0
Michael L. DiBease	Pension Plan	30	$ 437,803	$ 0
	SERP	30	$ 413,451	$ 0
Douglas I. Kunkel	Pension Plan	15	$ 111,822	$ 0
	SERP	15	$ 53,358	$ 0
John R. Zerkle(6)	Pension Plan	1	$ 6,897	$ 0

(1) The Pension Plan covers officers of Original Hillenbrand and other employees. Contributions to the Pension Plan by Original Hillenbrand are made on an actuarial basis, and no specific contributions are determined or set aside for any individual. Effective June 30, 2003, the Pension Plan was closed to new participants. Existing participants, effective January 1, 2004, were given the choice of remaining in the Pension Plan and to continue earning credited service or to freeze their accumulated benefit as of January 1, 2004 and to participate in an enhanced defined contribution savings plan. Benefits under the Pension Plan are not subject to deductions for Social Security or other offset amounts. Employees, including officers of Original Hillenbrand, who retire under the Pension Plan, receive fixed benefits calculated by means of a formula that takes into account the highest average annual calendar year eligible compensation earned over five consecutive years and the employee's years of service.

The Pension Plan permits participants with 5 or more years of credited service to retire as early as age 55 but with a reduction in the amount of their monthly benefit. The reduction is .25% for each month the actual retirement date precedes the participant's normal retirement date at age 65 up to a maximum of 30%.

(2) Original Hillenbrand maintains the Pension Plan portion of the SERP to provide additional retirement benefits to certain employees selected by the Compensation Committee or the Chief Executive Officer of Original Hillenbrand whose retirement benefits under the Pension Plan are reduced, curtailed or otherwise limited as a result of certain limitations under the Internal Revenue Code. The additional retirement benefits provided by the SERP are for certain Pension Plan participants chosen by the Compensation Committee, in an amount equal to the benefits under the Pension Plan which are so reduced, curtailed or limited by reason of the application of such limitation. "Compensation" under the SERP means the corresponding definition of compensation under the Pension Plan plus a percentage of a participant's eligible compensation as determined under Original Hillenbrand's Short-Term Incentive Compensation Program. The retirement benefit to be paid under the SERP is from the general assets of Original Hillenbrand, and such benefits are generally payable at the time and in the manner benefits are payable under the Pension Plan.

(3) This column represents the years of service as of September 30, 2007.

(4) This column represents the total discounted value of the monthly single life annuity benefit earned as of September 30, 2007 assuming the executive leaves Original Hillenbrand at this date and retires at age 65. The present value is not the monthly or annual lifetime benefit that would be paid to the executive. The present values are based on a 6.5 percent discount rate at September 30, 2007. The present values assume no pre-retirement mortality and utilize the 2007 Current Liability Blended Mortality Table projected to 2014 within the general RP2000CH mortality tables.

(5) On March 16, 2006, Original Hillenbrand agreed to provide supplemental benefits to Mr. Camp under the SERP. The agreement provides that if Mr. Camp remains employed by Original Hillenbrand or us for the entire four-year period beginning on March 16, 2006 and his employment is not thereafter terminated for "cause" (as defined in the employment agreement between us and Mr. Camp), then for benefit calculation purposes under the SERP, Mr. Camp will be credited with an additional four years of service earned under the Pension Plan portion of the SERP (in addition to the years of service Mr. Camp otherwise would earn under the SERP during such period). Also under this agreement, if during the four-year period beginning March 16, 2006:

(i) Mr. Camp's employment with Original Hillenbrand or us is terminated after March 16, 2007 due to disability or death,

(ii) Mr. Camp's employment with Original Hillenbrand or us is terminated after March 16, 2007 without "cause" (as defined in Mr. Camp's employment agreement) or by Mr. Camp for "good reason" (as defined in Mr. Camp's employment agreement),

(iii) a "change in control" (as defined in the SERP) of Original Hillenbrand occurs, or

(iv) a sale, transfer or disposition of substantially all of our assets or capital stock occurs,

then Mr. Camp will be credited with one additional year of service under the Pension Plan portion of the SERP for each full year worked during the four-year period beginning March 16, 2006 (in addition to the years of service Mr. Camp otherwise would earn under the SERP during such period).

(6) Mr. Zerkle has one year credited service in the Pension Plan, in which his accumulated benefit was frozen as of January 1, 2004. Mr. Zerkle participates in the Savings Plan and has accumulated five years of vested service in the Savings Plan.

Nonqualified Deferred Compensation for Fiscal Year Ending September 30, 2007

(a) Name	(b) Executive Contributions in Last Fiscal Year $	(c) Registrant Contributions in Last Fiscal Year $(1)	(d) Aggregate Earnings in Last Fiscal Year $(2)	(e) Aggregate Withdrawals/ Distributions $	(f) Aggregate Balance at Last Fiscal Year End $
Kenneth A. Camp	None	$ 37,779	$ 10,578	None	$154,286
Michael L. DiBease	None	$ 5,708	$ 1,061	None	$ 16,488
Douglas I. Kunkel	None	$ 4,400	$ 916	None	$ 13,944
John R. Zerkle	None	None	None	None	None

(1) Original Hillenbrand maintains the Savings Plan portion of the SERP to provide additional retirement benefits to certain employees selected by the Compensation Committee or the Chief Executive Officer of Original Hillenbrand whose retirement benefits under the Savings Plan are reduced, curtailed or otherwise limited as a result of certain limitations under the Internal Revenue Code. The additional retirement benefits provided by the SERP are for certain Savings Plan participants chosen by the Compensation Committee, in an amount equal to the benefits under the Savings Plan which are so reduced, curtailed or limited by reason of the application of such limitation. Additionally, certain participants in the SERP who are selected by the Compensation Committee may annually accrue an additional benefit of a certain percentage of such participants' Compensation (as defined below) for such year (the current percentage is three), and the amount of the retirement benefit shall equal the sum of such annual accruals plus additional earnings based on the monthly prime rate in effect from time to time or at other rates determined by the Compensation Committee.

"Compensation" under the SERP means the corresponding definition of compensation under the Savings Plan plus a percentage of a participant's eligible compensation as determined under Original Hillenbrand's Short-Term Incentive Compensation Program. Amounts reported here are also reported as Supplemental 401(k) and Supplemental Retirement in the Summary Compensation Table under the column entitled "All Other Compensation" and further disclosed in Footnote 6 thereto. A lump sum cash payment is available to the participant within one year of retirement or termination of employment. In the alternative a participant may defer receipt by electing a stream of equal annual payments for up to 15 years.

Under the Hillenbrand Industries, Inc. Executive Deferred Compensation Program ("Deferred Compensation Program") certain executives of Original Hillenbrand who are chosen by the Compensation Committee may elect to defer all or a portion of their base salary compensation, payments under the Short-Term Incentive Compensation Program and certain other benefits to be paid in years later than when such amounts are due. All or a portion of short term incentive compensation may be deferred by the executive and invested either in cash, which will bear interest at a prime rate in effect from time to time or at other rates determined by the Compensation Committee, or common stock to be paid at the end of the deferral period. As of September 30, 2007 none of the Named Executive Officers are participating or have balances in the Deferred Compensation Program.

(2) The above-market or preferential earnings portion of these amounts are reported in the Summary Compensation Table under the column entitled "Change in Pension Value and Nonqualified Deferred Compensation Earnings" and further disclosed in Footnote 5 thereto.

Potential Payments Upon Terminations

The following tables present the benefits that would be received by each of the Named Executive Officers in the event of a hypothetical termination as of September 30, 2007. For information regarding definitions of termination events included in the employment agreements, see "Compensation Discussion and Analysis — Employment Agreements" above.

Kenneth A. Camp

Event	Salary & Other Cash Payments	Accelerated Vesting of Stock Options	Accelerated Vesting of Stock Awards	Continuance of Health & Welfare Benefits	Total
Permanent Disability	$ 1,001,068	$ 80,865	$ 1,417,315	$ 11,262	$2,510,510
Death	$ 851,185	$ 80,865	$ 1,417,315	$ 3,728	$2,353,093
Termination without Cause	$ 947,123	—	—	$ 15,594	$ 962,717
Resignation with Good Reason	$ 947,123	—	—	$ 15,594	$ 962,717
Termination for Cause	$ 33,108	—	—	—	$ 33,108
Resignation without Good Reason	$ 33,108	—	—	—	$ 33,108
Retirement	$ 351,185	$ 80,865	$ 1,417,315	$ 7,302	$1,856,667

Also see the table regarding Mr. Camp's potential benefits on a change of control above under "— Compensation Discussion and Analysis — Retirement, Change in Control Agreements and Severance — Change in Control Agreements."

Michael L. DiBease

Event	Salary & Other Cash Payments	Accelerated Vesting of Stock Options	Accelerated Vesting of Stock Awards	Continuance of Health & Welfare Benefits	Total
Permanent Disability	$ 1,710,473	$ 20,215	$ 274,055	$ 13,702	$ 2,018,445
Death	$ 647,689	$ 20,215	$ 274,055	—	$ 941,959
Termination without Cause	$ 291,456	—	—	$ 6,851	$ 298,307
Resignation with Good Reason	$ 291,456	—	—	$ 6,851	$ 298,307
Termination for Cause	$ 23,076	—	—	—	$ 23,076
Resignation without Good Reason	$ 23,076	—	—	—	$ 23,076
Retirement	$ 141,461	—	—	—	$ 141,461
Change in Control	$ 291,456	$ 20,215	$ 375,071	$ 6,851	$ 693,593

Douglas I. Kunkel

Event	Salary & Other Cash Payments	Accelerated Vesting of Stock Options	Accelerated Vesting of Stock Awards	Continuance of Health & Welfare Benefits	Total
Permanent Disability	$ 2,288,642	$ 36,390	$ 311,358	$ 604	$ 2,636,994
Death	$ 645,397	$ 36,390	$ 311,358	—	$ 993,145
Termination without Cause	$ 282,896	—	—	$ 302	$ 283,198
Resignation with Good Reason	$ 282,896	—	—	$ 302	$ 283,198
Termination for Cause	$ 15,865	—	—	—	$ 15,865
Resignation without Good Reason	$ 15,865	—	—	—	$ 15,865
Retirement	$ 145,396	—	—	—	$ 145,396
Change in Control	$ 282,896	$ 36,390	$ 479,664	$ 302	$ 799,252

John R. Zerkle

Event	Salary & Other Cash Payments	Accelerated Vesting of Stock Options	Accelerated Vesting of Stock Awards	Continuance of Health & Welfare Benefits	Total
Permanent Disability	$ 1,258,995	$ 17,789	$ 212,157	$ 12,276	$ 1,501,217
Death	$ 515,372	$ 17,789	$ 212,157	—	$ 745,318
Termination without Cause	$ 195,538	—	—	$ 6,138	$ 201,676
Resignation with Good Reason	$ 195,538	—	—	$ 6,138	$ 201,676
Termination for Cause	$ 8,041	—	—	—	$ 8,041
Resignation without Good Reason	$ 8,041	—	—	—	$ 8,041
Retirement	$ 91,003	—	—	—	$ 91,003
Change in Control	$ 195,538	$ 17,789	$ 285,114	$ 6,138	$ 504,579

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Prior to the distribution, all of the outstanding shares of our common stock are and will be owned beneficially and of record by Original Hillenbrand, and, therefore, none of our officers, directors or director nominees own any of our common stock. The following table sets forth information with respect to the projected beneficial ownership of our outstanding common stock immediately following completion of the distribution by:

- each person who is known by us to be the beneficial owner of more than five percent of Original Hillenbrand's common stock;
- each person expected to be a director and the Named Executive Officers; and
- all of our expected directors and our executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock underlying options, warrants and convertible securities that will be exercisable or convertible within 60 days into shares of Original Hillenbrand common stock are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

To the extent our directors and executive officers own shares of Original Hillenbrand common stock at the time of the distribution, they will participate in the distribution on the same terms as other holders of Original Hillenbrand common stock. In addition, following the distribution, certain Original Hillenbrand stock-based awards held by these individuals will be converted to our stock-based awards. For additional information on the conversion of these stock-based awards, please see "Executive Compensation — Compensation Discussion and Analysis — Equitable Adjustments to Outstanding Equity-Based Awards."

The information below is based on the number of shares of Original Hillenbrand common stock beneficially owned by each person or entity as of February 25, 2008.

The share amounts in the table, other than those representing Original Hillenbrand stock-based awards that are to be cancelled and replaced by New Hillenbrand options or restricted stock units following the distribution, reflect the expected distribution ratio of one share of our common stock for every share of Original Hillenbrand common stock held by the listed person or entity. The percentage ownership of our common stock of each listed person or entity immediately following the distribution will be approximately the same as the percentage ownership of such person or entity immediately prior to the distribution and is calculated based on the number of shares of Original Hillenbrand common stock outstanding as of February 25, 2008.

Except as otherwise noted in the footnotes below, the individual director or executive officer or their family members had sole voting and investment power with respect to such securities. None of the shares beneficially owned by our directors, nominees for director and executive officers are pledged as security. The address of each individual named below is c/o New Hillenbrand, One Batesville Boulevard, Batesville, Indiana 47006. Upon completion of the distribution, we expect that we will have issued and outstanding an aggregate of approximately 62.3 million shares of our common stock based upon the shares of Original Hillenbrand common stock outstanding on February 25, 2008 and the distribution ratio of one share of our common stock for each share of Original Hillenbrand common stock outstanding.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Directors and Executive Officers:		
Ray J. Hillenbrand	482,001(1)	*
Kenneth A. Camp	200,205(2)	*
John R. Zerkle	12,478(3)	*
Michael L. DiBease	109,833(4)	*
Douglas I. Kunkel	20,698(5)	*
W August Hillenbrand	1,774,602(6)	2.8%
Eduardo R. Menascé	7,426(7)	*
All directors and executive officers as a group (9 persons)	2,639,458(8)	4.2%
Other 5% Shareholders:		
Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway Short Hills, New Jersey 070708	3,232,488(9)	5.2%
Franklin Resources, Inc. One Franklin Parkway San Mateo, California 94493-1906	3,586,514(10)	5.8%
Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, North Carolina 28255	3,658,584(11)	5.9%
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	3,688,174(12)	5.9%

* Less than 1% of the total shares outstanding.

(1) Includes 13,179 deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand. Includes 128,975 shares held of record by a charitable foundation, of which Ray J. Hillenbrand is a trustee; and 222,854 shares held of record by family partnerships for the benefit of other members of his immediate family. Mr. Hillenbrand disclaims beneficial ownership of these shares. 44,916 of the shares beneficially owned by Mr. Hillenbrand are pledged as security.

(2) Includes (i) 148,501 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008, (ii) 31,183 deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand and (iii) 7,700 shares of performance based deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(3) Includes (i) 4,467 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008 and (ii) 6,000 shares of deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(4) Includes (i) 84,001 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008 and (ii) 6,357 shares of deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(5) Includes (i) 7,500 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008 and (ii) 10,110 shares of deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(6) Includes (i) 132,000 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008 and (ii) 8,944 deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand. Also includes 48,394 shares owned beneficially by W August Hillenbrand's wife, Nancy K. Hillenbrand; 193,476 shares owned by grantor retained annuity trusts (GRATs);

991,927 shares owned of record, or which may be acquired within sixty days, by trusts of which W August Hillenbrand is trustee or co-trustee; and 71,771 shares held by a limited liability company. Mr. Hillenbrand disclaims beneficial ownership of these shares.

(7) Represents deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(8) Includes (i) 393,636 shares that may be purchased pursuant to stock options that are exercisable within 60 days of February 25, 2008, (ii) 94,526 shares of vested deferred stock or deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand and (iii) 7,700 shares of performance based deferred stock shares (otherwise known as restricted stock units) held on the books and records of Original Hillenbrand.

