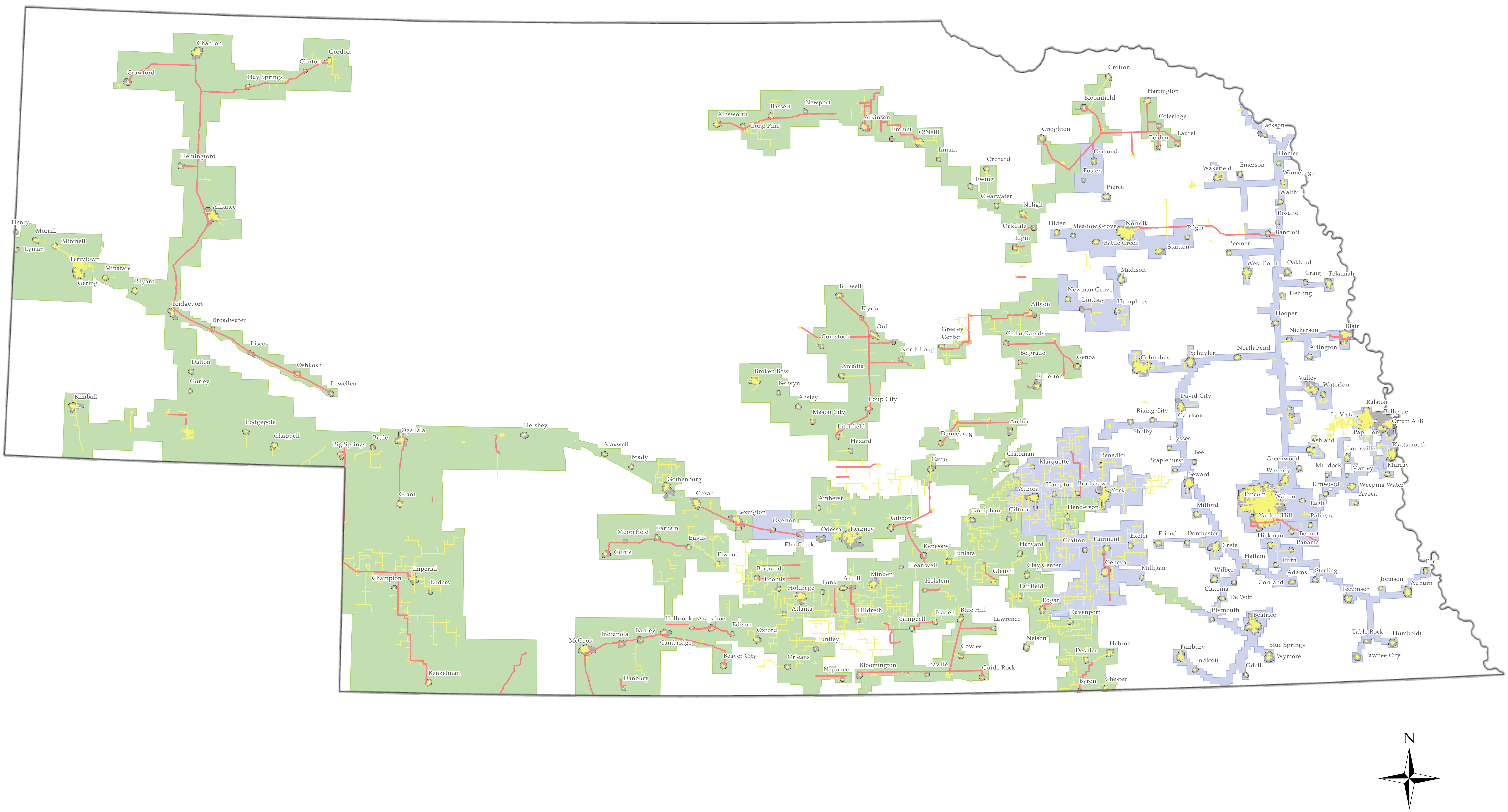
Exhibit RJA -1

STATEMENT OF QUALIFICATIONS

I am a graduate of Iowa State University with a bachelor's degree in Industrial Administration with a specialization in Finance. I am also a graduate of the Creighton School of Law with a Juris Doctorate. I worked as an attorney in private practice and as an investment advisor prior to joining UtiliCorp United, Inc. (a/k/a “Aquila, Inc.”) in the Regulatory Services department in 1995. Since that time, my roles and responsibilities have focused on providing regulatory and other support of company-operations in Kansas, Iowa, Nebraska, Missouri and Colorado. I have held my present position with Black Hills Corporation since 2008, when BHC acquired various utility properties formerly owned by Aquila, Inc. and Source Gas Distribution, LLC, including the natural gas properties of BH Gas Distribution and BH Gas Utility Nebraska.

In my current role, I am responsible for all regulatory and financial planning matters for the Company’s regulated natural gas utilities located in the states of Nebraska and Iowa. In this role, my team handles regulatory compliance, internal support, external relations, Commission application filings, corporate and business operations planning, budgets, strategic planning, and various other matters that arise from time to time.



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Nebraska Rate Areas

Black Hills Energy

- BHE Transmission
- BHE Distribution
- BH Gas Utility
- BH Gas Distribution

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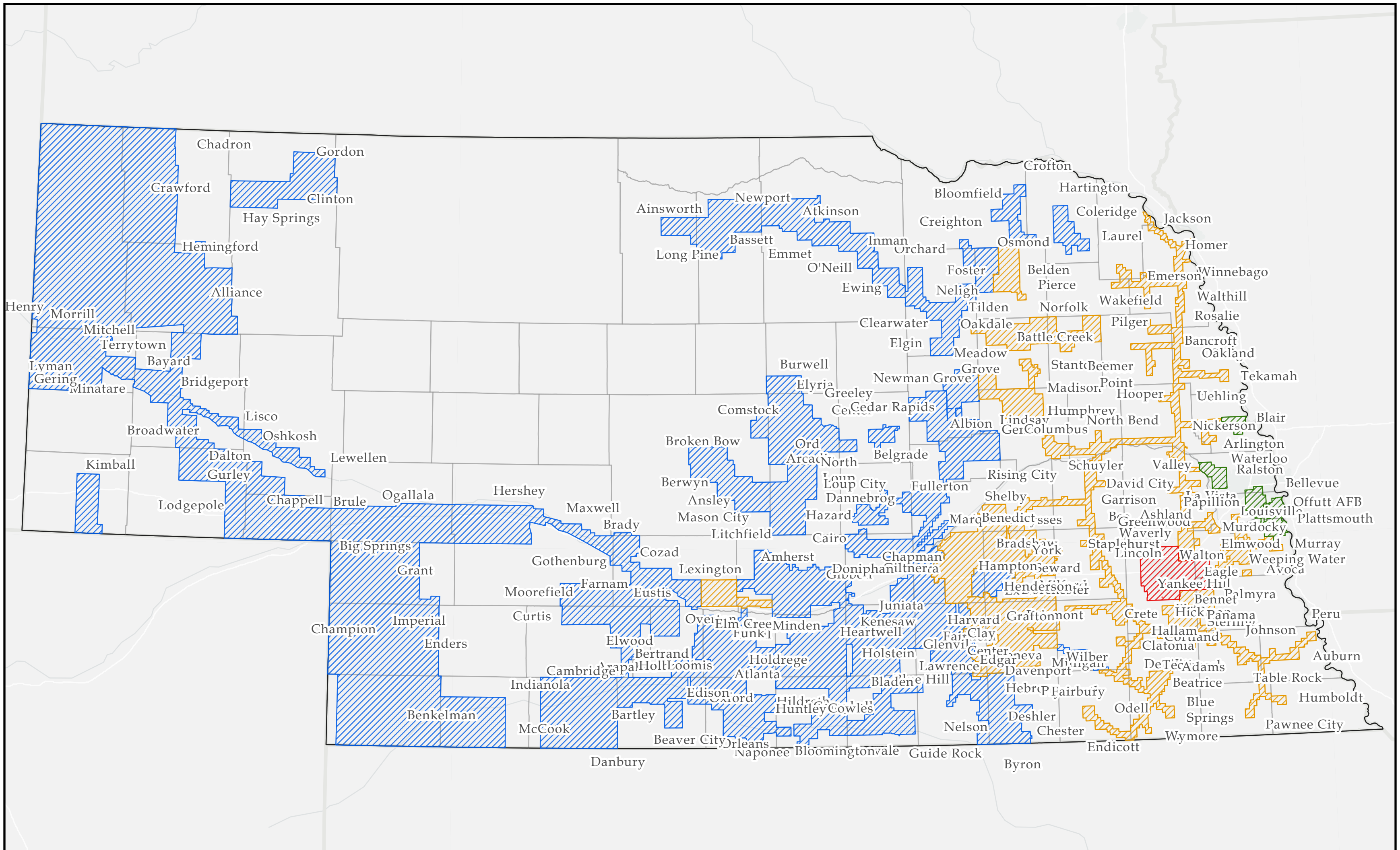

Nebraska Rate Areas

Black Hills Energy

- Rate Area 1
- Rate Area 2
- Rate Area 3
- Rate Area 5

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AUDIT COMMITTEE REPORT

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities to shareholders relating to the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements regarding financial reporting, the independent auditors' qualifications and independence, and the performance of the Company's internal and independent auditors.

Management has the primary responsibility for the completeness and accuracy of the Company's financial statements and disclosures, the financial reporting process, and the effectiveness of the Company's internal control over financial reporting.