(9) This information is based solely on an Amendment No. 1 to Schedule 13D filed by Franklin Mutual Advisers, LLC with the Securities and Exchange Commission on November 21, 2006.

(10) This information is based solely on an Amendment No. 2 to Schedule 13G filed by Franklin Resources, Inc. with the Securities and Exchange Commission on February 4, 2008. The Schedule 13G also was filed with respect to all or a portion of such shares by Charles B. Johnson and Rupert H. Johnson, Jr., with the same address as Franklin Resources, Inc., with respect to all of such shares of Original Hillenbrand common stock, and by Franklin Advisory Services, LLC, One Parker Plaza, 9th Floor, Fort Lee, NJ 07024.

(11) This information is based solely on a Schedule 13G filed by Bank of America Corporation with the Securities and Exchange Commission on February 7, 2008. The Schedule 13G also was filed with respect to all or a portion of such shares by NB Holdings Corporation, Bank of America N.A., United States Trust Company, N.A., Banc of America Securities Holdings Corporation, Banc of America Securities LLC, Columbia Management Group, LLC, Columbia Management Advisors, LLC and Banc of America Investment Advisors, Inc, with the same address as Bank of America Corporation.

(12) This information is based solely on a Schedule 13G filed by FMR LLC with the Securities and Exchange Commission on February 14, 2008.

TRANSACTIONS WITH RELATED PERSONS

The Corporate Governance Standards for our Board of Directors require that all new proposed transactions with related persons involving executive officers or directors must be reviewed and approved by the Nominating/Corporate Governance Committee of our Board of Directors in advance. The Corporate Governance Standards do not specify the standards to be applied by the Nominating/Corporate Governance Committee in reviewing transactions with related persons. However, we expect that in general the Nominating/Corporate Governance Committee will consider all of the relevant facts and circumstances, including, if applicable, but not limited to: the benefits to us; the impact on a director's independence in the event the related person is a director, an immediately family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available for similar transactions with unrelated third parties.

During 2000, W August Hillenbrand, a director, and Original Hillenbrand entered into an agreement relating to Mr. Hillenbrand's retirement as Chief Executive Officer of Original Hillenbrand on December 2, 2000. Under that agreement, Mr. Hillenbrand agreed to render consulting services to, and refrain from competing with, Original Hillenbrand, as well as Batesville Casket, through September 18, 2005. For these services, Mr. Hillenbrand received a consulting fee of $872,800 in the fiscal year ended September 30, 2005. Also under the agreement, Mr. Hillenbrand is entitled to receive a package of benefits from Original Hillenbrand, including payment of life and health insurance premiums which are grossed up for tax purposes, reimbursement of medical expenses not covered by insurance, an office, a secretary, reimbursement of miscellaneous expenses, supplemental pension fund benefit payments and limited use of Original Hillenbrand's corporate aircraft for personal purposes on the same basis as Original Hillenbrand's Chief Executive Officer. During the fiscal years ended September 30, 2005, 2006 and 2007, these benefits aggregated approximately $582,700, $816,745 and $905,277, respectively. Additionally, during fiscal years 2005, 2006 and 2007, Original Hillenbrand paid $58,100, $21,695 and $25,770, respectively, for legal and security measures to address certain security threats to Mr. Hillenbrand and Original Hillenbrand. These arrangements between Original Hillenbrand and W August Hillenbrand will be assigned to and assumed by New Hillenbrand in connection with the distribution.

In 2003, Batesville Casket entered into a contract with Nambé Mills, Inc. pursuant to which Batesville Casket purchases urn products from Nambé Mills. Purchases during the fiscal years ended September 30, 2005, 2006 and 2007 were approximately $321,000, $305,000 and $225,000, respectively, and purchases during fiscal 2008 are projected to total approximately $204,000. John A. Hillenbrand II, a director of Original Hillenbrand until February 8, 2008, serves as Chairman Emeritus of Nambé Mills. Mr. Hillenbrand's children own substantially all of the equity of Nambé Mills. We believe these purchases were, and will continue to be made, on terms similar to those Batesville Casket could obtain from an unrelated third party for these products.

See also "Arrangements between Original Hillenbrand and New Hillenbrand."

DESCRIPTION OF NEW HILLENBRAND CAPITAL STOCK

The following summary of our capital stock is subject in all respects to the applicable provisions of the Indiana Business Corporation Law, or IBCL, our amended and restated articles of incorporation, referred to herein as our "articles of incorporation," and our amended and restated code of by-laws, referred to herein as our "by-laws," that we expect to be in place at the time of the distribution.

General

The total number of authorized shares of capital stock of New Hillenbrand will consist of 199,000,000 shares of common stock, without par value, and 1,000,000 shares of preferred stock, without par value.

Common Stock

The holders of our common stock are entitled to one vote per share. Directors are elected by a plurality of the votes cast by shares entitled to vote. Other matters to be voted on by our shareholders will be approved if the votes cast favoring the matter exceed the votes cast opposing the matter at a meeting at which a quorum is present, subject to any voting rights granted to holders of any outstanding shares of preferred stock, except as provided below. Approval of a merger, a share exchange, a sale of all or substantially all of our property outside the usual and regular course of business or a dissolution must be approved by a majority of all votes entitled to be cast by the holders of common stock, voting together as a single voting group. Holders of our common stock will not have the right to cumulate votes in elections of directors.

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to their proportionate share of any assets in accordance with each holder's holdings remaining after payment of liabilities and any amounts due to other claimants, including the holders of any outstanding shares of preferred stock. Holders of our common stock have no preemptive rights and no right to convert or exchange their common stock into any other securities. No redemption or sinking fund provisions will apply to our common stock. All outstanding shares of common stock are, and all shares of common stock to be outstanding upon completion of the distribution will be, fully paid and non-assessable.

Holders of common stock will share equally on a per share basis in any dividend declared by our Board of Directors, subject to any preferential rights of holders of any outstanding shares of preferred stock.

Preferred Stock

Our articles of incorporation authorize our Board of Directors, without shareholder approval, to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions granted to or imposed upon the preferred stock, including voting rights, dividend rights, conversion rights, terms of redemption, liquidation preference, sinking fund terms, subscription rights and the number of shares constituting any series or the designation of a series. Our Board of Directors can issue preferred stock with voting and conversion rights that could adversely affect the voting power of the holders of common stock, without shareholder approval. No shares of preferred stock are currently outstanding and we have no present plan to issue any shares of preferred stock.

Business Combinations

Chapter 43 of the IBCL restricts business combinations with interested shareholders. It prohibits certain business combinations, including mergers, sales of assets, recapitalizations, and reverse stock splits, between certain corporations having 100 or more shareholders that also have a class of voting shares registered with the SEC under Section 12 of the Securities Exchange Act of 1934 (which includes us) and an interested shareholder, defined as the beneficial owner of 10% or more of the voting power of the outstanding voting shares of that corporation or an affiliate or associate of the corporation which beneficially owned at any time during the preceding five years 10% or more of such voting power, for five years following the date the shareholder acquired such 10% beneficial ownership, unless the acquisition or the business combination was approved by the Board of Directors in advance of that date. If the combination was not previously approved, the interested shareholder may effect a combination after

the five-year period only if the shareholder receives approval from a majority of the disinterested shares or the offer meets certain fair price criteria. A corporation may elect to opt out of these provisions in an amendment to its articles of incorporation approved by a majority of the disinterested shares. Such an amendment, however, would not become effective for eighteen months after its passage and would apply only to stock acquisitions occurring after its effective date. The amendment would not apply to any business combination with an interested shareholder whose share acquisition date occurred on or before the effective date of the amendment. Our articles of incorporation do not elect to opt out of these provisions.

Chapter 42 of the IBCL includes provisions designed to protect minority shareholders in the event that a person acquires, pursuant to a tender offer or otherwise, shares giving it more than 20%, more than 33 1/3%, or more than 50% of the outstanding voting power (which we refer to as "control shares") of an "issuing public corporation." Unless the issuing public corporation's articles of incorporation or by-laws provide that Chapter 42 does not apply to control share acquisitions of shares of the corporation before the control share acquisition, an acquirer who purchases control shares cannot vote the control shares until each class or series of shares entitled to vote separately on the proposal, by a majority of all votes entitled to be cast by that group (excluding the control shares and any shares held by officers of the corporation and employees of the corporation who are directors thereof), approve in a special or annual meeting the rights of the acquirer to vote the control shares. Unless otherwise provided in a corporation's articles of incorporation or by-laws before a control share acquisition has occurred, in the event that control shares acquired in a control share acquisition are accorded full voting rights and the acquiring person acquires control shares with a majority or more of all voting power, all shareholders of the issuing public corporation have dissenters' rights to receive the fair value of their shares.

"Issuing public corporation" means a corporation which is organized in Indiana, has 100 or more shareholders, its principal place of business, its principal office or substantial assets within Indiana and one of the following:

- more than 10% of its shareholders resident in Indiana;
- more than 10% of its shares owned by Indiana residents; or
- 10,000 shareholders resident in Indiana.

An issuing public corporation may elect not to be covered by the statute by so providing in its articles of incorporation or by-laws. Neither our articles of incorporation nor our by-laws elect to opt out of these provisions.

We anticipate that the provisions of Chapters 42 and 43 of the IBCL may encourage companies interested in acquiring us to negotiate in advance with our Board of Directors.

Classified Board of Directors

Our articles of incorporation provide for our Board to be divided into three classes of directors, as nearly equal in number as possible, serving staggered terms. Approximately one-third of our Board will be elected each year. Under our articles of incorporation, our directors can be removed only for cause and only upon the affirmative vote of the holders of at least two-thirds of the voting power of all shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class. The provisions for our classified Board and certain other Board of Director matters may be amended, altered or repealed only upon the affirmative vote of the holders of at least two-thirds of the voting power of all shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class.

The provision for a classified board could prevent a party that acquires control of a majority of the outstanding voting stock from obtaining control of our Board until the second annual shareholders meeting following the date the acquiror obtains the controlling stock interest. The classified board provision could have the effect of discouraging a potential acquiror from making a tender offer for our shares or otherwise attempting to obtain control of us and could increase the likelihood that our incumbent directors will retain their positions.

We believe that a classified board will help to assure the continuity and stability of our Board and our business strategies and policies as determined by our Board, because a majority of the directors at any given time will have prior experience on our Board. The classified board provision should also help to ensure that our Board, if confronted with an unsolicited proposal from a third party that has acquired a block of our voting stock, will have

sufficient time to review the proposal and appropriate alternatives and to seek the best available result for all shareholders.

We expect that Class I directors will have an initial term expiring in 2009, Class II directors will have an initial term expiring in 2010 and Class III directors will have an initial term expiring in 2011. After the distribution, we expect our Board will consist of nine directors.

After the initial term of each class, our directors will serve three-year terms. At each annual meeting of shareholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring.

Our articles of incorporation further provide that vacancies or newly created directorships in our Board may only be filled by the vote of a majority of the directors then in office, and any director so chosen will hold office until the next annual meeting of shareholders.

At any annual or special meeting of directors, our by-laws require the presence of a majority of the duly elected and qualified members then occupying office as a quorum. However, our articles of incorporation provide for a quorum of 1/3 of such members unless the by-laws otherwise specify.

Shareholder Action; Special Meetings

Our articles of incorporation provide that shareholder action only can be taken at an annual or special meeting of shareholders except that shareholder action by written consent can be taken if the consent is signed by all the holders of our issued and outstanding capital stock entitled to vote thereon. Our by-laws provide that special meetings of the shareholders can only be called by our Board of Directors, our President or shareholders holding not less than one-fourth of the outstanding shares of our common stock.

Quorum at Shareholder Meetings

The holders of a majority of the shares entitled to vote at any meeting of the shareholders, present in person or by proxy, shall constitute a quorum at all shareholder meetings.

Shareholder Proposals

At any meeting of shareholders, only business that is properly brought before the meeting will be conducted. To be properly brought before a meeting of shareholders, business must be specified in the notice of the meeting, brought before the meeting by or at the direction of the Board of Directors, the Chairman of the Board or the Chief Executive Officer or properly brought before the meeting by a shareholder.

For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary at our principal place of business. To be timely, a shareholder's notice must be delivered to or mailed and received by our Secretary not later than 100 days prior to the anniversary of the date of the immediately preceding annual meeting which was specified in the initial formal notice of such meeting (but if the date of the forthcoming annual meeting is more than 30 days after such anniversary date, such written notice will also be timely if received by the Secretary by the later of 100 days prior to the forthcoming meeting date and the close of business 10 days following the date on which we first make public disclosure of the meeting date). For 2009 only, the anniversary of the preceding annual meeting is deemed to be February 8, 2009.

A shareholder's notice must set forth, as to each matter the shareholder proposes to bring before the meeting:

- a brief description of the business desired to be brought before the meeting;
- the name and address of such shareholder;
- the class and number of shares that are owned beneficially by the shareholder proposing the business; and
- any interest of the shareholder in such business.

Similarly, at a special meeting of shareholders, only such business as is properly brought before the meeting will be conducted or considered. To be properly brought before a special meeting, business must be specified in the notice of the meeting (or any supplement to that notice) or brought before the meeting by or at the direction of the Board of Directors, Chairman of our Board or our Chief Executive Officer.

Nomination of Candidates for Election to Our Board

Our by-laws provide that nominations of persons for election to our Board of Directors may be made at any meeting of shareholders by or at the direction of the Board of Directors or by any shareholder entitled to vote for the election of members of the Board of Directors at the meeting. For nominations to be made by a shareholder, the shareholder must have given timely notice thereof in writing to our Secretary and any nominee must satisfy the qualifications established by the Board of Directors from time to time as contained in the proxy statement for our immediately preceding annual meeting or posted on our website. To be timely, a shareholder's nomination must be delivered to or mailed and received by the Secretary not later than (1) in the case of the annual meeting, 100 days prior to the anniversary of the date of the immediately preceding annual meeting which was specified in the initial formal notice of such meeting (but if the date of the forthcoming annual meeting is more than 30 days after such anniversary date, such written notice will also be timely if received by the Secretary by the later of 100 days prior to the forthcoming meeting date and the close of business 10 days following the date on which we first make public disclosure of the meeting date) and (ii) in the case of a special meeting, the close of business on the tenth day following the date on which we first make public disclosure of the meeting date. For 2009 only, the anniversary of the preceding annual meeting is deemed to be February 8, 2009.

The notice given by a shareholder must set forth:

- the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated;
- a representation that the shareholder is a holder of record, setting forth the shares so held, and intends to appear in person or by proxy as a holder of record at the meeting to nominate the person or persons specified in the notice;
- a description of all arrangements or understandings between such shareholder and each nominee proposed by the shareholder and any other person or persons (identifying such person or persons) pursuant to which the nomination or nominations are to be made by the shareholders;
- such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC;
- the consent in writing of each nominee to serve as a director if so elected, and
- a description of the qualifications of such nominee to serve as a director.

Amendment of By-laws

Our by-laws may be amended, altered or repealed only by our Board of Directors by affirmative vote of a majority of directors present at the meeting.

Amendment of the Articles of Incorporation

Except as otherwise specified above, any proposal to amend, alter, change or repeal any provision of our articles of incorporation, except as may be provided in the terms of any preferred stock, requires approval by our Board of Directors and our shareholders. In general, such a proposal would be approved by our shareholders if the votes cast favoring the proposal exceed the votes cast opposing the proposal at a meeting at which a quorum is present.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Investors Services.

NYSE Listing

We have filed an application to list our shares of common stock on the New York Stock Exchange. We expect that our shares will trade under the symbol "HI."

Limitation on Liability of Directors and Indemnification of Directors and Officers

Chapter 37 of the IBCL authorizes every Indiana corporation to indemnify its officers and directors under certain circumstances against liability incurred in connection with proceedings to which the officers or directors are made a party by reason of their relationship to the corporation. Officers and directors may be indemnified where they have acted in good faith; in the case of official action, the conduct was in the corporation's best interests and in all other cases, the action taken was not against the interests of the corporation; and in the case of criminal proceedings the action was lawful or there was no reason or cause to believe the action was unlawful. Chapter 37 also requires every Indiana corporation to indemnify any of its officers or directors (unless limited by the articles of incorporation of the corporation) who were wholly successful, on the merits or otherwise, in the defense of any such proceeding against reasonable expenses incurred in connection with the proceeding. A corporation may also, under certain circumstances, pay for or reimburse the reasonable expenses incurred by an officer or director who is a party to a proceeding in advance of final disposition of the proceeding. Chapter 37 states that the indemnification provided for therein is not exclusive of any other rights to which a person may be entitled under, the articles of incorporation, by-laws or resolutions of the Board of Directors or shareholders.

Our articles of incorporation and by-laws generally obligate us to indemnify our directors and officers to the full extent permitted by the IBCL and to advance expenses incurred by our directors and officers in the defense of certain claims.

We expect to enter into indemnification agreements with our directors and certain of our officers. Generally, these indemnification agreements will obligate us to indemnify each director and each such officer to the full extent permitted by the laws of the State of Indiana. Indemnification will be required against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense or settlement of a claim, made against the director or officer by reason of his or her service in such role for us. Indemnification is not available in certain circumstances, including where a court determines that the director or officer derived an improper personal benefit, where a court determines that indemnification is not lawful under any applicable statute or public policy or in connection with any proceeding initiated by the officer or director unless required by law, authorized by the Board of Directors or related to enforcement of the indemnification agreement.

We intend to obtain policies that insure our directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacity as directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the directors or officers.

SHARES ELIGIBLE FOR FUTURE SALE

Sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect our common stock's prevailing market price. Upon completion of the distribution, we expect that we will have outstanding an aggregate of approximately 62.3 million shares of our common stock based upon the shares of Original Hillenbrand common stock issued and outstanding as of February 25, 2008 and the distribution ratio of one share of our common stock for each share of Original Hillenbrand common stock outstanding. The actual number of shares of our common stock outstanding will not be known until the actual number of shares to be distributed is determined after the record date. All of the shares of our common stock will be freely tradable without restriction or further registration under the Securities Act unless the shares are owned by our "affiliates" as that term is defined in Rule 405 under the Securities Act. Shares held by affiliates may be sold in the public market only if registered or if they qualify for an exemption from registration under the Securities Act, including Rule 144 thereunder, which is summarized below. Further, as described below, we plan to file a registration statement to cover the shares issued under our Stock Incentive Plan.

Rule 144

In general, under Rule 144 as currently in effect, an affiliate would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- one percent of the number of shares of our common stock then outstanding, which we expect will equal approximately 620,000 shares of common stock immediately after the distribution; or
- the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Employee Stock Options

We expect to grant options to purchase our common stock and issue deferred stock awards (otherwise known as restricted stock units) pursuant to our Stock Incentive Plan, subject to restrictions, as replacement options or deferred stock awards (otherwise known as restricted stock units) for certain Original Hillenbrand options and deferred stock awards outstanding at the time of the distribution. The number of replacement options and deferred stock awards that we may grant will be determined as of the distribution date as described in the employee matters agreement. As of February 25, 2008, our directors and employees held stock options covering a total of 895,815 shares of Original Hillenbrand common stock that we expect will be replaced by options to purchase shares of our common stock. In addition, our directors and employees held 193,911 Original Hillenbrand deferred stock awards including performance based stock awards that we expect will be replaced by New Hillenbrand deferred stock awards or that will fully vest upon completion of the distribution and be replaced by unrestricted shares of our common stock. We currently expect to file a registration statement under the Securities Act to register shares to be issued under our Stock Incentive Plan. Shares issued pursuant to awards after the effective date of such registration statement, other than shares issued to affiliates, generally will be freely tradable without further registration under the Securities Act.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock. This information statement is a part of that registration statement and, as allowed by SEC rules, does not include all of the information you can find in the registration statement or the exhibits to the registration statement. For additional information relating to us and the distribution, reference is made to the registration statement and the exhibits to the registration statement. Statements contained in this information statement as to the contents of any contract or document referred to are not necessarily complete and in each instance, if the contract or document is filed as an exhibit to the registration statement, we refer you to the copy of the contract or other document filed as an

exhibit to the registration statement. Each such statement is qualified in all respects by reference to the applicable document.

After the distribution, we will file annual, quarterly and special reports, proxy statements and other information with the SEC. We intend to furnish our shareholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm. The registration statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's website at http://www.sec.gov. You may read and copy any filed document at the SEC's public reference room in Washington, D.C. at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1 (800) SEC-0330 for further information about the public reference room.

We maintain an Internet site at http://www.batesville.com. Our website and the information contained on that site, or accessible through that site, are not incorporated into this information statement or the registration statement on Form 10. We intend to make the annual, quarterly and special reports, proxy statements and other information we file with or furnish to the SEC available free of charge on our website as soon as reasonably practicable after we electronically file or furnish such material with or to the SEC.

INCORPORATION BY REFERENCE OF INFORMATION ABOUT ORIGINAL HILLENBRAND

Original Hillenbrand currently files annual, quarterly and special reports, proxy statements and other information with the SEC. Documents Original Hillenbrand files with the SEC are available at the website and address of the SEC provided above under "Where You Can Find More Information."

We incorporate by reference in this information statement the following documents, which Original Hillenbrand has filed or will file with the SEC:

- Original Hillenbrand's annual report on Form 10-K for the year ended September 30, 2007;
- Original Hillenbrand's quarterly report on Form 10-Q for the quarterly period ended December 31, 2007;
- Original Hillenbrand's current reports on Form 8-K filed on November 6, 2007, December 14, 2007, January 17, 2008, February 13, 2008 and February 19, 2008, as amended by Form 8-K/A filed on March 10, 2008; and
- each other document filed by Original Hillenbrand with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the completion of the distribution.

The documents incorporated by reference contain important information about Original Hillenbrand and its financial condition and results of operations. In particular, the current report on Form 8-K/A filed by Original Hillenbrand on March 10, 2008 contains unaudited pro forma financial statements of Original Hillenbrand giving effect to the separation and distribution. You may obtain any of the documents incorporated by reference in this information statement from the SEC as provided above. You also may request a copy of any document incorporated by reference in this information statement (excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference in this document), at no cost, by writing or calling us at the following address: Hillenbrand Industries, Inc., Investor Relations, 1069 State Route 46 East, Batesville, Indiana 47006-8835, telephone: (812) 931-3533.

INDEX TO COMBINED FINANCIAL STATEMENTS

All other schedules are omitted because they are not applicable or the required information is shown in the combined financial statements or the notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Hillenbrand Industries, Inc.:

In our opinion, the combined financial statements listed in the accompanying index present fairly, in all material respects, the financial position of the funeral service business of Hillenbrand Industries, Inc. ("the Company") at September 30, 2007 and 2006, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related combined financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the combined financial statements, the Company changed the manner in which it accounts for defined benefit pension and other post-retirement plans effective September 30, 2007 and the manner in which it accounts for share-based compensation effective October 1, 2005.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Cincinnati, Ohio
January 15, 2008

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

COMBINED STATEMENTS OF INCOME

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2007	2006	2007	2006	2005
	(Unaudited)	(Unaudited)	(In millions, except per share amounts)		
Net revenues	$ 162.9	$ 162.2	$ 667.2	$ 674.6	$ 659.4
Cost of goods sold	96.0	93.4	388.6	391.9	392.9
Gross profit	66.9	68.8	278.6	282.7	266.5
Operating expenses	27.3	26.7	117.9	105.3	105.2
Separation costs (Note 4)	1.2	—	5.1	—	—
Operating profit	38.4	42.1	155.6	177.4	161.3
Investment income and other	(0.4)	(0.4)	1.4	1.4	2.0
Income before income taxes	38.0	41.7	157.0	178.8	163.3
Income tax expense	14.0	15.6	57.5	65.6	60.5
Net income	$ 24.0	$ 26.1	$ 99.5	$ 113.2	$ 102.8
Unaudited pro forma basic and diluted net income per share	$ 0.38	$ 0.42	$ 1.60	$ 1.82	$ 1.65
Unaudited pro forma basic and diluted shares outstanding	62.3	62.3	62.3	62.3	62.3

See Notes to Combined Financial Statements.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

COMBINED BALANCE SHEETS

	December 31, 2007 (Unaudited)	September 30, 2007	September 30, 2006
		(Dollars in millions)	
ASSETS			
Current Assets			
Cash	$ 11.8	$ 11.9	$ 7.9
Trade accounts receivable, less allowance of $18.0 on December 31, 2007 (unaudited), $18.0 on September 30, 2007 and $13.9 on September 30, 2006 (Note 1)	93.4	90.9	96.0
Inventories (Note 1)	48.7	47.5	47.7
Deferred income taxes (Notes 1 and 7)	17.0	16.0	12.9
Other current assets	7.3	3.9	7.0
Total current assets	178.2	170.2	171.5
Property, net (Note 1)	87.5	88.9	88.9
Intangible assets, net	22.0	23.0	22.2
Prepaid pension costs (Note 5)	1.6	1.6	17.4
Deferred income taxes (Notes 1 and 7)	16.1	16.2	6.8
Other assets	16.6	16.7	22.6
Total Assets	$ 322.0	$ 316.6	$ 329.4
LIABILITIES			
Current Liabilities			
Trade accounts payable	$ 17.6	$ 18.3	$ 18.0
Accrued compensation	19.6	20.6	23.4
Accrued customer rebates	19.4	20.3	19.0
Other current liabilities	18.3	16.6	16.6
Total current liabilities	74.9	75.8	77.0
Deferred compensation, long-term portion	7.9	8.6	7.9
Accrued pension and postretirement benefits	28.8	28.1	27.7
Other long-term liabilities (Note 6)	26.6	23.2	24.3
Total Liabilities	138.2	135.7	136.9
Commitments and contingencies (Note 10)			
PARENT COMPANY EQUITY			
Parent company investment (Note 1)	195.5	193.5	197.5
Accumulated other comprehensive loss (Note 1)	(11.7)	(12.6)	(5.0)
Total Parent Company Equity	183.8	180.9	192.5
Total Liabilities and Parent Company Equity	$ 322.0	$ 316.6	$ 329.4

See Notes to Combined Financial Statements.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

COMBINED STATEMENTS OF CASH FLOWS

	December 31,		Fiscal Year Ended September 30,		
	2007 (Unaudited)	2006 (Unaudited)	2007	2006	2005
			(Dollars in millions)		
Operating Activities					
Net income	$ 24.0	$ 26.1	$ 99.5	$ 113.2	$ 102.8
Adjustments to reconcile net income to net cash flows from operating activities:					
Depreciation and amortization	4.5	4.2	18.5	17.7	18.2
Provision (benefit) for deferred income taxes	2.0	(0.4)	(7.1)	0.8	11.3
(Gain) on disposal of property	—	(0.4)	(0.2)	(3.8)	(1.2)
Change in working capital excluding cash and acquisitions:					
Trade accounts receivable	(2.5)	1.3	5.9	(3.2)	(2.9)
Inventories	(1.2)	(1.5)	1.8	5.0	(1.6)
Other current assets	(3.4)	0.5	3.1	0.3	(3.7)
Trade accounts payable	(0.7)	(0.8)	(0.3)	(1.0)	(2.7)
Accrued expenses and other current liabilities	(1.1)	(0.5)	(2.4)	(4.6)	8.2
Change in deferred compensation	(0.1)	—	0.7	(5.6)	(7.4)
Defined benefit plan funding	(0.3)	(0.5)	(2.0)	(1.5)	(43.6)
Other, net	1.5	1.9	9.8	7.3	11.5
Net cash provided by operating activities	22.7	29.9	127.3	124.6	88.9
Investing Activities					
Capital expenditures and purchase of intangibles	(2.3)	(1.7)	(15.6)	(18.8)	(16.3)
Proceeds on disposal of property	0.1	0.6	1.1	6.2	3.1
Payment for acquisitions of businesses, net of cash acquired	—	—	(5.6)	(2.7)	—
Net cash used in investing activities	(2.2)	(1.1)	(20.1)	(15.3)	(13.2)
Financing Activities					
Net change in advances to parent	(20.2)	(26.5)	(103.5)	(107.0)	(78.3)
Net cash used in financing activities	(20.2)	(26.5)	(103.5)	(107.0)	(78.3)
Effect of exchange rate changes on cash	(0.4)	(0.1)	0.3	0.3	0.1
Net cash flows	(0.1)	2.2	4.0	2.6	(2.5)
Cash					
At beginning of period	11.9	7.9	7.9	5.3	7.8
At end of period	$ 11.8	$ 10.1	$ 11.9	$ 7.9	$ 5.3

See Notes to Combined Financial Statements.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

COMBINED STATEMENTS OF PARENT COMPANY EQUITY AND COMPREHENSIVE INCOME

	Parent Company Investment	Accumulated Other Comprehensive Loss	Total
	(Dollars in millions)		
Balance at September 30, 2004	$ 166.8	$ (5.9)	$ 160.9
Change in parent company investment	(78.3)		(78.3)
Comprehensive Income:			
Net income	102.8		102.8
Foreign currency translation adjustment		1.5	1.5
Change in minimum pension liability		(1.4)	(1.4)
Total comprehensive income			102.9
Balance at September 30, 2005	191.3	(5.8)	185.5
Change in parent company investment	(107.0)		(107.0)
Comprehensive Income:			
Net income	113.2		113.2
Foreign currency translation adjustment		0.3	0.3
Change in minimum pension liability		0.5	0.5
Total comprehensive income			114.0
Balance at September 30, 2006	197.5	(5.0)	192.5
Change in parent company investment	(103.5)		(103.5)
Comprehensive Income:			
Net income	99.5		99.5
Foreign currency translation adjustment		1.2	1.2
Change in minimum pension liability		0.2	0.2
Total comprehensive income			100.9
Adoption of SFAS No. 158 (Note 5)		(9.0)	(9.0)
Balance at September 30, 2007	193.5	(12.6)	180.9
Adoption of FIN 48 (Note 1) (unaudited)	(1.8)		(1.8)
Change in parent company investment (unaudited)	(20.2)		(20.2)
Comprehensive Income:			
Net income (unaudited)	24.0		24.0
Foreign currency translation adjustment (unaudited)		0.7	0.7
Change in pension related prior service costs (unaudited)		0.2	0.2
Total comprehensive income (unaudited)			24.9
Balance at December 31, 2007 (unaudited)	$ 195.5	$ (11.7)	$ 183.8

See Notes to Combined Financial Statements.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions)

1. Distribution and Description of the Business

On May 10, 2007, Hillenbrand Industries, Inc. ("Hillenbrand") announced that its board of directors had authorized management of Hillenbrand to pursue a plan to separate its funeral service business (herein referred to as "Batesville" or the "Company") from its medical technology and related health care services business. The separation of the funeral service business into an independent publicly traded company will occur through a spin-off of 100% of the common stock ("Distribution") of Batesville.

At the date of distribution, through a series of pre-separation transactions, Batesville will hold all the assets and liabilities of the funeral service business. The spin-off is intended to be tax free to the stockholders and to Hillenbrand and Batesville. Hillenbrand will distribute all of the shares of Batesville common stock as a dividend on Hillenbrand common stock as of the record date for the Distribution. Hillenbrand and Batesville will each be independent and have separate public ownership, boards of directors and management. The Distribution is subject to final approval by Hillenbrand's board of directors.