Our independent auditors, Deloitte & Touche LLP, are responsible for auditing the Company's consolidated financial statements and expressing an opinion as to whether they are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States.

In fulfilling its oversight responsibilities for 2019, the Audit Committee, among other things:

- Reviewed and discussed the audited financial information contained in the Annual Report on Form 10-K with management and our independent auditors prior to public release.
- Reviewed and discussed with our independent auditors their judgments as to the quality, not just the acceptability, of our critical accounting principles and estimates and all other communications required to be discussed with the Audit Committee under generally accepted auditing standards, including the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC.
- Reviewed and discussed with management, our internal auditors and our independent auditors management's report on internal control over financial reporting, including the significance and status of control deficiencies identified by management and the results of remediation efforts undertaken, to determine the effectiveness of internal control over financial reporting at December 31, 2019.
- Reviewed with our independent auditors their report on the Company's internal control over financial reporting at December 31, 2019, including the basis for their conclusions.
- Reviewed and pre-approved all audit and non-audit services and fees provided to the Company by our independent auditors and considered whether the provision of such non-audit services by our independent auditors is compatible with maintaining their independence.
- Discussed with our internal and independent auditors their audit plans, audit scope and identification of audit risks and reviewed the results of internal audit examinations.
- Reviewed and discussed the interim financial information contained in each quarterly earnings announcement and Quarterly Report on Form 10-Q with management and our independent auditors prior to public release.
- Received and reviewed periodic corporate compliance and financial risk reports, including credit and hedging activity.
- Held private sessions with our independent auditors, Chief Auditor, Chief Financial Officer and Controller, and Chief Compliance Officer.
- Received the written disclosures and the letter from our independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Committee concerning independence and discussed the independence of Deloitte & Touche LLP with them.
- Concluded Deloitte & Touche LLP is independent based upon the above considerations.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC. The Audit Committee also recommended and the Board reappointed Deloitte & Touche LLP as our independent registered public accounting firm for 2020. Shareholders are being asked to ratify that selection at the 2020 Annual Meeting.

THE AUDIT COMMITTEE

Mark A. Schober, Chair
Robert P. Otto
Steven R. Mills
John B. Vering

COMPENSATION DISCUSSION AND ANALYSIS

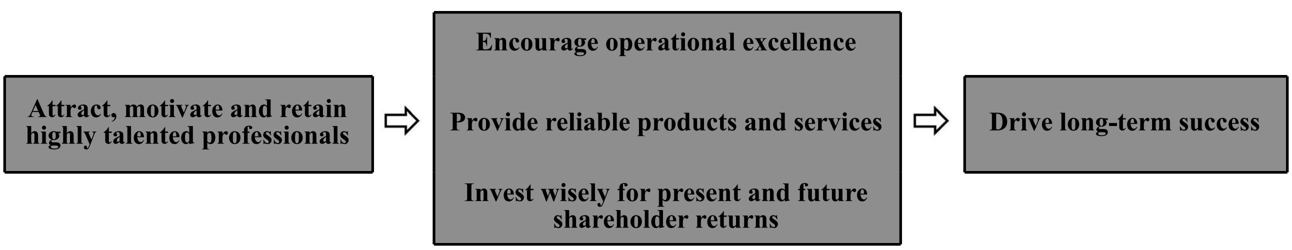
INTRODUCTION

This Compensation Discussion and Analysis describes our overall executive compensation policies and practices and specifically explains the compensation-related actions taken with respect to 2019 compensation for our executive officers included in the Summary Compensation Table (our "Named Executive Officers"). Our Named Executive Officers, based on 2019 positions and compensation levels, are:

Name Executive Officers	Title	Reference
David R. Emery	Executive Chairman	Emery, Chair
Linden R. Evans	President and Chief Executive Officer	Evans, CEO
Richard W. Kinzley	Sr. Vice President and Chief Financial Officer	Kinzley, CFO
Brian G. Iverson	Sr. Vice President, General Counsel and Chief Compliance Officer	Iverson, GC
Scott A. Buchholz	Sr. Vice President and Chief Information Officer	Buchholz, CIO

The Compensation Committee of the Board of Directors (the "Committee," for purposes of this Compensation Discussion and Analysis) is composed entirely of independent directors and is responsible for approving and overseeing our executive compensation philosophy, policies and programs.

OVERALL GOAL



EXECUTIVE COMPENSATION PROGRAM DESIGN OBJECTIVES

Attract, retain, motivate and encourage the development of highly qualified executives

Provide competitive compensation

Promote the relationship between pay and performance

Promote corporate performance that is linked to our shareholders' interests

Recognize and reward individual performance

2019 ACCOMPLISHMENTS

Black Hills Corporation reported solid operational and financial performance in 2019. Substantial progress was made on our strategic initiatives and we continued to lay a solid foundation for strong future earnings growth. Significant accomplishments for the year included:

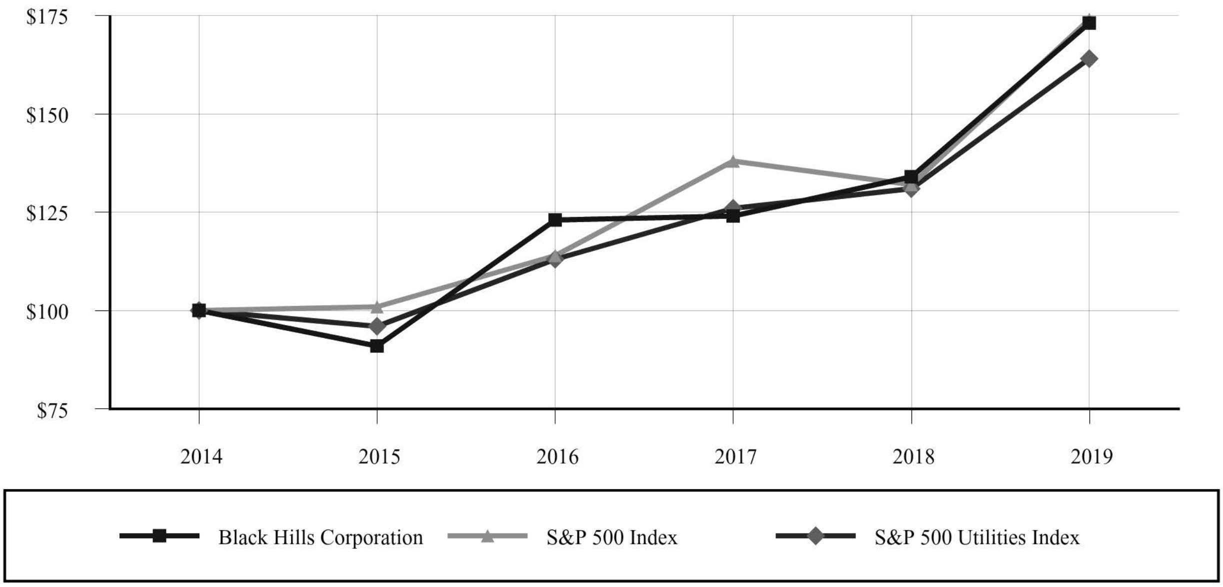
- Increased the annual dividend for the 49th consecutive year, one of the longest records in the utility sector;
- Completed significant financing activity, including:
  - Issued $400 million of 3.05 percent 10-year senior notes due 2029 and $300 million of 3.875 percent 30-year senior notes due 2049;
  - Issued 1.3 million shares of new common stock for net proceeds of $99 million under our at-the-market equity offering program;

  to accomplish our long-term objective of investing to meet the needs of our Customers;
- Executed a successful CEO transition;
- Invested in our utility infrastructure and systems:
  - Deployed $850 million in capital projects;
  - Completed construction of the 60 MW Busch Ranch II wind project;
  - Completed construction of the 12-inch 35-mile Natural Bridge pipeline that interconnects a supply point near Douglas, Wyoming to facilities near Casper, Wyoming;
  - Completed the construction of the final 94 miles of a 175-mile 230 kV transmission line from Rapid City, South Dakota to Segall, Nebraska;
- Executed a number of regulatory accomplishments;
  - Successfully completed a rate review request for Wyoming Gas;
  - Received approvals for South Dakota Electric's and Wyoming Electric's Renewable Ready Service Tariffs and the related jointly-filed certificate of public convenience and necessity to construct the Corriedale Wind Energy Project;
  - Received approval to consolidate the rates, tariffs and services of Wyoming Gas' four gas distribution territories;
  - Received approval to legally consolidate Nebraska Gas' two natural gas distribution companies;
  - Filed a request with FERC for approval of a new 20-year power purchase agreement between Black Hills Wyoming and affiliate Wyoming Electric;
  - Issued a request for proposals for Colorado Electric's Renewable Advantage program, to potentially add up to 200 megawatts of renewable energy resources to its southern Colorado system;
- Provided the safe and reliable service our communities and customers depend on and achieved several notable operations performance metrics:
  - Earned 1st quartile reliability ranking for our three electric utilities compared to industry averages;
  - Achieved a safety performance total case incident rate of 1.25 compared to an industry average of 1.9;
  - Achieved a safety performance preventable motor vehicle incident rate of 2.48 compared to an American Gas Association reported average of 3.11;
  - Achieved a 13 percent Net Promotor Score improvement over 2018;
  - Recognized as a "Gold Leader" in Colorado for achieving significant goals in environmental improvement and sustainability;
  - Received Star Worksite status, the highest OSHA Voluntary Protection Program status, for implementing and maintaining effective safety and health management systems at our Pueblo Airport Generating Station in Pueblo, Colorado; and
  - Received an award from the State of Wyoming for ten years without a lost-time accident at our mine and received the Mine Safety and Health Administration's Certificate of Achievement for no lost-time accidents.