Nature of Operations

Batesville is a leader in the North American death care industry through the manufacture, distribution and sale of funeral service products to licensed funeral establishments. Batesville's products consist primarily of burial and cremation caskets, but also include containers and urns, selection room display fixturing for funeral homes and other personalization and memorialization products and services, including the creation and hosting of websites for funeral homes.

Basis of Presentation

The accompanying combined financial statements were prepared in connection with the Distribution and reflect the combined historical results of operations, financial position and cash flows of the funeral service business, as described above. All significant intercompany transactions and accounts have been eliminated. Management believes the assumptions underlying the combined financial statements, including the assumptions around allocating general corporate overhead costs from Hillenbrand, are reasonable. However, these combined financial statements do not include all of the actual expenses that would have been incurred had Batesville been a stand-alone entity during the periods presented and do not reflect the combined results of operations, financial position and cash flows as if Batesville had been a stand-alone company during the periods presented. See Note 4 for further information regarding allocated expenses.

Unaudited Interim Financial Information

The accompanying unaudited Combined Financial Statements as of December 31, 2007 and for the three months ended December 31, 2007 and 2006 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S.") and with the instructions to Article 10 of Regulation S-X. Except for the adoption of Financial Accounting Standards Board ("FASB") Interpretation ("FIN") 48, "Accounting for Uncertainty in Income Taxes," on October 1, 2007, the unaudited Combined Financial Statements as of December 31, 2007 and for the three month periods ended December 31, 2007 and 2006 have been prepared on the same basis as the Combined Financial Statements as of September 30, 2007 and for the year ended September 30, 2007 included herein, and in the opinion of management, reflect all adjustments, consisting only of normal and recurring adjustments, considered necessary to present fairly the Company's combined financial position as of December 31, 2007 and the combined results of its operations and its cash flows for the three month period ended December 31, 2007 and 2006. The combined results of operations for the three months ended December 31, 2007 are not necessarily indicative of the results that may be expected for the year ending September 30, 2008 or for any other period.

Unaudited Pro Forma Net Income Per Share

The calculation of unaudited pro forma basic and diluted net income per share and shares outstanding for the periods presented is based on the number of shares of Original Hillenbrand common stock outstanding at December 31, 2007 (plus unissued fully vested common shares) adjusted for the distribution ratio of one share of the Company's common stock for every share of Original Hillenbrand common stock. There is no dilutive impact from common stock equivalents for periods prior to the separation, as the Company had no dilutive securities outstanding. The dilutive effect of the Company's share-based awards issued in connection with the conversion of Original Hillenbrand awards upon separation, and for future Company grants will be included in the computation of diluted net income per share in periods after the separation.

Foreign Currency Translation

The functional currency of foreign operations is generally the local currency in the country of domicile. Assets and liabilities of foreign operations are primarily translated into U.S. dollars at year-end rates of exchange and the income statements are translated at the average rates of exchange prevailing during the year. Adjustments resulting from translation of the financial statements of foreign operations into U.S. dollars are excluded from the determination of net income, but included as a component of accumulated other comprehensive loss. Foreign currency gains and losses resulting from foreign currency transactions are included in results of operations and are not material.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Examples of such estimates include, but are not limited to, amounts of allowance for doubtful accounts (Note 1) and the establishment of liabilities relating to accrued customer rebates, self-insurance reserves (Note 1 and 6) and income taxes (Note 7).

Cash and Cash Management

Hillenbrand generally uses a centralized approach to cash management and financing of operations. Batesville does maintain its own bank accounts, both domestically and internationally; however, all domestic accounts are swept by Hillenbrand on a daily basis for central cash administration. For purposes of these combined financial statements, only cash held in Batesville bank accounts on each date are presented in the combined balance sheets. Transfers of cash both to and from Hillenbrand's cash management system are reflected as a component of parent company investment in the combined balance sheets.

Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest, unless they become past due. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses and collection risk in our existing accounts receivable portfolio. We determine the allowance based on historical write-off and individual customer collection experience. Account balances are charged against the allowance when we believe it is probable the receivable will not be recovered. We do not have any off-balance-sheet credit exposure related to our customers. We generally hold our trade accounts receivable until they are paid.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

Inventories

Inventories are valued at the lower of cost or market. Inventory costs are determined by the last-in, first-out (LIFO) method for approximately 83 percent and 88 percent of our inventories at September 30, 2007 and 2006, respectively. Costs for other inventories have been determined principally by the first-in, first-out (FIFO) method. Inventories at the end of each period consist of the following:

	December 31, 2007 (Unaudited)	September 30, 2007	September 30, 2006
Raw materials and work in process	$ 11.4	$ 10.3	$ 12.3
Finished products	37.3	37.2	35.4
Total	$ 48.7	$ 47.5	$ 47.7

If the FIFO method of inventory accounting, which approximates current cost, had been used for all inventories, they would have been approximately $11.9 million and $10.9 million higher than reported at September 30, 2007 and 2006, respectively.

Property

Property is recorded at cost and depreciated over the estimated useful lives of the assets using principally the straight-line method. Ranges of estimated useful lives are as follows:

Land improvements	6 years
Buildings and building equipment	10-40 years
Machinery and equipment	3-10 years

When property is retired from service or otherwise disposed of, the cost and related amount of accumulated depreciation are eliminated. The difference, if any, between the net asset value and the proceeds on sale are charged or credited to income. Total depreciation expense for fiscal years 2007, 2006 and 2005 was $14.4 million, $13.8 million and $13.8 million, respectively. The major components of property and the related accumulated depreciation at the end of each period were as follows:

	December 31, 2007		September 30, 2007		September 30, 2006	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	(Unaudited)					
Land and land improvements	$ 7.1	$ 3.1	$ 7.1	$ 3.0	$ 7.3	$ 3.0
Buildings and building equipment	70.4	42.9	70.0	42.5	69.4	41.1
Machinery and equipment	227.7	171.7	227.2	169.9	228.2	171.9
Total	$ 305.2	$ 217.7	$ 304.3	$ 215.4	$ 304.9	$ 216.0

Intangible Assets

Intangible assets are stated at cost and consist predominantly of software, goodwill and trademarks. With the exception of goodwill, our intangible assets are amortized on a straight-line basis over periods ranging from 5 to 15 years. We review intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when the estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

We assess the carrying value of goodwill annually, during the third quarter of each fiscal year, or sooner if events or changes in circumstances indicate that the carrying value of a reporting segment may not be recoverable. For the purposes of that assessment, we have determined the Company to have a single reporting unit that is consistent with our reportable segment level.

Costs associated with internal use software are recorded in accordance with American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use." Certain expenditures relating to the development of software for internal use are capitalized in accordance with this Statement, including applicable costs associated with the implementation of our Enterprise Resource Planning system. Capitalized software costs are amortized on a straight-line basis over periods ranging from five to ten years once the software is ready for its intended use. Amortization expense approximated $3.0 million, $3.1 million and $3.2 million for fiscal years 2007, 2006 and 2005, respectively, and is included in the total amortization expense amounts provided below.

A summary of intangible assets and the related accumulated amortization as of the end of each period was as follows:

	December 31, 2007		September 30, 2007		September 30, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	(Unaudited)					
Goodwill	$ 5.7	$ —	$ 5.8	$ —	$ 3.0	$ —
Software	27.3	15.9	27.3	15.2	27.5	12.8
Other	8.3	3.4	8.2	3.1	8.7	4.2
Total	$ 41.3	$ 19.3	$ 41.3	$ 18.3	$ 39.2	$ 17.0

Total amortization expense for fiscal years 2007, 2006 and 2005 was $3.9 million, $3.9 million and $4.4 million, respectively. Amortization expense for all intangibles is expected to approximate the following for each of the next five fiscal years and thereafter: $3.6 million in 2008, $3.5 million in 2009, $3.3 million in 2010, $3.3 million in 2011, $1.9 million in 2012 and $1.6 million thereafter.

See Note 2 for information regarding changes in goodwill.

Retirement Plans

We sponsor retirement and postretirement plans covering a majority of employees. Expense recognized in relation to these defined benefit retirement plans and the postretirement health care plan is based upon actuarial valuations and inherent in those valuations are key assumptions including discount rates, and where applicable, expected returns on assets, projected future salary rates and projected health care cost trends. The discount rates used in the valuation of our defined benefit pension and postretirement plans are evaluated annually based on current market conditions. In setting these rates we utilize long-term bond indices and yield curves as a preliminary indication of interest rate movements, and then make adjustments to the respective indices to reflect differences in the terms of the bonds covered under the indices in comparison to the projected outflow of our pension obligations. Our overall expected long-term rate of return on pension assets is based on historical and expected future returns, which are inflation adjusted and weighted for the expected return for each component of the investment portfolio. Our rate of assumed compensation increase is also based on our specific historical trends of past wage adjustments in recent years.

In September 2006, the FASB issued Statement of Accounting Financial Standards (SFAS) No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)." This Statement requires recognition of the funded status of a benefit plan in

the statement of financial position. SFAS No. 158 also requires recognition in other comprehensive income of certain gains and losses that arise during the period but are deferred under pension accounting rules, as well as modifies the timing of reporting and adds certain disclosures. The Statement provides recognition and disclosure elements to be effective as of the end of the fiscal year after December 15, 2006, our fiscal year 2007. As such, we have adopted the recognition and disclosure elements at the end of the 2007 fiscal year. See Note 5 for the impact of adopting SFAS No. 158.

Environmental Liabilities

Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. A reserve is established when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These reserves are determined without consideration of possible loss recoveries from third parties. More specifically, financial management, in consultation with its environmental engineer, estimates the range of liability based on current interpretations of environmental laws and regulations. For each site in which a Company unit is involved, a determination is made of the specific measures that are believed to be required to remediate the site, the estimated total cost to carry out the remediation plan and the periods in which we will make payments toward the remediation plan. We do not make an estimate of general or specific inflation for environmental matters since the number of sites is small, the magnitude of costs to execute remediation plans is not significant and the estimated time frames to remediate sites are not believed to be lengthy.

Specific costs included in environmental expense and reserves include site assessment, development of a remediation plan, clean-up costs, post-remediation expenditures, monitoring, fines, penalties and legal fees. Reserve amounts represent the expected undiscounted future cash outflows associated with such plans and actions and amounted to $0.2 million at September 30, 2007.

Expenditures that relate to current operations are charged to expense.

Self-Insurance

We are generally self-insured up to certain limits for product/general liability, workers' compensation, auto liability and professional liability insurance programs, as well as certain employee health benefits including medical, drug and dental. These policies have deductibles and self-insured retentions ranging from $150 thousand to $1.0 million per occurrence, depending upon the type of coverage and policy period. Our policy is to estimate reserves based upon a number of factors including known claims, estimated incurred but not reported claims and outside actuarial analysis, which are based on historical information along with certain assumptions about future events. Such estimated reserves are classified as other current liabilities and other long-term liabilities within the combined balance sheets.

Parent Company Investment

Parent company investment within the combined balance sheets represents Hillenbrand's historical investment of capital into the Company, the Company's accumulated net earnings after taxes, and the net effect of transactions with and allocations of corporate expenses from Hillenbrand.

Accumulated Other Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," requires the net-of-tax effect of unrealized gains or losses on foreign currency translation adjustments, along with pension or other defined benefit postretirement plans'

(Dollars in millions) — (Continued)

actuarial gains/losses and prior service costs to be included as a component of accumulated other comprehensive loss. The composition of accumulated other comprehensive loss at the end of each period was as follows:

	December 31, 2007 (Unaudited)	September 30, 2007	September 30, 2006
Cumulative foreign currency translation adjustments	$ (1.9)	$ (2.6)	$ (3.8)
Minimum pension liability	*	*	(1.2)
Items not recognized as a component of net pension and postretirement benefit costs	(9.8)	(10.0)	*
Total	$ (11.7)	$ (12.6)	$ (5.0)

* Not applicable due to adoption of SFAS No. 158.

Revenue Recognition

We recognize revenue in accordance with SEC Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition." Revenue for our products is generally recognized upon delivery of the products to the customer, but in no case prior to when the risk of loss and other risks and rewards of ownership are transferred.

Net revenues reflect gross revenues less sales discounts, customer rebates, sales incentives, and product returns. In accordance with Emerging Issue Task Force (EITF) 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)," we record reserves for customer rebates, typically based upon projected customer volumes. In addition, in connection with obtaining long-term supply agreements from our customers, we may offer sales incentives in the form of custom showrooms and fixtures. Costs associated with these sales incentives are amortized over the term of the related agreement, typically 3 to 5 years. Our sales terms generally offer customers various rights of return. We record reserves for estimated product returns in accordance with SFAS No. 48, "Revenue Recognition When Right of Return Exists."

Cost of Goods Sold

Cost of goods sold consists primarily of purchased material costs, fixed manufacturing expense, variable direct labor, overhead costs and costs associated with the distribution and delivery of products to our customers.

Research and Development Costs

Research and development costs are expensed as incurred as a component of operating expenses and were $3.2 million, $2.7 million and $3.4 million for fiscal years 2007, 2006 and 2005, respectively.

Advertising Costs

Advertising costs are expensed as incurred and were $6.5 million, $4.3 million and $4.8 million for fiscal years 2007, 2006 and 2005, respectively.

Stock-Based Compensation

Batesville employees participate in Hillenbrand's stock-based compensation plans, which provide for the issuance of a variety of stock-based awards.

Prior to fiscal 2006, we applied the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees", in accounting for stock-based compensation issued under Hillenbrand's plans. As a result, no compensation expense was recognized for stock options granted with exercise prices

(Dollars in millions) — (Continued)

equivalent to the fair market value of Hillenbrand stock on the date of grant. Compensation expense was recognized on other forms of stock-based compensation, including stock and performance-based awards and units. Effective October 1, 2005, we adopted SFAS No. 123(R), "Share Based Payment," using the modified prospective application method. Under this method, as of October 1, 2005, we applied the provisions of this Statement to new and modified awards, as well as to the nonvested portion of awards granted before the required effective date and outstanding at such time. The adoption of this pronouncement had no effect on compensation cost recorded in fiscal year 2005 related to stock options, which continues to be disclosed on a pro forma basis only.

On September 1, 2005, the vesting of certain unvested and underwater options previously awarded to employees, officers, and other eligible participants under the Hillenbrand stock option plans was accelerated. As such, we fully vested options to purchase 210,600 shares of Hillenbrand common stock held by Batesville employees with exercise prices greater than or equal to $50.48 per share. There was no expense recognition under the intrinsic value method within our combined statements of income as a result of this action. The total avoided future compensation expense of $1.1 million (net-of-tax) on the acceleration of these options held by Batesville employees appears as a pro forma expense in the fourth quarter of 2005, as permitted in guidance provided by the FASB.

As a result of adopting SFAS No. 123(R) on October 1, 2005, Batesville's income before income taxes and net income for the fiscal years 2007 and 2006, are $1.0 million and $0.7 million and $0.6 million and $0.4 million lower, respectively, than if we had continued to account for share-based compensation under APB Opinion No. 25.

The following table illustrates the effect on Batesville's net income and earnings per share as if we had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", to all stock-based employee compensation programs for fiscal year 2005. The fair values of stock option grants are estimated on the date of grant using the Binomial option-pricing model which incorporates the possibility of early exercise of options into the valuation, as well as our historical exercise and termination experience to determine the option value. Because of the change in expense recognition for retirement eligible employees, the application of estimated forfeitures, the 2005 acceleration of vesting on underwater stock options, the fact that our options vest over three years and additional stock-based compensation grants have been made subsequent to the adoption of SFAS No. 123(R), the results of expensing stock-based compensation in future periods may have a materially different effect on net income than that presented below. See Note 9 for more details.