RETURN TO SHAREHOLDERS

The following chart shows how a $100 investment in the Company's common stock on December 31, 2014 would have grown to $172 on December 31, 2019, with dividends reinvested. The chart also compares the total shareholder return on the Company's common stock to the same investment in the S&P 500 Index and S&P 500 Utilities Index over the same period.

Comparison of 5 Year Cumulative Total Shareholder Return



2019 PERFORMANCE RESULTS

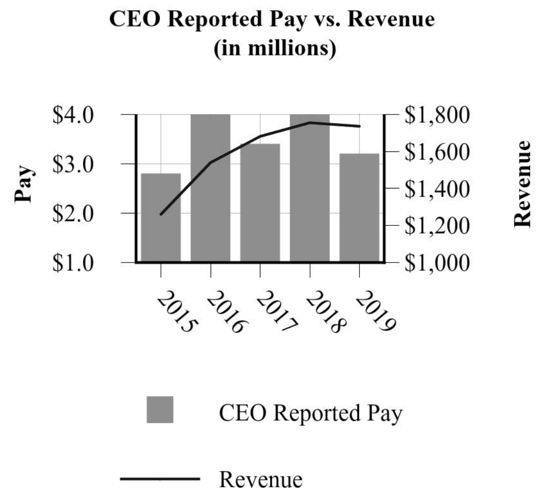
Our corporate financial and safety performance goals are used as measures to determine awards under our variable pay programs. The following table summarizes our 2019 performance measures and results.

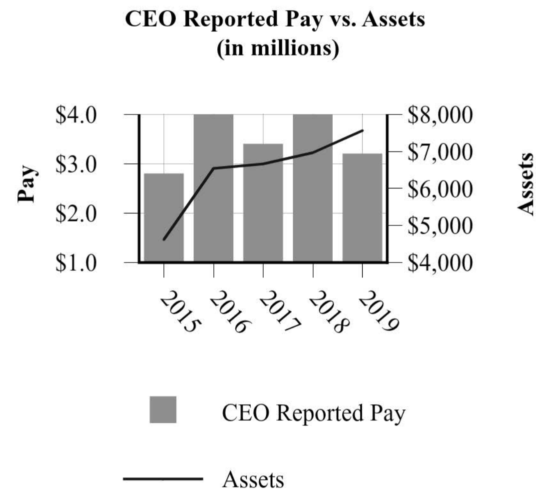
Pay Element	Performance Measure	2019 Results
Short-term Incentive: Payout of 107% of Target		
80 Percent	EPS from ongoing operations, as adjusted, target set at $3.44; threshold set at $3.10	$3.53 per share for incentive plan purposes
10 Percent	Total Case Incident Rate (TCIR), target set at 1.1; threshold set at 1.3	TCIR 1.25
10 Percent	Preventable Motor Vehicle Incident (PMVI), target set at 1.7; threshold set at 2.0	PMVI: 2.45
Long-term Incentive: Payout of 59% of Target		
Performance Share Award	Total Shareholder Return (TSR) relative to our Performance Peer Group measured over a three-year period	TSR 37% 36th Percentile Ranking in Performance Peer Group

PAY FOR PERFORMANCE

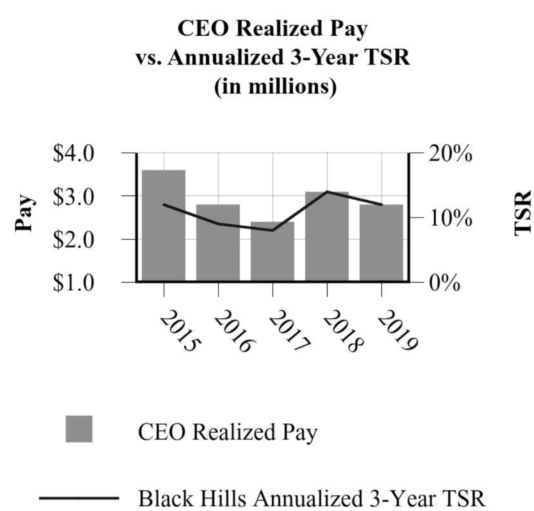
A key component of our executive compensation program is to link pay to performance.

The charts below illustrate the directional relationship between the compensation of our CEO (Mr. Emery for 2015 through 2018, and Mr. Evans for 2019), as reported in the Summary Compensation Table (excluding the change in pension value) and the growth in our Company for the last five years.





Since a large percentage of the CEO's pay as reported in the Summary Compensation Table represents potential pay, we believe it is also important to look at pay actually realized each year. In addition, since over 50 percent of our CEO pay is tied to Company performance, it is important to look at his realized pay as it is impacted by Company performance. The following graphics show reported pay and realized pay over the last five years and realized pay as it correlates to the Company's annualized 3-year total shareholder return, its long-term performance metric.



Reported pay includes base salary, actual annual incentive earned, the grant date fair value of long-term equity compensation and all other compensation, excluding the change in pension value, each as reported in the Summary Compensation Table.

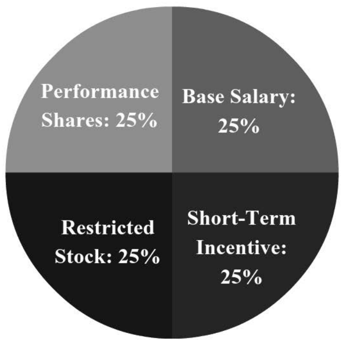
Realized pay includes base salary, actual annual incentive earned and all other compensation, each as reported in the Summary Compensation Table, and the value of long-term performance compensation paid and stock awards vested in the applicable year.

KEY EXECUTIVE COMPENSATION OBJECTIVES

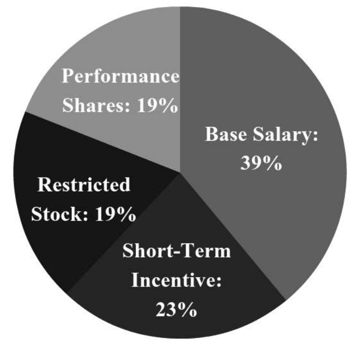
Overall, our goal is to target total direct compensation (the sum of base salary, short-term incentive at target and long-term incentive at target) at the median of the appropriate market when our operating results approximate average performance in relation to our peers.

Our executive compensation is designed to maintain an appropriate and competitive balance between fixed and variable compensation components, short-and long-term compensation, and cash and stock-based compensation.

CEO 2019 Target Pay Mix



Other NEOs 2019 Target Pay Mix(1)



Variable	75%	Variable	61%
Linked to Share Value	50%	Linked to Share Value	38%

(1) Mr. Emery’s compensation is excluded from the target pay mix as he was not eligible for incentive pay in 2019.

We believe that the performance basis for determining compensation should differ by each reward component – base salary, short-term incentive and long-term incentive. Incentive measures (short-term and long-term) should emphasize objective, quantitative operating measures. The performance measures for our incentive compensation plans are discussed below.

SETTING EXECUTIVE COMPENSATION

Based upon our compensation philosophy, the Committee structures our executive compensation to motivate our officers to achieve specified business goals and to reward them for achieving such goals. The key steps the Committee follows in setting executive compensation are to:

- Analyze executive compensation market data to ensure market competitiveness
- Review the components of executive compensation, including base salary, short-term incentive, long-term incentive, retirement and other benefits
- Review total compensation mix and structure
- Review executive officer performance, responsibilities, experience and other factors cited above to determine individual compensation levels

Market Compensation Analysis

The market for our senior executive talent is national in scope and is not focused on any one geographic location, area or region of the country. As such, our executive compensation should be competitive with the national market for senior executives. It should also reflect the executive's responsibilities and duties and align with the compensation of executives at companies or business units of comparable size and complexity. The Committee gathers market information for our corporate executives from the electric and gas utility industry and also reviews general industry data as an additional reference.

The Committee selects and retains the services of an independent consulting firm to periodically:

Provide information regarding practices and trends in compensation programs

Review and evaluate our compensation program as compared to compensation practices of other companies with similar characteristics, including size, complexity and type of business

Review and assist with the establishment of a peer group of companies

Provide a compensation analysis of the executive positions

The Committee used the services of Willis Towers Watson to evaluate 2019 compensation. Willis Towers Watson gathered data from nationally recognized survey providers, as well as specific peer companies through public filings, which included:

i. Willis Towers Watson's 2018 Compensation Data Bank (energy services and general industry); and
ii. 23 peer companies representing the utility and energy industry.

The 23 peer companies ranged in annual revenue size from approximately $563 million to $6.6 billion, with the median at $2.0 billion. The Company's 2018 revenue was $1.7 billion. The survey data was adjusted for our relative revenue size using regression analysis. Our compensation peer companies included in the analysis for 2019 compensation decisions were:

ALLETE Inc.	IDACORP Inc.	Pinnacle West Capital Corp.
Alliant Energy Corporation	MGE Energy Inc.	PNM Resources, Inc.
Ameren Corporation	New Jersey Resources Corp.	Portland General Electric Co.
Atmos Energy Corp.	NiSource, Inc.	SCANA Corp.
Avista Corp.	Northwest Natural Gas Co.	South Jersey Industries, Inc.
CMS Energy Corp.	NorthWestern Corp.	Spire, Inc.
El Paso Electric Co.	OGE Energy Corp.	Vectren Corp.
Hawaiian Electric Ind., Inc.	ONE Gas, Inc.	