	2005
Net income, as reported	$ 102.8
Add:	
Total stock-based employee compensation, net of related tax effects, included in net income, as reported	1.1
Deduct:	
Total stock-based employee compensation, net of related tax effects, assuming fair value based method of accounting	(4.4)
Pro forma net income	$ 99.5

Income Taxes and Adoption of FIN 48 (unaudited)

Batesville's operating results have historically been included in Hillenbrand's consolidated U.S. income tax returns. Foreign operations file income tax returns in a number of jurisdictions. The provision for income taxes in these financial statements has been determined on a separate return basis as if Batesville were a separate, stand-alone taxpayer rather than a member of Hillenbrand's consolidated income tax return group. Accordingly, cash tax obligations are generally paid by Hillenbrand with differences between tax expense calculated on a separate return

basis and cash paid by Hillenbrand reflected as changes in parent company investment. Deferred income taxes are computed in accordance with SFAS No. 109, "Accounting for Income Taxes," and reflect the net tax effects of temporary differences between the financial reporting carrying amounts of assets and liabilities and the corresponding income tax amounts. We have a variety of deferred tax assets in numerous tax jurisdictions. These deferred tax assets are subject to periodic assessment as to recoverability and if it is determined that it is more likely than not that the benefits will not be realized, valuation allowances are recognized. In evaluating whether it is more likely than not that we would recover these deferred tax assets, future taxable income, the reversal of existing temporary differences and tax planning strategies are considered.

On October 1, 2007, we adopted FIN 48, which addresses the accounting and disclosure of uncertain material income tax positions. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The difference between the tax benefit recognized in the financial statements for a position in accordance with FIN 48 and the tax benefit claimed in the tax return is referred to as an unrecognized tax benefit.

The adoption of FIN 48, which was reflected as a cumulative effect of a change in accounting principle, resulted in a decrease to beginning parent company equity at October 1, 2007 of $1.8 million. The total amount of unrecognized tax benefits at that date was $7.4 million, which included $3.7 million that, if recognized, would impact the effective tax rate in future periods. The remaining amount relates to items which, if recognized, would not impact our effective tax rate.

We account for accrued interest and penalties related to unrecognized tax benefits in income tax expense. Accrued interest and penalties at October 1, 2007 were $0.2 million.

As noted above, Hillenbrand files consolidated federal income tax returns as well as multiple state and local tax returns that include the operating results of Batesville. Foreign operations file income tax returns in a number of jurisdictions. In the normal course of business, Batesville and Hillenbrand are subject to examination by the taxing authorities in each of the jurisdictions where we file tax returns, with open tax years generally ranging from 2003 and forward. As of October 1, 2007, Hillenbrand has completed audits with the Internal Revenue Service ("IRS") for tax years prior to fiscal 2002. Additionally, the IRS has concluded its audit of fiscal 2002 and 2003, however, these periods are not yet closed as we have filed a protest with the IRS which is currently in appeals. Hillenbrand is in agreement with the audit findings of the IRS for these periods except for one tax matter which is unrelated to our operations. Hillenbrand is currently under examination by the IRS for fiscal years 2004 through 2008.

Batesville and Hillenbrand have on-going audits in various stages of completion in several state and foreign jurisdictions, one or more of which may conclude within the next 12 months. Such settlements could involve some or all of the following: the payment of additional taxes, the adjustment of certain deferred taxes and/or the recognition of unrecognized tax benefits. We do not expect the outcome of these audits will significantly impact our financial statements.

The amount of unrecognized tax benefits at adoption was reduced by $2.6 million in the first quarter, primarily related to the settlement of the timing of certain compensation deductions. The offset for this adjustment was recorded as a reduction to deferred tax assets.

Derivative Instruments and Hedging Activity

We use derivative financial instruments to manage the economic impact of fluctuations in currency exchange rates. Derivative financial instruments related to currency exchange rates include forward purchase and sale agreements which generally have terms no greater than 15 months. We estimate the fair value of derivative financial instruments based on the amount that we would receive or pay to terminate the agreements at the reporting date. The aggregate contract amount of our cash flow currency derivative instruments outstanding was $19.6 million at September 30, 2007. The fair value of these contracts was not significant at September 30, 2007.

To account for our derivative financial instruments, we follow the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138. Derivative financial instruments are recognized on the combined balance sheets as either assets or liabilities and are measured at fair value. Changes in the fair value of derivatives are recorded each period in earnings or accumulated other comprehensive loss, depending on whether a derivative is designed and effective as part of a hedge transaction, and if it is, the type of hedge transaction. Gains and losses on derivative instruments reported in accumulated other comprehensive loss are subsequently included in earnings in the periods in which earnings are affected by the hedged item. These activities have not had a material effect on our financial position or results of operations for the periods presented herein.

Recently Issued Accounting Standards

In September 2006 the FASB issued SFAS No. 157, "Fair Value Measurements," which is effective for fiscal years beginning after November 15, 2007, our fiscal year 2009, and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. In December 2007, the FASB released a proposed FASB Staff Position (FSP FAS 157-b — Effective Date of FASB Statement No. 157) which, if adopted as proposed, would delay the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis. We are currently evaluating its potential impact to our financial statements and results of operations.

In September 2006, the Securities and Exchange Commission ("SEC") issued SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements". This SAB redefines the SEC staff views regarding the process of quantifying financial statement misstatements and is aimed at eliminating diversity with respect to the manner in which registrants quantify such misstatements. Specifically, the SAB requires an entity to consider both a balance sheet and income statement approach in its evaluation as to whether misstatements are material. The adoption of SAB 108 did not have a material impact on our combined financial statements or results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which gives entities the option to measure eligible financial assets and financial liabilities at fair value. Its objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. If opted, the difference between carrying value and fair value at the election date is recorded as a transition adjustment to opening retained earnings. SFAS No. 159 is effective as of the beginning of a company's first fiscal year after November 15, 2007, our fiscal year 2009. We are evaluating the statement and have not yet determined the impact its adoption will have on our combined financial statements.

On December 4, 2007, the FASB issued SFAS No. 141(R), "Business Combinations," and SFAS No. 160, "Noncontrolling interests in Consolidated Financial Statements — an amendment of ARB No. 51." SFAS No. 141(R) changes the accounting for acquisition transaction costs by requiring them to be expensed in the period incurred, and also changes the accounting for contingent consideration, acquired contingencies and restructuring costs related to an acquisition. SFAS No. 160 requires that a noncontrolling (minority) interest in a consolidated subsidiary be displayed in the consolidated balance sheets as a separate component of equity. It also indicates that gains and losses should not be recognized on sales of noncontrolling interests in subsidiaries but that differences between sale proceeds and the consolidated basis of accounting should be accounted for as charges or credits to consolidated additional paid-in-capital. However, in a sale of a subsidiary's shares that results in the deconsolidation of the subsidiary, a gain or loss would be recognized for the difference between the proceeds of that sale and the carrying amount of the interest sold. Also, a new fair value in any remaining noncontrolling ownership interest would be established. Both of these statements are effective for the first annual reporting period beginning

(Dollars in millions) — (Continued)

on or after December 15, 2008, and early adoption is prohibited. As such, we will adopt the provisions of SFAS No. 141(R) and SFAS No. 160 beginning in our fiscal year 2010.

2. Acquisitions

The results of acquired businesses are included in the combined financial statements since each acquisition's date of close.

In January 2007, Batesville acquired a small regional casket distributor for cash of $5.2 million. This acquisition capitalizes on our capacity to serve the broad needs of funeral service professionals and expands our distribution base in the Midwest and Florida. We have completed the valuation of assets and liabilities acquired and an allocation of the purchase price, resulting in the recognition of approximately $1.6 million of intangible assets and $2.5 million of goodwill. The purchase price remains subject to a contingent consideration provision based on volume retention which, if paid, would be recorded as an adjustment to goodwill, thus this allocation of purchase price remains subject to change. If the purchase had occurred at the beginning of fiscal 2006, the impact to our results of operations and financial condition would not have been material.

In March 2006, Batesville made an acquisition of another small regional casket distributor for cash of $3.1 million. Goodwill of $1.8 million was recorded on the transaction. If the purchase had occurred at the beginning of fiscal 2006, the impact to our results of operations and financial condition would not have been material.

3. Notes Receivable

We have a number of notes with customers representing long-term payment plans that were negotiated to settle unpaid balances. These notes generally carry repayment terms up to five years, with interest rates varying from zero percent to 12 percent. The notes that carry below market interest rates are discounted using current market interest rates. The current portion of these notes are included in trade accounts receivable and the long-term portion in other assets in the combined balance sheets. Along with our trade accounts receivable, we evaluate the recoverability of notes receivable and record allowances thereon, as deemed appropriate.

Notes receivable at the end of each period consist of the following:

	September 30, 2007	September 30, 2006
Customer notes, net of discount of $0.2 million in 2007 and $0.4 million in 2006	$ 11.6	$ 14.3
Less current portion	(5.6)	(6.7)
Notes receivable — long-term	$ 6.0	$ 7.6
Maturities in fiscal years:		
2008	$ 5.6	
2009	2.5	
2010	1.9	
2011	0.7	
2012	0.3	
2013 and beyond	0.6	
Total notes receivable	$ 11.6	

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

4. Transactions with Hillenbrand

Allocation of Corporate Expenses

Batesville's expenses within the combined statements of income include allocations from Hillenbrand for certain Hillenbrand retained corporate expenses including treasury, accounting, tax, legal, internal audit, human resources, investor relations, general management, board of directors, information technology and other shared services and certain severance costs. These allocations have been determined on bases that management considered to be a reasonable reflection of the utilization of services provided to or the benefits received by Batesville. The allocation methods included revenues, headcount, square footage, actual utilization applied to variable operating costs and specific identification based upon actual costs incurred when the nature of the item or charge was specific to Batesville. See Note 5 for further discussion of retirement and other postretirement benefit costs. Hillenbrand corporate allocated costs included in the combined statements of income for the three month periods ended December 31, 2007 and 2006 and for the fiscal years ended September 30, 2007, 2006 and 2005 were as follows:

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2007	2006	2007	2006	2005
	(Unaudited)				
Operating expenses	$ 2.5	$ 2.6	$ 12.6	$ 12.1	$ 15.0

Separation Costs

In addition to the allocated corporate expenses described above, Batesville was allocated costs related to separation from Hillenbrand during the three months ended December 31, 2007 and during fiscal 2007 in the aggregate amount of $1.2 million (unaudited) and $5.1 million, respectively. These costs consist primarily of legal, accounting, recruiting and consulting fees allocated based upon revenue or specific identification.

For purposes of governing certain ongoing relationships between Batesville and Hillenbrand at and after the separation and to provide for an orderly transition, Batesville and Hillenbrand have entered or will enter into various agreements. The terms of the agreements described below, which will be in effect following the separation, have not yet been finalized and are being reviewed by us and Hillenbrand. There may be material changes to such agreements prior to the separation, but brief descriptions of the expected content of each agreement are as follows:

Distribution Agreement

The distribution agreement sets forth the agreements between Hillenbrand and us with respect to the principal corporate transactions required to effect the separation and the distribution of our shares to Hillenbrand shareholders and other agreements governing the relationship between Hillenbrand and us. The distribution agreement provides that Batesville and Hillenbrand and its subsidiaries (other than Batesville and its subsidiaries) will release and discharge each other from all liabilities, of any sort, including in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. The releases do not release any party from, among other matters, liabilities assumed by or allocated to the party pursuant to the distribution agreement or the other agreements entered into in connection with the separation or from the indemnification and contribution obligations under the distribution agreement or such other agreements.

Judgment Sharing Agreement ("JSA")

Because Batesville, Hillenbrand and the other co-defendants in the antitrust litigation matters described in Note 10, Commitments and Contingencies, are jointly and severally liable for any damages assessed at trial with no statutory right of contribution among the defendants, Batesville and Hillenbrand will enter into a judgment sharing

agreement. The JSA is intended to allocate between Batesville and Hillenbrand any potential liability that may arise from these cases, any similar case brought against both Batesville and Hillenbrand prior to the completion of the distribution and any other case that is consolidated with any such existing or future case. In the event that Batesville or Hillenbrand is dismissed as a defendant in the antitrust litigation matters (except when the dismissal results from a settlement agreement other than a settlement not including both Batesville and Hillenbrand) or is found upon conclusion of trial not to be liable for the payment of any damages to the plaintiffs, any funding obligations under the judgment sharing agreement of the party so dismissed or found not liable will terminate once such dismissal or finding of no liability is finally judicially determined.

Employee Matters Agreement

We will enter into an employee matters agreement with Hillenbrand prior to the distribution that will govern our compensation and employee benefit obligations with respect to our directors and our current and former employees, along with the assumption of liabilities for certain former Hillenbrand directors and employees and former employees of other non-medical technology businesses. The employee matters agreement will allocate liabilities and responsibilities relating to employee compensation and benefits plans and programs and other related matters in connection with the distribution including, without limitation, the treatment of outstanding Hillenbrand equity-based awards, certain outstanding annual and long-term incentive awards, existing deferred compensation obligations and certain retirement, post-retirement and welfare benefit obligations. In connection with the distribution, we initially expect to adopt, for the benefit of our employees and directors, a variety of compensation and employee benefits plans that are generally comparable in the aggregate to those provided by Hillenbrand immediately prior to the distribution. Once we establish our own compensation and benefits plans, we reserve the right to amend, modify or terminate each such plan in accordance with the terms of that plan. With certain possible exceptions, the employee matters agreement will provide that as of the close of the distribution, our employees and directors will generally cease to be active participants in, and we will generally cease to be a participating employer in, the benefit plans and programs maintained by Hillenbrand. As of such time, our employees and directors will generally become eligible to participate in all of our applicable plans. In general, we will credit each of our employees with his or her service with Hillenbrand prior to the distribution for all purposes under plans maintained by us, to the extent the corresponding Hillenbrand plans give credit for such service and such crediting does not result in a duplication of benefits.

The employee matters agreement will provide that as of the distribution date, except as specifically provided therein, we generally will assume, retain and be liable for all wages, salaries, welfare, incentive compensation and employee-related obligations and liabilities for our directors and all current and former employees of our business, along with those for certain former Hillenbrand directors and corporate employees and former employees of other non-medical technology businesses. Accordingly, such liabilities have been included in Batesville's combined financial statements for the periods presented therein. The distribution agreement provides that if neither we nor Hillenbrand is entitled to receive a full deduction for state and federal income tax purposes for any liabilities discharged by us with respect to these Hillenbrand directors and former employees, we will reassign those liabilities back to Hillenbrand and pay Hillenbrand an amount equal to the then carrying value of these liabilities on our books and records, net of taxes at an assumed tax rate of 36.25%, subject to adjustment at the time of such reassignment in the event of future changes in the federal income tax rate. Based upon the carrying amounts of these liabilities and the related tax benefits as of December 31, 2007, the cash payment that we would have been required to make under the circumstances described above was approximately $16 million. Additionally, we and Hillenbrand will agree that with the assumption of liabilities for these Hillenbrand directors and former employees, we are entitled to the tax benefit from the satisfaction of such liabilities, and if it is determined that we are not entitled to this tax benefit, Hillenbrand will reimburse us for the tax benefit. This tax benefit will be determined based on the cash benefit to us as if such deduction were taken and allowed on our filed tax returns, including any amended tax returns.

The employee matters agreement will also provide for the transfer of assets and liabilities relating to the pre-distribution participation of all employees and directors for which we have assumed responsibility in various Hillenbrand retirement, postretirement, welfare, incentive compensation and employee benefit plans from such plans to the applicable plans we adopt for the benefit of our employees and directors. The employee matters agreement will provide that we and Hillenbrand may arrange with current service providers with respect to Hillenbrand's employee benefit plans to continue such services on a shared basis for a period of time following the distribution and that we will reimburse Hillenbrand for our share of the cost of such shared services.

Tax Sharing Agreement

Before our separation from Hillenbrand, we will enter into a tax sharing agreement with Hillenbrand that generally will govern Hillenbrand's and our respective rights, responsibilities and obligations after the distribution with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of the distribution to qualify as a tax-free distribution. Under the tax sharing agreement, we expect that, with certain exceptions, we generally will be responsible for the payment of all income and non-income taxes attributable to our operations, and the operations of our direct and indirect subsidiaries, whether or not such tax liability is reflected on a consolidated or combined tax return filed by Hillenbrand. The tax sharing agreement is also expected to impose restrictions on our and Hillenbrand's ability to engage in certain actions following our separation from Hillenbrand and to set forth the respective obligations among us and Hillenbrand with respect to the filing of tax returns, the administration of tax contests, assistance and cooperation and other matters.

Shared Services and Transitional Services Agreements

We will enter into shared services agreements and transitional services agreements with Hillenbrand in connection with the separation. The shared services agreements will address services that may be provided for an extended period of time, while the transitional services agreements will cover services that are intended to be provided for a limited period of time while the recipient of the services makes other arrangements for these services.

Under the shared services agreements, we, on the one hand, and Hillenbrand, on the other hand, will agree to provide certain services to each other following the separation for an initial term of two years, with automatic two-year extensions if commercially viable alternatives for the services are not available, except as noted below. After the initial two-year term, either party may terminate an agreement by notice to the other party, and the recipient of the services must terminate if commercially viable alternatives for the services are available. For purposes of the foregoing, the determination of whether commercially viable alternatives are available is in the discretion of the recipient of the services. These services include aviation services related to the airfield that Hillenbrand will own and operate and certain aircraft that Hillenbrand and we will jointly own and operate following the separation, as well as certain ground transportation and fleet maintenance services. In addition, due to the interrelated nature of certain facilities that will be owned by Hillenbrand and us, we will enter into agreements requiring us and Hillenbrand to maintain our respective parts of such facilities, including, for example, maintaining fire protection systems for the facilities. In general, the recipient of services will be billed for the services at the fair value of the services, except that we will be billed at cost for aviation services provided to us by Hillenbrand, and we and Hillenbrand will be independently responsible for our respective obligations to maintain our portions of the interrelated facilities. Hillenbrand will continue to provide aviation services related to the airfield to us for as long as we continue to own an interest in certain aircraft. Ground transportation services could continue as long as Hillenbrand and we continue to jointly own corporate conference facilities used by both companies. Obligations under the agreements relating to the maintenance of interrelated facilities could continue for so long as required for the proper maintenance, operation and use of such facilities or until such interrelated facilities are segregated.

Under the transitional services agreements, Hillenbrand will provide certain services to us for a specified period following the separation. The services to be provided may include services regarding certain financial

(Dollars in millions) — (Continued)

reporting and other public company staffing needs, legal services, including labor and employment and litigation support, human resources services, medical services and certain information technology services. We will generally be billed at cost for these services, including information technology services provided through a third party under a contract to which Hillenbrand is a party. The transitional services agreements will generally provide that the services will continue for a period of up to two years following the separation, subject to earlier termination by the recipient of the services and to extension if the parties agree.

5. Retirement and Postretirement Benefit Plans

Upon separation, Batesville Casket will assume, retain and be liable for all retirement and postretirement benefit plan obligations for current and former employees of our business, including all past service, along with that of former employees of Hillenbrand (excludes Hill-Rom employees). In this regard, we initially expect to adopt retirement and postretirement benefit plans that are comparable to those provided by Hillenbrand. Effective with the distribution of our shares, our employees will generally cease to participate in the Hillenbrand plans and will become members of our plans. In forming our plans, the assets and liabilities of the Hillenbrand plans related to our current and former employees and those other former employees for which we will assume responsibility will be determined and transferred to our plans. In the preparation of these financial statements we have determined the split of assets and liabilities related to Batesville for each period presented herein and have used this information in the determination of our pension and postretirement benefit costs and the funded status for our obligations.

The Employee Retirement Income Security Act of 1974 ("ERISA") dictates how assets in single-employer plans are to be allocated in the event of a plan termination. In conjunction with the creation of the new Batesville plans, plan assets will be transferred in accordance with such ERISA guidelines. Accordingly, plan assets have been allocated to Batesville for the purposes of these combined financial statements based on an estimated application of those guidelines in each year presented. The actual allocation of plan assets at the date of separation may differ from that presented herein.

Adoption of SFAS No. 158

As discussed in Note 1, we adopted SFAS No. 158 as of September 30, 2007, which required the recognition of previously unrecognized net actuarial losses and prior service costs. The impact of our adoption of SFAS No. 158 on our retirement and postretirement plans was as follows:

	Pre-SFAS No. 158	SFAS No. 158 Adjustment	Post-SFAS No. 158
Prepaid pension asset	$ 13.8	$ (12.2)	$ 1.6
Intangible pension asset	1.7	(1.7)	—
Accrued pension and postretirement costs, current portion	(1.8)	—	(1.8)
Accrued pension and postretirement, long-term	(27.2)	(0.9)	(28.1)
Deferred income taxes	4.3	5.8	10.1
Accumulated other comprehensive loss, net of taxes	1.0	9.0	10.0

Retirement Plans

Batesville Casket employees are eligible to participate in defined benefit retirement plans of Hillenbrand. Approximately 74 percent of Batesville Casket's employees participate in one of three such retirement programs, including Hillenbrand's master defined benefit retirement plan, Batesville's defined benefit retirement plan for former bargaining unit employees of Batesville's Nashua, New Hampshire plant and Hillenbrand's Supplemental executive defined benefit retirement plan. Hillenbrand funds the pension trusts as necessary to provide for current service and for any unfunded projected future benefit obligation over a reasonable period. The benefits for these

(Dollars in millions) — (Continued)

plans are based primarily on years of service and the employee's level of compensation during specific periods of employment. All three pension plans have a September 30 measurement date.

Effect on Operations

Batesville's share of the components of net pension costs under defined benefit retirement plans for the three month periods ended December 31, 2007 and 2006 and for the fiscal years ended September 30, 2007, 2006 and 2005 were as follows:

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2007	2006	2007	2006	2005
	(Unaudited)				
Service cost	$ 1.0	$ 1.0	$ 4.2	$ 4.9	$ 4.6
Interest cost	2.3	2.4	9.6	9.0	8.3
Expected return on plan assets	(2.6)	(3.0)	(11.8)	(11.8)	(9.0)
Amortization of unrecognized prior service cost, net	0.1	0.3	0.8	1.2	0.8
Amortization of net loss	—	—	—	0.7	—
Net pension costs, before curtailments	0.8	0.7	2.8	4.0	4.7
Curtailment losses	—	—	—	—	1.0
Net pension costs	$ 0.8	$ 0.7	$ 2.8	$ 4.0	$ 5.7

During fiscal year 2005, we recognized curtailment losses within two of our defined benefit retirement plans related to the closing of our Nashua, New Hampshire wood casket manufacturing plant and a reduction in plan participants in the master defined benefit retirement plan resulting from 2005 restructuring activities.

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

Obligations and Funded Status

The change in Batesville's share of projected benefit obligations, plan assets and funded status, along with amounts recognized in the combined balance sheets for defined benefit retirement plans at September 30 were as follows:

	2007	2006
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$ 185.6	$ 195.0
Service cost	4.2	4.9
Interest cost	9.6	9.0
Actuarial (gain)	(4.9)	(18.6)
Benefits paid	(6.9)	(6.8)
Pension costs attributable to Hillenbrand	1.6	2.1
Projected benefit obligation at end of year	189.2	185.6
Change in plan assets:		
Fair value of plan assets at beginning of year	159.6	156.0
Actual return on plan assets	16.3	8.9
Employer contributions	1.7	1.5
Benefits paid	(6.9)	(6.8)
Fair value of plan assets at end of year	170.7	159.6
Funded status:		
Plan assets less than benefit obligations	(18.5)	(26.0)
Unrecognized net actuarial loss	*	20.0
Unrecognized prior service cost	*	8.1
Net amount recognized	$ (18.5)	$ 2.1
Amounts recorded in the combined balance sheets:		
Prepaid pension costs	$ 1.6	$ 17.4
Accrued pension costs, long-term	(18.9)	(18.6)
Accrued pension costs, current portion	(1.2)	(0.6)
Minimum pension liability	*	2.0
Intangible asset	*	1.9
Net amount recognized	$ (18.5)	$ 2.1

* Not applicable due to adoption of SFAS No. 158.

The net actuarial losses of $10.0 million and prior service costs of $7.3 million included above, less an applicable aggregate tax effect of $6.7 million, are included as components of accumulated other comprehensive loss at September 30, 2007. The estimated amount that will be amortized from accumulated other comprehensive loss into net pension costs in 2008 includes prior service costs of $0.9 million, as no amounts of net actuarial losses will be recognized in fiscal 2008.

As discussed in Note 4, Hillenbrand corporate expenses, including pension costs related to Hillenbrand corporate employees, have been allocated to Batesville for the purposes of presenting these combined financial

(Dollars in millions) — (Continued)

statements. The pension costs attributable to Hillenbrand presented in the table above represent amounts not allocated to Batesville. Such amounts are included within the activity of Batesville's benefit obligation above as Batesville will retain liability for benefits related to former employees of Hillenbrand.

Accumulated Benefit Obligation

Batesville's share of the accumulated benefit obligation for all defined benefit retirement plans was $170.6 million and $163.0 million at September 30, 2007 and 2006, respectively. Selected information for our plans with accumulated benefit obligations in excess of plan assets at the end of each period was as follows:

	September 30, 2007	September 30, 2006
Projected benefit obligation	$ 22.2	$ 22.7
Accumulated benefit obligation	20.9	21.5
Fair value of plan assets	2.7	2.4

Actuarial Assumptions

The weighted average assumptions used in accounting for our defined benefit retirement plans were as follows:

	2007	2006	2005
Discount rate for obligation	6.5%	6.0%	5.5%
Discount rate for expense	6.0%	5.5%	6.0%
Expected rate of return on plan assets	8.0%	8.0%	8.0%
Rate of compensation increase	4.0%	4.0%	4.0%

The discount rates presented above and used in the valuation of our defined benefit retirement plans are evaluated annually based on current market conditions. In setting these rates we utilize long-term bond indices and yield curves as a preliminary indication of interest rate movements, and then make adjustments to the respective indices to reflect differences in the terms of the bonds covered under the indices in comparison to the projected outflow of our pension obligations. The overall expected long-term rate of return is based on historical and expected future returns, which are inflation adjusted and weighted for the expected return for each component of the investment portfolio. The rate of assumed compensation increase is also based on our specific historical trends of past wage adjustments in recent years.

Plan Assets

The weighted average asset allocations of our defined benefit retirement plans at September 30 by asset category, are as follows:

	2007		2006
	Target Allocation	Actual Allocation	Actual Allocation
Equity securities	49%-61%	60%	63%
Fixed income securities	38%-49%	39%	35%
Real estate	0%-1%	1%	1%
Other	0%-1%	0%	1%
Total		100%	100%

The investment strategies and policies are set by the plans' fiduciaries. Long-term strategic investment objectives utilize a diversified mix of equity and fixed income securities to preserve the funded status of the trusts

and balance risk and return. The plan fiduciaries oversee the investment allocation process, which includes selecting investment managers, setting long-term strategic targets and monitoring asset allocations. Target allocation ranges are guidelines, not limitations, and plan fiduciaries may occasionally approve allocations above or below a target range or elect to rebalance the portfolio within the targeted range.

Trust assets are invested subject to the following policy restrictions: short-term securities must be rated A2/P2 or higher; all fixed-income securities shall have a credit quality rating "BBB" or higher; investments in equities in any one company may not exceed 10 percent of the equity portfolio. Hillenbrand common stock represented approximately 5 percent of trust assets at both September 30, 2007 and 2006, and is subject to a statutory limit when it reaches 10 percent of total trust assets.

Cash Flows

During 2007 and 2006 we contributed cash of $1.7 million and $1.5 million, respectively, to our defined benefit retirement plans. We expect to contribute approximately $1.2 million to our defined benefit retirement plans in fiscal year 2008.

Estimated Future Benefit Payments

Following are the benefit payments, which reflect expected future service and are expected to be paid from plan assets and Company contributions as necessary (in millions):

	Projected Pension Benefits Payout
2008	$ 6.8
2009	7.5
2010	8.3
2011	9.0
2012	9.8
2013-2017	61.3

Other Pension Matters

Employees hired after June 30, 2003 are no longer eligible for participation in the master defined benefit retirement plan, but participate in a new 401(k) retirement program that began January 1, 2004. Active employees as of June 30, 2003 were given the opportunity to choose to continue participating in the master defined benefit retirement pension plan and the existing 401(k) plan or to participate in the new 401(k) retirement program. Elections were completed as of September 30, 2003, and became effective January 1, 2004. For those employees that elected to continue participation in the master defined benefit pension plan, there were no changes in benefits and all service is recognized as credited service under the plan. For those who elected the new 401(k) retirement program, benefits under the defined benefit pension plan were frozen and will be paid out in accordance with the plan provisions with future service considered only under the new 401(k) retirement program.

Postretirement Health Care Plan

In addition to defined benefit retirement plans, Hillenbrand also offers a domestic postretirement health care plan that provides health care benefits to qualified retirees and their dependents and in which Batesville employees are eligible to participate. The plan includes retiree cost sharing provisions and generally extends retiree coverage for medical, prescription and dental benefits beyond the COBRA continuation period to the date of Medicare eligibility. We use a measurement date of September 30 for this plan.

(Dollars in millions) — (Continued)

The net postretirement benefit cost recorded during the three months ended December 31, 2007 and 2006 was $0.3 million and $0.3 million, respectively. The net postretirement benefit cost recorded during the fiscal years ended September 30, 2007, 2006 and 2005 was $1.3 million, $0.4 million and $2.2 million, respectively.

The change in Batesville's share of the accumulated postretirement benefit obligation at September 30 was as follows:

	2007	2006
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 9.7	$ 10.1
Service cost	0.8	0.8
Interest cost	0.5	0.5
Actuarial (gain)	(0.9)	(0.9)
Benefits paid	(0.3)	(0.8)
Benefit obligation at end of year	$ 9.8	$ 9.7
Amounts recorded in the combined balance sheets:		
Accrued postretirement benefits, long-term	$ 9.2	$ 9.1
Accrued postretirement benefits, current portion	0.6	0.6
Net amount recognized	$ 9.8	$ 9.7

The actuarial gains of $0.9 million included above, less an applicable tax effect of $0.3 million, are included as a component of accumulated other comprehensive loss at September 30, 2007. No amount of this actuarial gain is expected to be recognized in earnings in fiscal 2008.

The discount rate used to determine benefit obligations and net periodic benefit cost for the postretirement health care plan during the fiscal year ended September 30, 2007 was 6.25 percent. As of September 30, 2006, the healthcare-cost trend rates were assumed to increase at an annual rate of 9.5 percent in 2007, 8.5 percent in 2008, 7.5 percent in 2009, 7.0 percent in 2010, 6.0 percent in 2011 and 5.0 percent in 2012 and thereafter. The same rates, beginning with fiscal 2008, are projected as of September 30, 2007. A one-percentage-point increase/decrease in the assumed health care cost trend rates as of September 30, 2007 would cause an increase/decrease in service and interest costs of $0.1 million, along with an increase/decrease in the benefit obligation of $0.9 million and $0.8 million, respectively.