The above peer companies were chosen by the Compensation Committee as the Compensation Peer Group after engaging Willis Towers Watson to do an extensive review. Approximately 70 percent of the above companies are a subset of the Edison Electric Institute (EEI) Index, our Performance Peer Group, and were chosen because they were within our revenue range of 0.3x - 4.0x our size and market capitalization range of 0.40x - 2.5x our size. The EEI Index is comprised of electric utilities and combination gas and electric utilities. In addition, approximately 30 percent of the peer companies above were added to provide a mix of gas utilities.

The salary surveys are one of several factors the Committee uses in setting appropriate compensation levels. Other factors include Company performance, individual performance and experience, the level and nature of the executive's responsibilities, internal equity considerations and discussions with the CEO related to the other senior executive officers.

Components of Executive Compensation

The components of our executive compensation program consist of a base salary, a short-term incentive plan, and long-term incentives. In addition, we provide retirement and other benefits.

An important component of the executives' total compensation is derived from incentive compensation. Incentive compensation is intended to motivate and encourage our executives to drive performance and achieve superior results for our shareholders. The Committee periodically reviews information provided by the compensation consultant to determine the appropriate level and mix of incentive compensation. Actual income in the form of incentive compensation is realized by the executive as a result of achieving Company goals and overall stock performance. The Committee believes that a significant portion of total target compensation should be comprised of incentive compensation. In order to reward long-term growth while still encouraging short-term results, the Committee establishes incentive targets that emphasize long-term compensation at a greater level than short-term compensation.

The Committee reviews all components of each senior executive officer's compensation, including salary, short-term incentive, equity and other long-term incentive compensation values granted, and the current and potential value of the executive officer's total Black Hills Corporation equity holdings.

As noted previously, effective January 1, 2019 and related to a long-term executive succession plan, Mr. Emery was named Executive Chairman and Mr. Evans was named President and CEO. The changes in duties were reflected in corresponding changes in compensation.

Base Salary. Base salaries for all officers are reviewed annually. We also adjust the base salary of our executives at the time of a promotion or material change in job responsibility, as appropriate. Evaluation of 2019 base salary adjustments occurred in January 2019. The base salary component of each position was compared to the median of the market data provided by the compensation consultant. The market data indicated that although competitive positioning has decreased from the consultant's previous analysis, the salaries generally aligned with the utility industry median and below comparable general industry levels. The actual base salary of each officer was determined by the executive's performance, the experience level of the officer, the executive's current position in a market-based salary range, and internal pay relationships. As Executive Chair, Mr. Emery no longer participates in new short or long-term incentive plans. His compensation is composed only of base salary.

	2018 Base Salary	2019 Base Salary
Emery, Chair	$820,000	$1,300,000
Evans, CEO	$530,000	$750,000
Kinzley, CFO	$381,000	$420,000
Iverson, GC	$350,000	$375,000
Buchholz, CIO	$320,000	$340,000

Short-Term Incentive. Our Short-Term Incentive Plan is designed to recognize and reward the contributions of individual executives as well as the contributions that group performance makes to overall corporate success. In 2019, the Committee recommended and the Board approved including safety performance metrics as components of the short-term incentive goals. The 2019 short-term incentive was based eighty percent on earnings per share targets and twenty percent on safety performance targets. The Committee believes that these performance measures closely align interests with shareholders and foster teamwork and cooperation within the officer team. The short-term incentive, after applicable tax withholding, is distributed to the officer in the form of 50 percent stock and 50 percent cash, unless the officer has met his or her stock ownership guideline, in which case he or she may elect to receive the total award in cash, after deductions and applicable tax withholding. Target award levels are established as a percentage of each participant's base salary. A target award is typically comparable to the average short-term incentive target award of the Performance Peer Group at the 50th percentile level. The actual payout will vary, based on attainment of pre-established performance goals, between 50 and 200 percent of the individual executive's short-term incentive target award level.

The Committee approves the target level for each officer in January, which applies to performance in the upcoming plan year. Target levels are derived in part from competitive data provided by the compensation consultant and in part by the Committee's judgment regarding internal equity, retention and an individual executive's expected contribution to the achievement of our strategic objectives. As Executive Chairman, Mr. Emery does not participate in the Company's Short-Term Incentive Plan. The target levels for the positions held by our other Named Executive Officers are shown below:

Short-Term Incentive Target				
	2018		2019	
	% Amount	$ Amount	% Amount	$ Amount
Emery, Chair	110%	$902,000	—	—
Evans, CEO	70%	$371,000	100%	$750,000
Kinzley, CFO	60%	$228,600	65%	$273,000
Iverson, GC	55%	$192,500	60%	$225,000
Buchholz, CIO	50%	$160,000	50%	$170,000

The threshold, target and maximum payout levels for our Named Executive Officers under the 2019 Short-Term Incentive Plan are shown in the Grants of Plan Based Awards in 2019 table on page 41, under the heading "Estimated Future Payouts Under Non-Equity Incentive Plan Awards."

Early in the first quarter, the Committee evaluates actual performance in relation to the prior year's targets and approves the actual payment of awards related to the prior plan year. The Committee reserves the discretion to adjust any award, and will review and take into account individual performance, level of contribution, and the accomplishment of specific project goals that were initiated throughout the plan year. The Committee also reserves discretion with respect to any payout related to safety goals if we experience an employee or contractor fatality during the plan period.

The Committee selected an earnings per share goal based on ongoing operations, as adjusted, for 2019, and two safety performance goals. These goals meet the objectives of the plan, including:

Align the interests of the plan participants and the shareholders with a corporate-wide component

Motivate employees and support the corporate compensation philosophy

Provide an incentive reflective of core operating performance by adjusting for unique one-time events

Ensure "buy-in" from participants with easily understood metrics

Meet the performance objectives of the plan to achieve over-time, an average payout equal to market competitive levels

The Committee has defined earnings per share from ongoing operations, as adjusted, to be GAAP earnings per share adjusted for unique one-time non-budgeted events (similar to those items adjusted for when reporting non-GAAP earnings for external purposes), including external acquisition costs, impairments, transaction financing costs, unique tax transactions, and other items the Committee deems not reflective of ongoing operations and the value created for shareholders.

The Committee approved the goals for 2019 for the senior officers as follows:

2019 Short-Term Incentive Metrics				
		Guidelines		
Incentive	Value	Threshold	Target	Maximum
EPS from ongoing operations, as adjusted	80%	$3.10	$3.44	$3.78
Total Case Incident Rate (TCIR)	10%	1.3	1.1	0.9
Preventable Motor Vehicle Incidents (PMVI)	10%	2.0	1.7	1.4
Payout percentage of target for each metric		50%	100%	200%

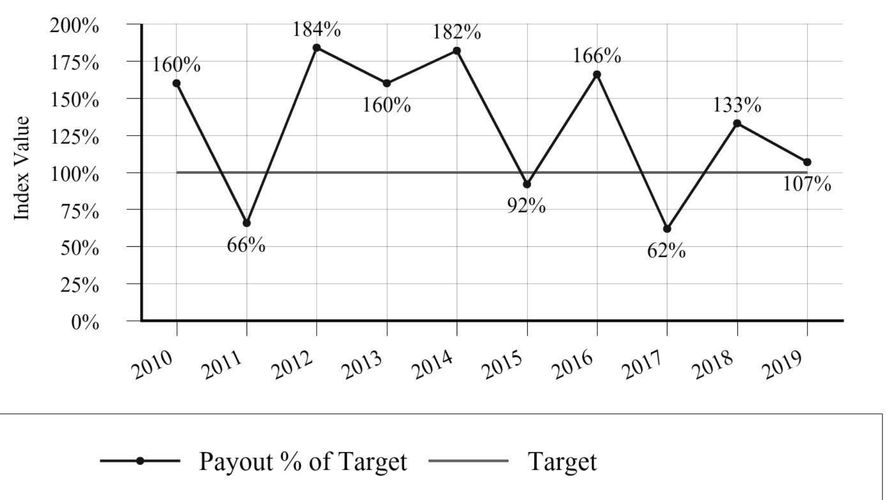
On January 28, 2020, the Committee approved a payout of 107 percent of target under the 2019 Short-Term Incentive Plan. The payout was based for incentive plan purposes on the attainment of the following:

- Our 2019 earnings per share were $3.53 per share, which was above our target earnings per share goal, resulting in a payout of 126 percent for 80 percent of the target incentive.
- Our 2019 TCIR was 1.25, which was above our target but below our threshold, which resulted in a payout of 63 percent for 10 percent of the target incentive.
- Our 2019 PMVI was 2.45, which exceeded our threshold and resulted in no payout of 10 percent of the target incentive.

Earnings from ongoing operations, as adjusted, for incentive plan purposes were the same as earnings per share from continuing operations, as adjusted, reported externally to our investors (and reconciled to GAAP earnings per share in Appendix A). For 2019, actual adjustments included impairment of an oil and gas investment, which is not indicative of ongoing performance and accordingly was reflected as an as-adjusted basis.

Payouts under the Short-Term Incentive Plan have varied over the last 10 years as shown in the graph below.

Short-Term Incentive Payout % of Target



Actual awards made to each of our Named Executive Officers under the Short-Term Incentive Plan for 2019 are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 39.