We fund the postretirement health care plan as benefits are paid, and current plan benefits are expected to require net company contributions for Batesville retirees of less than $0.9 million per year for the foreseeable future.

6. Other Long-Term Liabilities

Other long-term liabilities at the end of each period consist of the following:

	December 31, 2007 (Unaudited)	September 30, 2007	September 30, 2006
Casket pricing obligation	$ 11.2	$ 11.5	$ 12.5
Self-insurance loss reserves	7.9	8.7	8.2
Other	7.5	3.0	3.6
Total	$ 26.6	$ 23.2	$ 24.3

(Dollars in millions) — (Continued)

In connection with Hillenbrand's sale of a subsidiary in 2004, the Company assumed a payment obligation of approximately $17 million associated with a long-term pricing program for the future sale of caskets made in connection with prearranged funerals. The program was subsequently discontinued for arrangements made after December 31, 2004. The remaining liability under the program is being recognized as a component of revenue as the related casket sales subject to the program are delivered and the related obligation is paid.

7. Income Taxes

The significant components of income before income taxes and the combined income tax provision from continuing operations for fiscal years 2007, 2006 and 2005 were as follows:

	2007	2006	2005
Income before income taxes:			
Domestic	$ 153.3	$ 177.2	$ 159.8
Foreign	3.7	1.6	3.5
Total	$ 157.0	$ 178.8	$ 163.3
Income tax expense:			
Current provision:			
Federal	$ 56.0	$ 57.8	$ 44.8
State	7.0	6.4	3.2
Foreign	1.6	0.6	1.2
Total current provision	64.6	64.8	49.2
Deferred provision:			
Federal	(4.7)	1.3	8.4
State	(2.1)	(0.4)	3.3
Foreign	(0.3)	(0.1)	(0.4)
Total deferred provision	(7.1)	0.8	11.3
Income tax expense	$ 57.5	$ 65.6	$ 60.5

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

Differences between income tax expense reported for financial reporting purposes and that computed based upon the application of the statutory U.S. Federal tax rate to the reported income before income taxes for fiscal years 2007, 2006 and 2005 were as follows:

	2007		2006		2005	
	Amount	% of Pretax Income	Amount	% of Pretax Income	Amount	% of Pretax Income
Federal income tax(a)	$ 55.0	35.0	$ 62.6	35.0	$ 57.2	35.0
State income tax(b)	3.5	2.3	4.4	2.4	4.0	2.5
Foreign income tax(c)	(0.3)	(0.2)	(0.1)	—	(0.1)	(0.1)
Application of tax credits	—	—	—	—	(0.3)	(0.2)
Adjustment of estimated income tax accruals	(0.9)	(0.6)	(1.1)	(0.6)	(0.4)	(0.3)
Valuation allowance	0.6	0.4	—	—	—	—
Other, net	(0.4)	(0.3)	(0.2)	(0.1)	0.1	0.1
Income tax expense	$ 57.5	36.6	$ 65.6	36.7	$ 60.5	37.0

(a) At statutory rate

(b) Net of Federal benefit

(c) Federal tax rate differential

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in millions) — (Continued)

The tax effect of temporary differences that gave rise to the deferred tax balance sheet accounts were as follows:

	September 30, 2007	September 30, 2006
Deferred tax assets:		
Employee benefit accruals	$ 21.9	$ 13.6
Casket pricing obligation	5.0	5.4
Self-insurance reserves	4.3	4.1
Other, net	14.0	10.1
	45.2	33.2
Less valuation allowance	(0.6)	—
Total deferred tax assets	44.6	33.2
Deferred tax liabilities:		
Depreciation	(7.6)	(8.2)
Amortization	(4.0)	(4.5)
Other, net	(0.8)	(0.8)
Total deferred tax liabilities	(12.4)	(13.5)
Deferred tax assets, net	$ 32.2	$ 19.7
Amounts recorded in the combined balance sheets:		
Deferred income taxes, current	$ 16.0	$ 12.9
Deferred income taxes, long-term	16.2	6.8
Deferred income taxes, net	$ 32.2	$ 19.7

At September 30, 2007, we had $1.2 million of deferred tax assets related to state tax credit carryforwards which expire between 2008 and 2011 and $0.1 million related to foreign tax credit carryforwards which expire in 2015 and 2016. The gross deferred tax assets as of September 30, 2007 were reduced by a valuation allowance of $0.6 million relating to the state tax credit carryforwards. The valuation allowance of $0.6 million was recorded during fiscal 2007 as it is more likely than not that some portion of the state tax credit carryforwards will not be realized.

The Company is required to assess its deferred tax assets and the need for a valuation allowance under the separate return method. This assessment requires considerable judgment on the part of management with respect to benefits that could be realized from future taxable income, as well as other positive and negative factors. In evaluating whether it is more likely than not that we would recover our deferred tax assets, future taxable income, the reversal of existing temporary differences and tax planning strategies were considered.

8. Plant Closure

In the third fiscal quarter of 2005, Batesville announced plans to close its Nashua, New Hampshire plant and consolidated its solid wood casket production into its Batesville, Mississippi plant. The consolidation of the two plants resulted in a special charge, reported as a component of operating expenses in the third quarter of fiscal 2005, of $1.5 million. Additionally, other pre-tax costs of $2.3 million, including certain severance and other termination benefits, as well as costs related to accelerated depreciation expense, the transfer of equipment, training of employees and other costs, were realized through the completion of the consolidation of the plants in the second

(Dollars in millions) — (Continued)

quarter of fiscal 2006 as a component of costs of goods sold. All cash charges associated with this action have since been paid.

9. Stock-Based Compensation

Over time, Hillenbrand has had various stock-based compensation programs, the key components of which are further described below. The primary active stock-based compensation program in which Batesville employees participate is the Hillenbrand Stock Incentive Plan. All stock-based compensation programs are administered by the Hillenbrand Board of Directors or its Compensation and Management Development Committee.

The Stock Incentive Plan covers key employees of Hillenbrand and its subsidiaries and provides for long-term performance compensation for key employees and members of the Hillenbrand Board of Directors. A variety of discretionary awards for employees and non-employee directors are authorized under the plan, including incentive or non-qualified stock options, stock appreciation rights, restricted stock, deferred stock and bonus stock. The vesting of such awards may be conditioned upon either a specified period of time or the attainment of specific performance goals as determined by the administrator of the plan. The option price and term are also subject to determination by the administrator with respect to each grant. Option prices are generally expected to be set at the average fair market price at date of grant and option terms are not expected to exceed ten years.

Compensation cost and related income tax benefits related to Batesville employees charged against income and reflected in the combined statements of income under the Hillenbrand stock-based compensation plans were as follows:

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2007	2006	2007	2006	2005
	(Unaudited)				
Stock-based compensation cost	$ 0.7	$ 0.6	$ 2.9	$ 2.4	$ 1.8
Income tax benefit	0.3	0.2	1.1	0.9	0.7
Stock-based compensation cost, net-of-tax	$ 0.4	$ 0.4	$ 1.8	$ 1.5	$ 1.1

Stock Options

The fair value of option grants under the Hillenbrand Stock Incentive Plan are estimated on the date of grant using the Binomial option-pricing model which incorporates the possibility of early exercise of options into the valuation as well as our historical exercise and termination experience to determine the option value. The weighted average fair value of options granted under the Hillenbrand Stock Incentive Plan was $14.47, $12.21 and $13.19 per share for fiscal years 2007, 2006 and 2005, respectively. The following assumptions were used in the determination of fair value in each period:

	2007	2006	2005
Risk-free interest rate	4.5-4.9%	4.3-4.7%	2.6-4.1%
Dividend yield	1.8-2.2%	1.8-2.3%	1.7-2.1%
Weighted average dividend yield	1.9%	2.0%	1.8%
Volatility factor	18.1-24.6%	20.1-25.3%	20.2-25.9%
Weighted average volatility factor	21.5%	22.7%	23.5%
Exercise factor	33.3%	34.6%	38.7%

The risk free interest rate assumption is based upon observed interest rates appropriate for the term of the employee stock options. The dividend yield assumption is based on the history of Hillenbrand dividend payouts.

The computation of expected volatility for the valuation of stock options granted is based on historical Hillenbrand stock volatility. The expected life of employee stock options represents the weighted average period the stock options are expected to remain outstanding and is a derived output of the binomial model. The expected life of employee stock options is impacted by the above assumptions as well as the post-vesting forfeiture rate and the exercise factor used in the binomial model. These two variables are based on the history of exercises and forfeitures for previous stock options granted by Hillenbrand.

The following table summarizes the Hillenbrand stock option activity relating to Batesville employees under Hillenbrand's current and predecessor stock option plans for the fiscal year ended September 30, 2007:

Options	Weighted Average Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value(1) (In millions)
Outstanding at October 1, 2006	811,053	$ 50.20		
Granted	114,698	57.92		
Exercised	(222,663)	48.69		
Forfeited	(10,666)	59.95		
Outstanding at September 30, 2007	692,422	$ 51.81	5.3	$ 3.0
Exercisable at September 30, 2007	508,944	$ 50.84	4.1	$ 2.6

(1) The aggregate intrinsic value represents the total pre-tax intrinsic value, based on Hillenbrand's closing stock price of $55.02 as of September 30, 2007, which would have been received by the option holders had all option holders exercised their options as of that date. This amount changes continuously based on the fair value of Hillenbrand's stock.

As of September 30, 2007, there was $1.6 million of total unrecognized compensation expense related to stock options held by Batesville employees granted under the Hillenbrand Stock Incentive Plan. This unrecognized compensation expense does not reflect a reduction for estimated potential forfeitures, and is expected to be recognized over a weighted average period of 1.6 years. The total intrinsic value of options exercised by Batesville employees during the fiscal years 2007, 2006 and 2005 was $3.5 million, $0.4 million and $0.5 million, respectively.

On September 1, 2005, Hillenbrand accelerated the vesting of certain unvested and underwater options previously awarded to employees, officers, and other eligible participants under Hillenbrand's stock option plans. As such, options to purchase 210,600 shares of Hillenbrand's common stock held by Batesville employees with exercise prices greater than or equal to $50.48 per share became fully vested.

Restricted Stock Units (RSUs)

The value of RSUs in Hillenbrand common stock is the fair value at the date of grant, with nonvested grants ranging between $48.96 and $66.65 per share. The grants are contingent upon continued employment and vest over periods ranging from one to five years. Dividends, payable in stock, accrue on the grants and are subject to the same specified terms as the original grants. As of September 30, 2007, a total of 5,370 stock units have accumulated on nonvested RSUs held by Batesville employees due to dividend reinvestment.

(Dollars in millions) — (Continued)

The following table summarizes transactions for nonvested RSUs held by Batesville employees, excluding dividend reinvestment units, for the fiscal year ended September 30, 2007:

Restricted Stock Units	Number of Share Units	Weighted Average Grant Date Fair Value
Nonvested RSUs at October 1, 2006	125,027	$ 53.54
Granted	30,225	58.64
Vested	(19,218)	56.91
Forfeited	(1,278)	54.43
Nonvested RSUs at September 30, 2007	134,756	$ 55.01

As of September 30, 2007, there was $5.0 million of total unrecognized compensation expense related to nonvested RSUs held by Batesville employees granted under the Hillenbrand Stock Incentive Plan. This unrecognized compensation expense does not reflect a reduction for estimated potential forfeitures, and is expected to be recognized over a weighted average period of 3.4 years. The total vest date fair value of shares held by Batesville employees which vested during fiscal years 2007, 2006 and 2005 was $1.1 million, $1.4 million and $0.8 million, respectively.

Performance Based Stock Award

During 2007, Hillenbrand granted a Performance Based Stock Award to Batesville's Chief Executive Officer, which included 7,700 performance based restricted stock units. The fair value of each unit was $60.86 on the date of grant. Vesting of the award is contingent upon achievement of certain one, two and three-year performance targets and corresponding service requirements. As such, compensation expense, based on the estimated achievement of performance and service requirements, is recognized over the performance period through September 30, 2009.

Vested Deferred Stock

Hillenbrand has historically had various other stock-based compensation programs, which like the current RSU program, allowed deferrals after vesting to be set-up as deferred stock. As of September 30, 2007 and 2006, there were 1,238 and 489 shares, respectively, held by current and former Batesville employees, which had been deferred, fully vested and payable in Hillenbrand common stock under the RSU and other stock-based compensation programs.

10. Commitments and Contingencies

Lease Commitments

Rental expense charged to income for fiscal years 2007, 2006 and 2005 was $7.2 million, $6.5 million and $6.2 million, respectively. The table below indicates the minimum annual rental commitments (excluding renewable periods) aggregating $15.7 million, for manufacturing facilities, warehouse distribution centers, service centers and sales offices, under noncancelable operating leases.

2008	$4.9
2009	$4.1
2010	$3.1
2011	$2.0
2012	$1.3
2013 and beyond	$0.3

Legal Proceedings

Antitrust Litigation

On May 2, 2005, a non-profit entity called Funeral Consumers Alliance, Inc. ("FCA") and several individual consumers filed a purported class action antitrust lawsuit ("FCA Action") against three national funeral home businesses, Service Corporation International ("SCI"), Alderwoods Group, Inc. ("Alderwoods"), and Stewart Enterprises, Inc. ("Stewart") together with Hillenbrand and Batesville, in the United States District Court for the Northern District of California. This lawsuit alleged a conspiracy to suppress competition in an alleged market for the sale of caskets through a group boycott of so-called "independent casket discounters," that is, third-party casket sellers unaffiliated with licensed funeral homes; a campaign of disparagement against these independent casket discounters; and concerted efforts to restrict casket price competition and to coordinate and fix casket pricing, all in violation of federal antitrust law and California's Unfair Competition Law. The lawsuit claimed, among other things, that Batesville's maintenance and enforcement of, and alleged modifications to, its long-standing policy of selling caskets only to licensed funeral homes were the product of a conspiracy among Batesville, the other defendants and others to exclude "independent casket discounters" and that this alleged conspiracy, combined with other alleged matters, suppressed competition in the alleged market for caskets and led consumers to pay higher than competitive prices for caskets. The FCA Action alleged that two of Batesville's competitors, York Group, Inc. and Aurora Casket Company, are co-conspirators but did not name them as defendants. The FCA Action also alleged that SCI, Alderwoods, Stewart and other unnamed co-conspirators conspired to monopolize the alleged market for the sale of caskets in the United States.

After the FCA Action was filed, several more purported class action lawsuits on behalf of consumers were filed based on essentially the same factual allegations and alleging violations of federal antitrust law and/or related state law claims. It is not unusual to have multiple copycat class action suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations could be brought against Hillenbrand and Batesville.

Batesville, Hillenbrand and the other defendants filed motions to dismiss the FCA Action and a motion to transfer to a more convenient forum. In response, the court in California permitted the plaintiffs to replead the complaint and later granted defendants' motion to transfer the action to the United States District Court for the Southern District of Texas (Houston, Texas) ("Court").

On October 12, 2005, the FCA plaintiffs filed an amended complaint consolidating all but one of the other purported consumer class actions in the Court. The amended FCA complaint contains substantially the same basic allegations as the original FCA complaint. The only other then remaining purported consumer class action, Fancher v. SCI et al., was subsequently dismissed voluntarily by the plaintiff after the defendants filed a motion to dismiss. On October 26, 2006, a new purported class action was filed by the estates of Dale Van Coley and Joye Katherine Coley, Candace D. Robinson, Personal Representative, consumer plaintiffs, against Batesville and Hillenbrand in the Western District of Oklahoma alleging violation of the antitrust laws in fourteen states based on allegations that Batesville engaged in conduct designed to foreclose competition and gain a monopoly position in the market. This lawsuit is largely based on similar factual allegations to the FCA Action. Batesville and Hillenbrand have had this case transferred to the Southern District of Texas in order to coordinate this action with the FCA Action, and have filed a motion to dismiss this action. On September 17, 2007, the Court granted Batesville's and Hillenbrand's motion to dismiss and ordered the action dismissed with prejudice.

The FCA plaintiffs are seeking certification of a class that includes all United States consumers who purchased Batesville caskets from any of the funeral home co-defendants at any time during the fullest period permitted by the applicable statute of limitations. On October 18, 2006, the district court denied Batesville's, Hillenbrand's and the other defendants' November 2005 motions to dismiss the amended FCA complaint.

In addition to the consumer lawsuits discussed above, on July 8, 2005 Pioneer Valley Casket Co. ("Pioneer Valley"), an alleged casket store and Internet retailer, also filed a purported class action lawsuit ("Pioneer Valley

Action") against Batesville, Hillenbrand, SCI, Alderwoods, and Stewart in the Northern District of California on behalf of the class of "independent casket distributors," alleging violations of state and federal antitrust law and state unfair and deceptive practices laws based on essentially the same factual allegations as in the consumer cases. Pioneer Valley claimed that it and other independent casket distributors were injured by the defendants' alleged conspiracy to boycott and suppress competition in the alleged market for caskets, and by an alleged conspiracy among SCI, Alderwoods, Stewart and other unnamed co-conspirators to monopolize the alleged market for caskets.

Plaintiff Pioneer Valley seeks certification of a class of all independent casket distributors who are or were in business at any time from July 8, 2001 to the present. Excluded from this class are independent casket distributors that: (1) are affiliated in any way with any funeral home; (2) manufacture caskets; or (3) are defendants or their directors, officers, agents, employees, parents, subsidiaries or affiliates.

The Pioneer Valley complaint was also transferred to the Southern District of Texas but was not combined with the FCA Action, although the scheduling orders for both cases are identical. On October 21, 2005, Pioneer Valley filed an amended complaint adding three new plaintiffs, each of whom purports to be a current or former "independent casket distributor." Like Pioneer Valley's original complaint, the amended complaint alleges violations of federal antitrust laws, but it has dropped the causes of actions for alleged price fixing, conspiracy to monopolize, and violations of state antitrust law and state unfair and deceptive practices laws. On October 25, 2006, the district court denied Hillenbrand's and Batesville's December 2005 motions to dismiss the amended Pioneer Valley complaint.

Class certification hearings in the FCA Action and the Pioneer Valley Action were held in early December 2006. Post-hearing briefing on the plaintiffs' class certification motions in both cases was completed in March 2007 though briefing on certain supplemental evidence related to class certification in the FCA Action also occurred in September 2007 and October 2007. The Court has not yet ruled on the motions for class certification. On August 27, 2007, the Court suspended all pending deadlines in both cases, including the previously set February 2008 trial date. The Court reset a docket call in both the FCA and Pioneer Valley Actions for May 5, 2008. A docket call is typically a status conference with the Court to set a trial date. It is anticipated that new deadlines, including a trial date, will not be set until sometime after the Court has ruled on the motions for class certification.

Plaintiffs in the FCA and Pioneer Valley Actions generally seek monetary damages, trebling of any such damages that may be awarded, recovery of attorneys' fees and costs, and injunctive relief. The plaintiffs in the FCA Action served a report indicating that they are seeking damages ranging from approximately $947 million to approximately $1.46 billion before trebling. Additionally, the Pioneer Valley plaintiffs served a report indicating that they are seeking damages of approximately $99.2 million before trebling. Because Batesville continues to adhere to its long-standing policy of selling Batesville caskets only to licensed funeral homes, a policy that it continues to believe is appropriate and lawful, if the case goes to trial the plaintiffs are likely to claim additional alleged damages for the period between their reports and the time of trial. At this point, it is not possible to estimate the amount of any additional alleged damage claims that they may make. Batesville and the defendants are vigorously contesting both liability and the plaintiffs' damages theories.

If a class were certified in any of the antitrust cases filed against Hillenbrand and Batesville and if the plaintiffs in any such case were to prevail at trial, any damages awarded to the plaintiffs, which would be trebled as a matter of law, could have a significant material adverse effect on our results of operations, financial condition and/or liquidity. In antitrust actions such as the FCA and Pioneer Valley Actions the plaintiffs may elect to enforce any judgment against any or all of the codefendants, who have no statutory contribution rights against each other.

We believe that Hillenbrand and Batesville have committed no wrongdoing as alleged by the plaintiffs and that we have meritorious defenses to class certification and to plaintiffs' underlying allegations and damage theories. In accordance with applicable accounting standards, neither Hillenbrand nor we have established a loss reserve for any of these cases.

(Dollars in millions) — (Continued)

After the FCA Action was filed, in the summer and fall of 2005, we were served with Civil Investigative Demands ("CIDs") by the Attorney General of Maryland and certain other state attorneys general who have begun an investigation of possible anticompetitive practices in the death care industry relating to a range of funeral services and products, including caskets. We have been informed that approximately 26 state attorneys general offices are participating in the joint investigation, although more could join. We cooperated with the attorneys general, and to date, no claims have been filed against us.

Other Pending Litigation Matter

On August 17, 2007, a lawsuit styled Vertie Staples v. Batesville Casket Company, Inc. was filed against us in the United States District Court for the Eastern District of Arkansas. The case is a putative class action on behalf of the plaintiff and all others in Arkansas who purchased a Monoseal® casket manufactured by us from a licensed funeral home located in Arkansas from January 1, 1989 to the present. The plaintiff claims that Monoseal® caskets were marketed as completely resistant to the entrance of air and water when they allegedly were not. The plaintiff asserts causes of action under the Arkansas Deceptive Trade Practices Act and for fraud, constructive fraud and breach of express and implied warranties. On January 9, 2008, the plaintiff filed an amended complaint that added another putative class plaintiff, restated the pending claims, and added a claim for unjust enrichment. In order to establish federal jurisdiction over the claims under the Class Action Fairness Act, the plaintiff alleges that the amount in controversy exceeds $5,000,000.

This action is in the very early stages of litigation, and as such, we are not yet able to assess the potential outcome of this matter. There is a trial date of November 3, 2008. We believe the claims are without merit and will vigorously defend the case. It is not unusual to have multiple copycat suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations could be brought against us.

11. Segment Information and Sources of Revenues

The Company is comprised of a single operating segment. Geographic data for net revenues and long-lived assets (which consist mainly of property and intangibles) for fiscal years 2007, 2006 and 2005 were as follows:

	2007	2006	2005
Net revenues to unaffiliated customers:(a)			
United States	$ 640.3	$ 645.9	$ 634.0
Foreign	26.9	28.7	25.4
Total revenues	$ 667.2	$ 674.6	$ 659.4
Long-lived assets:(b)			
United States	$ 109.6	$ 108.4	$ 106.3
Foreign	2.3	2.7	3.4
Total long-lived assets	$ 111.9	$ 111.1	$ 109.7

(a) Net revenues are attributed to geographic areas based on the location of the operation making the sale

(b) Includes property and intangible assets

(Dollars in millions) — (Continued)

Net revenues for fiscal years 2007, 2006 and 2005 were derived from the sale of the following:

	2007	2006	2005
Burial caskets	$ 601.4	$ 596.2	$ 587.3
All other	65.8	78.4	72.1
Total net revenues	$ 667.2	$ 674.6	$ 659.4

One customer accounted for 14.5 percent, 10.7 percent and 11.5 percent of the Company's total revenues during the years ended September 30, 2007, 2006 and 2005, respectively. Accounts receivable from that customer at September 30, 2007 and 2006 was $13.8 million and $9.1 million, respectively.

SCHEDULE II

FUNERAL SERVICE BUSINESS OF HILLENBRAND INDUSTRIES, INC.

VALUATION AND QUALIFYING ACCOUNTS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007, 2006 AND 2005

Description	Balance at Beginning of Period	Additions Charged to Costs and Expense	Additions Charged to Other Accounts	Deductions Net of Recoveries	Balance at End of Period
			(Dollars in millions)		
Reserves deducted from assets to which they apply:					
Allowance for possible losses, early pay discounts, and sales returns — accounts receivable:					
Period Ended:					
September 30, 2007	$ 13.9	$ 9.0	$ —	$ (4.9)(a)	$ 18.0
September 30, 2006	$ 11.5	$ 3.2	$ —	$ (0.8)(a)	$ 13.9
September 30, 2005	$ 7.5	$ 4.8	$ —	$ (0.8)(a)	$ 11.5
Allowance for inventory valuation, including LIFO reserve:					
Period Ended:					
September 30, 2007	$ 11.8	$ 1.5	$ —	$ (0.2)(b)	$ 13.1
September 30, 2006	$ 12.0	$ —	$ —	$ (0.2)(b)	$ 11.8
September 30, 2005	$ 8.5	$ 3.7	$ —	$ (0.2)(b)	$ 12.0

(a) Generally reflects the write-off of specific receivables against recorded reserves.

(b) Generally reflects the write-off of specific inventory against recorded reserves.

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March 10, 2008

United States Securities and Exchange Commission
100 F Street, N.W.
Washington, D.C. 20549

Re: Batesville Holdings, Inc.
Registration Statement on Form 10
File No. 001-33794

Ladies and Gentlemen:

On behalf of Batesville Holdings, Inc. (the "Registrant"), we are responding to the comments and requests for additional information contained in the letter from the staff (the "Staff") of the United States Securities and Exchange Commission (the "Commission"), dated March 4, 2008, with respect to Amendment No. 2 to the Registration Statement referred to above (the "Registration Statement") and the related Information Statement (the "Information Statement").

The Registrant today has filed through EDGAR Amendment No. 3 to the Registration Statement. A revised Information Statement is included as Exhibit 99.1 to Amendment No. 3 to the Registration Statement.

For your convenience, we have repeated in bold type the Staff's comments and requests for additional information exactly as set forth in the comment letter. The Registrant's response to each comment or request is set forth immediately below the text of the applicable comment or request. Certain terms used in this letter that are defined in the Information Statement have the meanings given to those terms in the Information Statement.

Information Statement

The Separation, page 13

Background of and Reasons for the Separation, page 18

1. **We note your response to comment 5 in our letter dated January 25, 2008. However, we also note that you disclose specific risks related to the separation beginning on page 7 of the Risk Factors. Therefore, please disclose whether Original Hillenbrand's board considered these risks. Also clarify which of the factors you list on page 18 either supported the separation decision or were potentially negative factors concerning the separation.**

   Response: The Registrant has revised the disclosure on page 19 of the Information Statement as requested to indicate that the Board considered the risks described in the Information Statement under the heading "Risk Factors—Risks Relating to the Separation." The Registrant has not added a discussion of whether the factors listed on pages 18-19 considered by the Board were positive or negative factors in the decision to pursue the separation because such categorization of the factors is not practicable or would be duplicative of other disclosures. The listed factors fall into one of the following categories:

   - Factors that were neutral with respect to the decision to separate but that nevertheless merited consideration by the Board to determine how these matters would be addressed in the separation;
   - Factors that are already addressed in "Risk Factors" or in the discussion of material expected benefits of the separation on page 19; or
   - Factors that cannot be characterized as positive or negative because they had both positive and negative aspects or because different Board members may have had different views as to whether the factors supported separation.

Interests of Certain Persons in the Separation, page 20

2. **We note your response to comment 4 in our letter dated January 25, 2008 and your disclosure that Original Hillenbrand and New Hillenbrand expect to incur charges of $16 to $19 million in connection with the modification or acceleration of the outstanding equity-based awards. Please clarify whether your executive officers and/or directors will hold securities that accelerate and vest in full as a result of the distribution. If so, disclose in tabular format in this section of the filing, on an individual and group basis, the number of unvested securities that will vest and the**

value of such securities. Also disclose in this section, on an individual and group basis, the equity grants, including their associated dollar value made to the executive officers and directors in connection with the distribution.

Response: The Registrant has revised the disclosure on pages 21-22 of the Information Statement as requested to provide a table that discloses for each of the Registrant's Named Executive Officers and directors and its executive officers and directors as a group:

- The number and value of Original Hillenbrand deferred stock shares that will vest upon completion of the distribution and be replaced by unrestricted shares of New Hillenbrand common stock; and
- The number of Original Hillenbrand stock options and deferred stock shares that will be replaced by New Hillenbrand stock options and deferred stock shares in connection with the distribution.

The Registrant also has added disclosure on page 23 of the Information Statement regarding the terms of new equity-based awards that will be made to Kenneth A. Camp in connection with the distribution. These awards to Mr. Camp are the only equity-based awards that will be made to our executive officers and directors in connection with the distribution other than in replacement of outstanding Original Hillenbrand equity-based awards.

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Prior Comment No. 7

3. It appears to us from the information you have provided on the incremental costs associated with operating as a separate public company that your estimates are sufficiently detailed to meet the criteria outlined in Article 11-02(b)(6)(i-iii) of Regulation S-X. As such, please revise to include at least the minimum range as an adjustment to your pro forma income statements. We note that due to the marginal effect of the current pro forma adjustments, this additional adjustment could be material to your investors.

Response: The Registrant has revised the Information Statement as requested to reflect $5.0 million and $1.3 million, respectively, of incremental costs associated with operating as a separate public company in the pro forma income statements for the fiscal year ended September 30, 2007 and the three months ended December 31, 2007.

Hillenbrand Form 8-K Dated February 19, 2008

4. **According to Article 11-02(b)(6) of Regulation S-X, pro forma adjustments are computed assuming the transaction was consummated at the beginning of the most recent fiscal year, rather than the earliest period presented as stated in your Basis of Presentation. Article 11-02(c)(2)(i) of Regulation S-X states that the pro forma condensed statements of income shall be filed for only the most recent fiscal year and for the period from the most recent fiscal year end to the most recent interim date. Please revise accordingly.**

   Response: With respect to the point on presenting pro forma adjustments only for the most recent fiscal year, the Registrant agrees and has updated the Basis of Presentation to clarify this point. It should be noted, however, that the years prior to the most recent fiscal year contain no pro forma adjustments other than those necessary to remove the effects of Batesville Holdings, Inc. to reflect the distribution consistent with their pending treatment as a discontinued operation.

   In regards to the second point and the number of pro forma periods to be presented, while we understand the normal pro forma requirements of Article 11 of Regulation S-X, in consulting with Topic Three of the SEC Training Manual, Section II. C., the guidance in Item 1 indicated that while the latest fiscal year and interim period are normally required for pro forma income statement information, if one of the two items described in Item 2 are present, the pro forma information should be presented for all periods required in historical financial statements. As one of these conditions related to the presentation of discontinued operations that are not yet required to be reflected in historical statements, we felt it appropriate in the circumstances to provide this information for all fiscal years back to fiscal 2005. In addition, this is in line with the reporting that will be required to be filed within four days of the actual distribution.

Courtesy packages containing copies of Amendment No. 3 to the Registration Statement, both clean and marked to show changes from Amendment No. 2, and this letter are being delivered to each member of the Staff identified in the Staff's comment letter.

If any member of the Staff has any questions regarding the foregoing, or desires further information or clarification in connection therewith, or with respect to any other revisions to Registration Statement or the Information Statement, please contact the undersigned at 713-221-3309.

Very truly yours,

Bracewell & Giuliani LLP

/s/ Charles H. Still, Jr.

Charles H. Still, Jr.

CHS/ms