Long-Term Incentive. Long-term incentive compensation is comprised of grants made by the Committee under our 2015 Omnibus Incentive Plan. Long-term incentive compensation is intended to:

- Promote corporate goals by linking the personal interests of participants to those of our shareholders
- Provide participants with an incentive for excellence in individual performance
- Promote teamwork among participants
- Motivate, retain, and attract the services of participants who make significant contributions to our success by allowing participants to share in such success
- Meet the performance objectives of the plan to achieve over-time, an average payout equal to market competitive levels

The Committee oversees the administration of the Omnibus Incentive Plans with full power and authority to determine when and to whom awards will be granted, along with the type, amount and other terms and conditions of each award. The long-term incentive compensation component is currently composed of performance shares and restricted stock. The Committee chose these components because linking executive compensation to stock price appreciation and total shareholder return is an effective way to align the interests of management with those of our shareholders. The Committee selected total shareholder return as the performance goal for the performance shares because it believes executive pay under a long-term, capital accumulation program should mirror our performance in shareholder return as compared to our Performance Peer Group of companies.

The value of long-term incentives awarded is based primarily on competitive market-based data presented by the compensation consultant to the Committee, the impact each position has on our shareholder return and internal pay relationships. The actual amount realized will vary from the awarded target amounts. The Committee approved the target long-term incentive compensation level for each officer in January 2019. As Executive Chair, Mr. Emery does not participate in our long-term incentive plan. The 2019 long-term incentive was adjusted for the balance of the Named Executive Officers to increase competitiveness within the market median compensation levels.

NEO Long-Term Incentive Target Compensation

	2018	2019
Emery, Chair	$1,900,000	—
Evans, CEO	$840,000	$1,500,000
Kinzley, CFO	$480,000	$510,000
Iverson, GC	$375,000	$390,000
Buchholz, CIO	$240,000	$240,000

2019 NEO Long-Term Incentive Compensation as a Percentage of Base Salary

	Emery, Chair	Evans, CEO	Kinzley, CFO	Iverson, GC	Buchholz, CIO
% of Base Salary	-	200%	121%	104%	71%

The variance in percentage of base salary for the long-term incentive value of our Named Executive Officers reflects our philosophy that certain officers should have more of their total compensation at risk because they hold positions that have a greater impact on our long-term results and is also consistent with market practice.

Performance shares are used to deliver 50 percent of the long-term incentive award amounts, with the remaining 50 percent delivered in the form of restricted stock that vests ratably over three years. The actual shares of performance shares and restricted stock granted in 2019 are reflected in the tables in the *Performance Shares* and *Restricted Stock* sections that follow.

Performance Shares. Participants are awarded a target number of performance shares based upon the value of the individual performance share component approved by the Committee, divided by the Beginning Stock Price. The Beginning Stock Price is the average of the closing price of our common stock for the 20 trading days immediately preceding the beginning of the plan period. Entitlement to performance shares is based on our total shareholder return over designated performance periods, as measured against our Performance Peer Group. The final value of the performance shares is based upon the number of shares of common stock that are ultimately granted, based upon our performance in relation to the performance criteria.

The Committee, with the guidance of Willis Towers Watson, periodically conducts a review of the market competitiveness of our performance share plans. A summary of the performance criteria for each plan period is summarized in the table below.

Performance Share Plans			
Percentile Ranking for Threshold Payout of 25% of Target Shares	Percentile Ranking for Target Payout of 100% of Target Shares	Percentile Ranking for Maximum Payout Level	Possible Payout Range of Target
25th percentile	50th percentile	90th percentile	0-200%

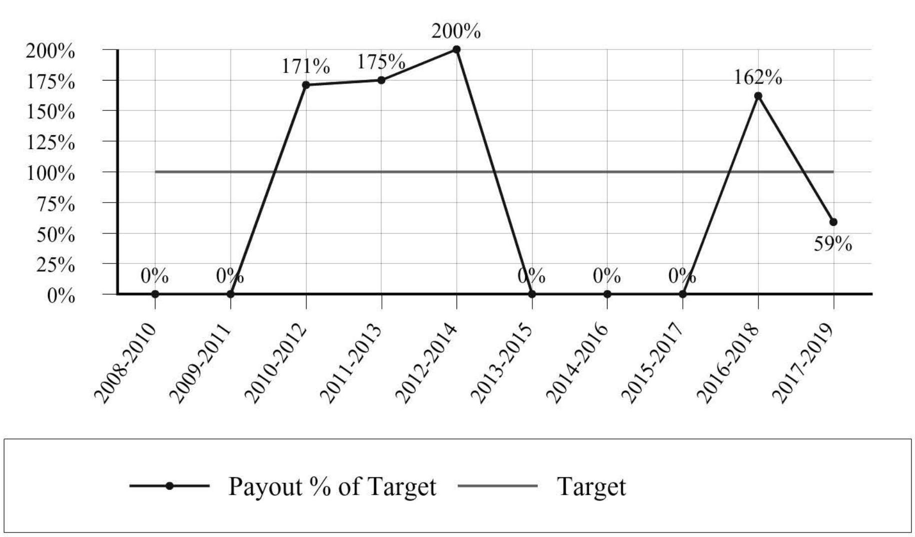
In addition, beginning with the 2017-2019 performance plan, our plans provide: (i) a threshold payout if relative TSR performance is below threshold but at 35 percent or higher; and (ii) the performance share plan payout is capped at 100 percent of target if TSR is negative. The additional provisions are intended to reduce the impact of one peer company's performance on the relative TSR plan, and also increase accountability and expectations related to the Company's performance.

The performance awards and dividend equivalents, if earned, are paid 50 percent in cash and 50 percent in common stock. All payroll deductions and applicable tax withholding related to the award are withheld from the cash portion. Performance share target grant values for new performance periods are approved in January of each year.

The Committee, with the guidance of Willis Towers Watson, periodically conducts a review of our Performance Peer Group to which we should be compared. Due to the extensive merger and acquisition activity in the industry and its contribution to relative performance volatility, the Committee chose to use the companies in the EEI Index as the Performance Peer Group for financial performance tracking beginning with the 2017-2019 performance period.

Payouts under the Performance Share Plan have varied significantly over the last 10 years, as shown in the graph below.

Performance Share Payout % of Target



Each performance share period extends for three years. For the recently completed performance period, January 1, 2017 to December 31, 2019, our total shareholder return was 37 percent, which ranked at the 36th percentile of our Performance Peer Group, resulting in a payout at 59 percent of target. Consistent with prior years, the Committee awarded 50 percent of the Named Executive Officers' long-term incentive in restricted stock that ratably vests over three years.

Target shares for each of our Named Executive Officers for the outstanding performance periods are as follows:

	January 1, 2018 to December 31, 2020 Performance Period	January 1, 2019 to December 31, 2021 Performance Period
Emery, Chair	16,074	—
Evans, CEO	7,107	11,524
Kinzley, CFO	4,061	3,918
Iverson, GC	3,173	2,996
Buchholz, CIO	2,030	1,844

Actual payouts, if any, will be determined based upon our total shareholder return for the plan period in comparison to our Performance Peer Group.

Restricted Stock. Restricted stock awarded as long-term incentives vest one-third each year over a three-year period, and automatically vest in their entirety upon death, disability or a change in control. Dividends are paid on the restricted stock. Unvested restricted stock is forfeited if an officer's employment is terminated for any reason other than death, disability or in the event of a change in control.
The number of shares of restricted stock awarded in 2019 for each of our Named Executive Officers is shown below and is included in the Grants of Plan Based Awards in 2019 table under the heading "All Other Stock Awards: Number of Shares of Stock or Units" and "Grant Date Fair Value of Stock Awards" on page 41.

	Long-Term Incentive
Emery, Chair	—
Evans, CEO	10,667
Kinzley, CFO	3,627
Iverson, GC	2,773
Buchholz, CIO	1,707

Performance Evaluation

Role of Executive Officers in Compensation Decisions. The CEO annually reviews the performance of each of our executive officers. Based upon these performance reviews, market analysis conducted by compensation consultants and discussions with our Senior Vice President - Chief Human Resources Officer, the CEO recommends the compensation for this group of officers to the Committee.

Role of the Committee and Board in Setting Executive Compensation. The Committee reviews and establishes the Company's financial targets and the CEO's goals and objectives for the year. After the end of each year, the Committee evaluates the CEO's performance in light of established goals and objectives, with input from the other independent directors. Based upon the Committee's evaluation and recommendation, the independent directors of the Board set the CEO's annual compensation, including salary, short-term incentive, long-term incentive and equity compensation.

The Committee reviews the CEO's recommended compensation levels for our senior officers. The Committee may approve the CEO's compensation recommendations for this group of officers or exercise its discretion in modifying any of the recommended compensation and award levels in its review and approval process. The Committee is required to approve all decisions regarding equity awards to our officers.

Compensation Arrangements Regarding Chief Executive Officer Transition

Effective December 31, 2018, Mr. Emery retired as Chief Executive Officer and Mr. Evans was appointed President and Chief Executive Officer, effective January 1, 2019. Mr. Emery continues to serve the Company as Executive Chairman until May 1, 2020. This leadership change was the result of a comprehensive, multi-year, board-led succession planning process.

The Compensation Committee engaged its compensation consultant, Willis Towers Watson, to conduct an extensive study on market compensation for an incoming Chief Executive Officer and the transition role of an Executive Chairman. The compensation consultant provided the Committee a Chief Executive Officer benchmarking report that regressed the proxy data of our Compensation Peer Group. The compensation consultant also advised the Committee that pay for a new Chief Executive Officer normally starts at the lower end of the competitive range and increases to the middle of the range within a few years, depending on performance and experience; and Executive Chairman compensation should take into account the change in roles and responsibilities and the level of support expected to be provided to the new Chief Executive Officer, while also maintaining stability and consistency at the board level during the transition. The Committee recommended and the Board approved the following compensation packages, effective January 1, 2019:

- As Executive Chairman, Mr. Emery received an annual salary equal to $1,300,000 in 2019, decreasing to an annual salary equal to $480,000, effective January 1, 2020 (of which he will receive $160,000 for the service period of January 1, 2020 until his retirement on May 1, 2020). In addition, he will continue to receive all full-time employee and officer benefits and perquisites until his retirement as Executive Chairman on May 1, 2020. However, he no longer participates in the Company’s Short-Term Incentive Plan or receives new awards under the Long-Term Incentive Plan. As Executive Chairman, Mr. Emery’s stock ownership requirement is a fixed number of shares in an amount that is substantially similar to when he was our Chairman and CEO.

- As President and Chief Executive Officer, Mr. Evans’ base salary was $750,000 in 2019. In addition, Mr. Evans was eligible to receive an annual incentive based on 100 percent of his base salary in 2019 in accordance with the Company’s Short-Term Incentive Plan and $1,500,000 of target award value pursuant to the Company’s Long-Term Incentive Plan. These compensation actions resulted in a total target direct compensation level of $3,000,000 for Mr. Evans which was 91 percent of the market median.

Governance Best Practices

We have several governance programs in place to align our executive compensation with shareholder interests and to mitigate risks in our plans. These programs include stock ownership guidelines, clawback provisions in our short-term and long-term incentive award agreements, and the prohibition of hedging or pledging of Company stock.

Summary

In total, the Committee believes that the 2019 compensation actions, decisions and outcomes strongly reflect and reinforce our compensation philosophy and, in particular, emphasize the alignment between compensation and both performance and shareholder interests. At our 2019 annual meeting, shareholders owning 97 percent of the shares voted on this matter and approved our executive compensation for 2018, which we consider highly supportive of our current compensation philosophy. In connection with establishing the 2019 executive compensation program, the Board reviewed the results of the say on pay vote, as well as market data and performance indicators.

STOCK OWNERSHIP GUIDELINES

The Committee has implemented stock ownership guidelines that apply to all officers based upon their level of responsibility. We believe it is important for our officers to hold a significant amount of our common stock to further align their performance with the interest of our shareholders. A “retention ratio” approach to stock ownership is incorporated into the guidelines. Officers are required to retain 100 percent of all shares owned, including shares awarded through our incentive plans (net of share withholding for taxes and, in the case of cashless stock option exercises, net of the exercise price and withholding for taxes) until specific ownership goals are achieved.

The guidelines are shown below.

Position	Stock Ownership Value as Multiple of Base Salary
CEO	6X
CFO	4X
Other Senior Officers	3X

At least annually, the Compensation Committee reviews common stock ownership to confirm the officers have met or are progressing toward their stock ownership guidelines. Generally, an officer may not sell common stock unless he or she owns common stock in excess of 110 percent of the applicable stock ownership guideline. All of our Named Executive Officers have exceeded their stock ownership guidelines.

2019 BENEFITS

Retirement Benefits. We maintain a variety of employee benefit plans and programs in which our executive officers may participate. We believe it is important to provide post-employment benefits to our executive officers and the benefits we provide approximate retirement benefits paid by other employers to executives in similar positions. The Committee periodically reviews the benefits provided, with assistance from its compensation consultant, to maintain a market-based benefits package. None of our Named Executive Officers received any pension benefit payments in 2019.

Several years ago, we adopted a defined contribution plan design as our primary retirement plan and amended our Defined Benefit Pension Plan ("Pension Plan") for all eligible employees to incorporate a partial freeze in which the accrual of benefits ceased for certain participants while other participants were allowed an election to continue to accrue benefits. Messrs. Emery and Buchholz are our only Named Executive Officers who met the age and service requirement allowing them to continue to accrue benefits under the Pension Plan. Employees who no longer accrue benefits under the Pension Plan now receive Company Retirement Contributions ("Retirement Contributions") in the Retirement Savings Plan. The Retirement Contributions are an age and service points-based calculation.

The 401(k) Retirement Savings Plan is offered to all our eligible employees and we provide matching contributions for certain eligible participants. All of our Named Executive Officers are participants in the 401(k) Retirement Savings Plan and received matching contributions in 2019. The matching contributions and the Retirement Contributions are included as "All Other Compensation" in the Summary Compensation Table on page 39.

We also provide nonqualified plans to certain officers because of Internal Revenue Code limitations imposed on the qualified plans. The level of retirement benefits provided by the Pension Plan and Nonqualified Plans for each of our Named Executive Officers is reflected in the Pension Benefits for 2019 table on page 45. Our contributions to the Nonqualified Deferred Compensation Plan are included in the All Other Compensation column of the Summary Compensation Table on page 39 and the aggregate Nonqualified Deferred Compensation balance at December 31, 2019 is reported in the Nonqualified Deferred Compensation for 2019 table on page 48. These retirement benefits are explained in more detail in the accompanying narrative to the tables.

Other Personal Benefits. We provide the personal use of a Company vehicle, executive health services, and limited reimbursement of financial planning services as benefits to our executive officers, and use of the corporate aircraft to go to outside board meetings for the Executive Chair. In 2019, retirement gifts were also provided to our Executive Chair consisting primarily of a piece of art and a trip to commemorate his service to the Company. The specific amount attributable to these benefits in 2019 is disclosed in the Summary Compensation Table on page 39. The Committee periodically reviews the other personal benefits provided to our executive officers and believes the current benefits are reasonable and consistent with our overall compensation program.

CHANGE IN CONTROL PAYMENTS

Our Named Executive Officers may also receive severance benefits in the event of a change in control. We have no employment agreements with our Named Executive Officers. However, change in control agreements are common among our Compensation Peer Group and the Committee and our Board of Directors believe providing these agreements to our corporate officers protects our shareholder interests in the event of a change in control by helping assure management focus and continuity. Our change in control agreements have expiration dates and our Board of Directors conducts a thorough review of the change in control agreements at each renewal period. Our current change in control agreements expire November 15, 2022. In general, our change in control agreements provide a severance payment of up to 2.99 times average compensation for Mr. Evans, and up to two times average compensation for the other Named Executive Officers, with the exception of Mr. Emery whose change in control agreement expired on November 15, 2019. The change in control agreements do not provide for excise tax gross-ups and contain a "double trigger," providing benefits in association with:

(1) a change in control, and

(2) (i) a termination of employment other than by death, disability or by us for cause, or

(ii) a termination by the employee for good reason.

See the Potential Payments upon Termination or Change in Control table on page 50 and the accompanying narrative for more information regarding our change in control agreements and estimated payments associated with a change in control.

TAX AND ACCOUNTING IMPLICATIONS

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, limits the tax deductibility by a corporation of compensation in excess of $1 million paid to certain of its officers. Section 162(m) as in effect prior to the enactment of tax reform legislation in December 2017 generally disallowed a tax deduction to public companies for compensation of more than $1 million paid in any taxable year to each "covered employee," consisting of the CEO and the three other highest paid executive officers employed at the end of the year (other than the CFO). Performance-based compensation was exempt from this deduction limitation if the Company met specified requirements set forth in the Code and applicable Treasury Regulations.

For years beginning January 1, 2018, there is no exception from the deduction limit under Section 162(m) for performance based compensation unless it qualifies for transitional relief applicable to certain binding, written performance-based compensation arrangements that were in place as of November 2, 2017, and were not materially modified after that date. In addition, "covered employees" also include any person who served as CEO or CFO at any time during a taxable year, as well as any person who was ever identified as a covered employee in 2017 or any subsequent year. The Committee continues to believe that shareholder interests are best served if its discretion and flexibility in structuring and awarding compensation is not restricted, even though some past and/or future compensation awards result in non-deductible compensation expenses to the Company. The Committee's ability to continue to provide a competitive compensation package to attract, motivate and retain the Company's most senior executives is considered critical to the Company's success and to advancing the interests of its shareholders.

CLAWBACK POLICY

We have a policy that if an accounting restatement occurs after incentive payments have been made, due to the results of misconduct associated with financial reporting, the Committee will seek repayment of the incentive compensation from our CEO and CFO, and the Committee has the discretion to request repayment of incentive compensation from our other officers, taking into consideration the individual roles and responsibilities prompting the restatement.

In addition, our award agreements for restricted stock and target performance shares include clawback provisions whereby the participant may be required to repay all income or gains previously realized in respect of such awards if his or her employment is terminated for cause, or if, within one year following termination of employment, the Board determines that the participant engaged in conduct prior to his or her termination that would have constituted the basis for a termination of employment for cause.

HEDGING POLICY

Our directors, executive officers, and employees are prohibited from engaging in hedging transactions involving, and from pledging, Company stock, including holding our stock in a margin account. This prohibition extends to all hedging transactions, including zero cost collars and forward sale contracts.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE

Michael H. Madison, Chair
Rebecca B. Roberts
Teresa A. Taylor
Thomas J. Zeller

SUMMARY COMPENSATION TABLE

The following table sets forth the total compensation paid or earned by each of our Named Executive Officers for the years ended December 31, 2019, 2018 and 2017. We have no employment agreements with our Named Executive Officers.

Name and Principal Position	Year	Salary	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation(5)	Total
David R. Emery(1)	2019	$1,220,000	$—	$—	$4,123,060	$112,009	$5,455,069
Executive Chairman	2018	$820,000	$1,943,679	$1,196,503	$523,260	$140,256	$4,623,698
	2017	$812,000	$1,942,843	$560,232	$2,155,930	$92,930	$5,563,935
Linden R. Evans(1)	2019	$713,333	$1,541,811	$800,400	$110,158	$473,600	$3,639,302
President and Chief Executive Officer	2018	$530,000	$859,369	$492,132	$—	$306,330	$2,187,831
	2017	$523,333	$818,045	$230,428	$59,631	$385,948	$2,017,385
Richard W. Kinzley	2019	$413,500	$524,220	$291,346	$68,631	$254,366	$1,552,063
Sr. Vice President and Chief Financial Officer	2018	$381,000	$491,036	$303,238	$—	$195,249	$1,370,523
	2017	$378,000	$465,256	$141,983	$36,599	$250,572	$1,272,410
Brian G. Iverson	2019	$370,833	$400,825	$240,120	$31,927	$156,990	$1,200,695
Sr. Vice President and General Counsel	2018	$350,000	$383,678	$255,351	$—	$123,852	$1,112,881
	2017	$346,667	$357,856	$97,823	$17,736	$145,405	$965,487
Scott A. Buchholz	2019	$336,667	$246,720	$181,424	$756,325	$134,089	$1,655,225
Sr. Vice President and Chief Information Officer	2018	$320,000	$245,514	$212,240	$38,765	$111,285	$927,804
	2017	$317,500	$235,193	$99,376	$366,235	$133,407	$1,151,711

(1) Mr. Emery retired as our Chairman and Chief Executive Officer, effective December 31, 2018. He continues his full-time employment with the Company as Executive Chairman of the Board, through May 1, 2020. Mr. Evans was named President and Chief Executive Officer effective January 1, 2019. Previously, he was President and Chief Operating Officer.

(2) Stock Awards represent the grant date fair value related to restricted stock and performance shares that have been granted as a component of long-term incentive compensation. The grant date fair value is computed in accordance with the provisions of accounting standards for stock compensation. Assumptions used in the calculation of these amounts are included in Note 12 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2019.

(3) Non-Equity Incentive Plan Compensation represents amounts earned under the Short-Term Incentive Plan. The Compensation Committee approved the payout of the 2019 awards on January 28, 2020 and the awards were paid on March 6, 2020.

(4) Change in Pension Value and Nonqualified Deferred Compensation Earnings represents the net positive increase in actuarial value of the Pension Plan, Pension Restoration Benefit ("PRB") and Pension Equalization Plans ("PEP") for the respective years. These benefits have been valued using the assumptions disclosed in Note 18 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2019. Because these assumptions sometimes change between measurement dates, the change in value reflects not only the change in value due to additional benefits earned during the period and the passage of time but also reflects the change in value caused by changes in the underlying actuarial assumptions. This has created significant volatility in the last three years with a large increase in 2019 and a large decrease in 2018, primarily related to the change in discount rates used to calculate the present value of these benefits. A value of zero is shown in the Summary Compensation Table for certain officers in 2018 because the SEC does not allow a negative number to be disclosed in the table.

The Pension Plan and PRB were frozen effective January 1, 2010 for participants who did not satisfy the age 45 and 10 years of service eligibility. Messrs. Evans, Kinzley and Iverson did not meet the eligibility choice criteria and their Defined Pension and PRB benefits were frozen.

The PEP is offered through the Grandfathered Pension Equalization Plan ("Grandfathered PEP") and 2005 Pension Equalization Plan ("2005 PEP"). Mr. Emery is the only participant in the Grandfathered PEP and 2005 PEP. Messrs. Evans, Kinzley, Iverson and Buchholz are not participants in these plans; instead they receive employer contributions into a Nonqualified Deferred Compensation Plan ("NQDC"). The NQDC employer contributions are reported in the All Other Compensation column.

No Named Executive Officer received preferential or above-market earnings on nonqualified deferred compensation. The change in value attributed to each Named Executive Officer from each plan is shown in the table below.

	Year	Defined Benefit Plan	PRB	PEP	Total Change in Pension Value
David R. Emery	2019	$333,850	$2,621,203	$1,168,007	$4,123,060
	2018	($33,492)	$377,323	$179,429	$523,260
	2017	$235,056	$1,281,606	$639,268	$2,155,930
Linden R. Evans	2019	$59,664	$50,494	$—	$110,158
	2018	($19,607)	($15,074)	$—	($34,681)
	2017	$33,178	$26,453	$—	$59,631
Richard W. Kinzley	2019	$64,428	$4,203	$—	$68,631
	2018	($23,542)	($1,394)	$—	($24,936)
	2017	$34,487	$2,112	$—	$36,599
Brian G. Iverson	2019	$31,927	$—	$—	$31,927
	2018	($10,523)	$—	$—	($10,523)
	2017	$17,736	$—	$—	$17,736
Scott A. Buchholz	2019	$396,434	$359,891	$—	$756,325
	2018	($42,215)	$80,980	$—	$38,765
	2017	$226,019	$140,216	$—	$366,235

(5) All Other Compensation includes amounts allocated under the 401(k) match, defined contributions, NQDC contributions, dividends received on restricted stock and unvested restricted stock units and other personal benefits. The Other Personal Benefits column reflects the personal use of a Company vehicle, executive health, and financial planning services for each NEO. For Mr. Emery, Other Personal Benefits also includes retirement gifts, consisting primarily of a piece of art and a trip to commemorate his service to the Company, and use of the corporate aircraft to travel to outside board meetings. The aggregate incremental cost for aircraft usage in 2019 was $18,551 and the cost of the retirement gifts was $21,814.

	Year	401(k) Match	Defined Contributions	NQDC Contributions	Dividends on Restricted Stock	Other Personal Benefits	Total Other Compensation
David R. Emery	2019	$16,800	$—	$—	$35,317	$59,892	$112,009
Linden R. Evans	2019	$14,600	$22,400	$379,960	$37,260	$19,380	$473,600
Richard W. Kinzley	2019	$16,800	$20,200	$186,257	$16,220	$14,889	$254,366
Brian G. Iverson	2019	$16,800	$20,200	$98,420	$12,519	$9,051	$156,990
Scott A. Buchholz	2019	$16,800	$—	$92,879	$7,907	$16,503	$134,089

GRANTS OF PLAN BASED AWARDS IN 2019[1]

Name	Grant Date	Date of Compensation Committee Action	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[2] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[3] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units[4] (#)	Grant Date Fair Value of Stock Awards[5] ($)
David R. Emery										
Linden R. Evans			$375,000	$750,000	$1,500,000					
	1/29/19	1/29/19				2,881	11,524	23,048		$791,814
	2/11/19	1/29/19							10,667	$749,997
Richard W. Kinzley			$136,500	$273,000	$546,000					
	1/29/19	1/29/19				980	3,918	7,836		$269,206
	2/11/19	1/29/19							3,627	$255,014
Brian G. Iverson			$112,500	$225,000	$450,000					
	1/29/19	1/29/19				749	2,996	5,992		$205,855
	2/11/19	1/29/19							2,773	$194,970
Scott A. Buchholz			$85,000	$170,000	$340,000					
	1/29/19	1/29/19				461	1,844	3,688		$126,701
	2/11/19	1/29/19							1,707	$120,019

(1) No stock options were granted to our Named Executive Officers in 2019.

(2) The columns under "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" show the range of payouts for 2019 performance under our Short-Term Incentive Plan as described in the Compensation Discussion and Analysis under the section titled "Short-Term Incentive" on page 29. If the performance criteria are met, payouts can range from 50 percent of target at the threshold level to 200 percent of target at the maximum level. The 2020 bonus payment for 2019 performance has been made based on achieving the criteria described in the Compensation Discussion and Analysis, at 107 percent of target, and is shown in the Summary Compensation Table on page 39 in the column titled "Non-Equity Incentive Plan Compensation."

(3) The columns under "Estimated Future Payouts Under Equity Incentive Plan Awards" show the range of payouts (in shares of stock) for the January 1, 2019 to December 31, 2021 performance period as described in the Compensation Discussion and Analysis under the section titled "Long-Term Incentive – Performance Shares" on page 32. If the performance criteria are met, payouts can range from 25 percent of target to 200 percent of target. If a participant retires, suffers a disability or dies during the performance period, the participant or the participant's estate is entitled to that portion of the number of performance shares as such participant would have been entitled to had he or she remained employed, prorated for the number of months served. Performance shares are forfeited if employment is terminated for any other reason. During the performance period, dividends and other distributions paid with respect to the shares of common stock accrue for the benefit of the participant and are paid out at the end of the performance period.

(4) The column "All Other Stock Awards" reflects the number of shares of restricted stock granted on February 11, 2019 under our 2015 Omnibus Incentive Plan. The restricted stock vests one-third each year over a three-year period, and automatically vests upon death, disability or a change in control. Unvested restricted stock is forfeited if employment is terminated for any other reason. Dividends are paid on the restricted stock and the dividends that were paid in 2019 are included in the column titled "All Other Compensation" in the Summary Compensation Table on page 39.

(5) The column "Grant Date Fair Value of Stock Awards" reflects the grant date fair value of each equity award computed in accordance with the provisions of accounting standards for stock compensation. The grant date fair value for the performance shares was $68.72 per share and was calculated using a Monte Carlo simulation model. Assumptions used in the calculation are included in Note 12 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2019. The grant date fair value for the restricted stock was $70.31 per share for the February 11, 2019 grant, which was the market value of our common stock on the date of grant as reported on the NYSE.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2019[1]

Name	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested[2] (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[2] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
David R. Emery	17,228	$1,353,087	42,036	$3,290,605
Linden R. Evans	18,176	$1,427,543	41,425	$3,248,955
Richard W. Kinzley	7,912	$621,408	18,326	$1,436,708
Brian G. Iverson	6,107	$479,644	14,159	$1,110,066
Scott A. Buchholz	3,857	$302,929	8,945	$701,215

(1) There were no stock options outstanding at December 31, 2019 for our Named Executive Officers.

(2) Vesting dates for restricted stock and performance shares are shown in the table below. The performance shares shown with a vesting date of December 31, 2019, are the actual equivalent shares, including dividend equivalents, earned for the performance period ended December 31, 2019. On January 28, 2020, the Compensation Committee confirmed that the performance criteria were met and there would be a payout of 59 percent of target. The performance shares with a vesting date of December 31, 2020 and a vesting date of December 31, 2021 are shown at the threshold and maximum payout levels, respectively, based upon performance as of December 31, 2019.

Name	Unvested Restricted Stock		Unvested and Unearned Performance Shares	
	# of Shares	Vesting Date	# of Shares	Vesting Date
David R. Emery	5,144	02/03/20	9,888	12/31/19
	6,042	02/05/20	32,148	12/31/20
	6,042	2/5/2021 (1)		
Linden R. Evans	2,166	02/03/20	4,163	12/31/19
	2,671	02/05/20	14,214	12/31/20
	3,555	02/11/20	23,048	12/31/21
	2,672	02/05/21		
	3,556	02/11/21		
	3,556	02/11/22		
Richard W. Kinzley	1,232	02/03/20	2,368	12/31/19
	1,526	02/05/20	8,122	12/31/20
	1,209	02/11/20	7,836	12/31/21
	1,527	02/05/21		
	1,209	02/11/21		
	1,209	02/11/22		
Brian G. Iverson	948	02/03/20	1,821	12/31/19
	1,193	02/05/20	6,346	12/31/20
	924	02/11/20	5,992	12/31/21
	1,193	02/05/21		
	924	02/11/21		
	925	02/11/22		
Scott A. Buchholz	623	02/03/20	1,197	12/31/19
	763	02/05/20	4,060	12/31/20
	569	02/11/20	3,688	12/31/21
	764	02/05/21		
	569	02/11/21		
	569	02/11/22		

(1) Mr. Emery's unvested restricted stock with a vesting date of February 5, 2021, will be forfeited upon his retirement.

PROXY STATEMENT

OPTION EXERCISES AND STOCK VESTED DURING 2019[1]

Name	Stock Awards[2]	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
David R. Emery	50,203	$3,302,667
Linden R. Evans	18,149	$1,197,059
Richard W. Kinzley	11,070	$730,294
Brian G. Iverson	9,193	$606,018
Scott A. Buchholz	7,270	$479,054

(1) There were no stock options exercised during 2019.

(2) Reflects restricted stock that vested in 2019 and performance shares for the 2016-2018 performance period. The performance share payout was approved by the Compensation Committee on January 29, 2019 and paid out on February 5, 2019.

PENSION BENEFITS FOR 2019

Several years ago, we adopted a defined contribution plan design as our primary retirement plan and amended our Pension Plan and Nonqualified Pension Plans for all eligible employees to incorporate a partial freeze in which the accrual of benefits ceased for certain participants while other participants were allowed an election to continue to accrue benefits. Employees eligible to elect continued participation were those employees who were at least 45 years old and had at least 10 years of eligible service with us as of January 1, 2010. Messrs. Emery and Buchholz were our only Named Executive Officers who met the age and service requirement and continue to accrue benefits under the Pension Plan and the Pension Restoration Plan. Benefits under the Pension Plan and Pension Restoration Plan were frozen for Messrs. Evans, Kinzley and Iverson. In addition, Mr. Emery received supplemental pension benefits under the Grandfathered Pension Equalization Plan, which was frozen effective December 31, 2004, and the 2005 Pension Equalization Plan. None of our Named Executive Officers received any pension benefit payments during the fiscal year ended December 31, 2019.

The present value accumulated by each Named Executive Officer from each plan is shown in the table below:

Name	Plan Name	Number of Years of Credited Service(1) (#)	Present Value of Accumulated Benefit(2) ($)
David R. Emery	Pension Plan	30.33	$1,449,354
	Pension Restoration Benefit	30.33	$9,675,816
	Grandfathered Pension Equalization Plan	24.00	$954,414
	2005 Pension Equalization Plan	24.00	$4,771,612
Linden R. Evans	Pension Plan	8.58	$315,624
	Pension Restoration Benefit	8.58	$255,319
Richard W. Kinzley	Pension Plan	10.50	$289,883
	Pension Restoration Benefit	10.50	$18,063
Brian G. Iverson	Pension Plan	5.83	$168,237
Scott A. Buchholz	Pension Plan	40.17	$1,841,227
	Pension Restoration Plan	40.17	$1,579,132

(1) The number of years of credited service represents the number of years used in determining the benefit for each plan. The Pension Equalization Plans are not directly tied to service but rather the number of years of participation in the plan.

(2) The present value of accumulated benefits was calculated assuming the participants will work until retirement, benefits commence at age 62 and using the discount rate, mortality rate and assumed payment form assumptions consistent with those disclosed in Note 18 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2019.

DEFINED BENEFIT PENSION PLAN

Our Pension Plan is a qualified pension plan in which all of our Named Executive Officers are included. As discussed above, several years ago we amended our Pension Plan to incorporate a partial freeze in which the accrual of benefits ceased for certain participants while other participants were allowed an election to continue to accrue benefits. Messrs. Emery and Buchholz were the only Named Executive Officers who met the age and service requirement and elected to continue with the existing plan.

The Pension Plan provides benefits at retirement based on length of employment service and average compensation levels during the highest five consecutive years of the last ten years of service. For purposes of the benefit calculation, earnings include wages and other cash compensation received from us, including any bonus, commission, unused paid time off or incentive compensation. It also includes any elective before-tax contributions made by the employee to a Company-sponsored cafeteria plan or 401(k) plan. However, it does not include any expense reimbursements, taxable fringe benefits, moving expenses or moving/relocation allowances, nonqualified deferred compensation, non-cash incentives, stock options and any payments of long-term incentive compensation such as restricted stock or payments under performance share plans. The Internal Revenue Code places maximum limitations on the amount of compensation that may be recognized when determining benefits of qualified pension plans. In 2019, the maximum amount of compensation that could be recognized when determining compensation was $280,000 (called “covered compensation”). Our employees do not contribute to the plan. The amount of the annual contribution by us to the plan is based on an actuarial determination.

The benefit formula for the Named Executive Officers in the plan is the sum of (a) and (b) below.

(a) Credited Service after January 31, 2000

0.9% of average earnings (up to covered compensation), multiplied by credited service after January 31, 2000 minus the number of years of credited service before January 31, 2000	Plus	1.3% of average earnings in excess of covered compensation, multiplied by credited service after January 31, 2000 minus the number of years of credited service before January 31, 2000

Plus

(b) Credited Service before January 31, 2000

1.2% of average earnings (up to covered compensation), multiplied by credited service before January 31, 2000	Plus	1.6% of average earnings in excess of covered compensation, multiplied by credited service before January 31, 2000

Pension benefits are not reduced for social security benefits. The Internal Revenue Code places maximum limitations on annual benefit amounts that can be paid under qualified pension plans. In 2019, the maximum benefit payable under qualified pension plans was $225,000. Accrued benefits become 100 percent vested after an employee completes five years of service.

Normal retirement is defined as age 65 under the plan. However, a participant may retire and begin taking unreduced benefits at age 62 with five years of service. Participants who have completed at least five years of credited service can retire and receive defined benefit pension benefits as early as age 55. However, the retirement benefit will be reduced by five percent for each year of retirement before age 62. Messrs. Emery, Evans, Iverson and Buchholz are currently age 55 or older and are entitled to early retirement benefits under this provision.

PENSION EQUALIZATION PLANS AND PENSION RESTORATION BENEFIT

We also have a Grandfathered Pension Equalization Plan, a 2005 Pension Equalization Plan and a Pension Restoration Benefit. These are nonqualified supplemental plans, in which benefits are not tax deductible until paid. The plans are designed to provide the higher paid executive employee a retirement benefit which, when added to social security benefits and the pension to be received under the Pension Plan, will approximate retirement benefits being paid by other employers to their employees in similar executive positions. The employee’s pension from the qualified Pension Plan is limited by the Internal Revenue Code. The 2019 pension limit was set at $225,000 annually and the compensation taken into account in determining contributions and benefits could not exceed $280,000 and could not include nonqualified deferred compensation. The amount of deferred compensation paid under nonqualified plans is not subject to these limits.

As a result of the change in the Pension Plan discussed above, the benefits for certain officers (including Messrs. Evans, Kinzley and Iverson) under the Nonqualified Pension Plans were significantly reduced because the nonqualified benefit calculations were linked to the benefits earned in the Pension Plan. The Compensation Committee amended the Nonqualified Deferred Compensation Plan to provide non-elective nonqualified restoration benefits to those affected officers who were not eligible to continue accruing benefits under the Pension Plan and Nonqualified Pension Plans.

Grandfathered Pension Equalization Plan and 2005 Pension Equalization Plan. The Grandfathered Pension Equalization Plan provides the pension equalization benefits to each participant who had earned and vested benefits before January 1, 2005, and is not subject to the provisions of Section 409A of the Internal Revenue Code. The 2005 Pension Equalization Plan provides the pension equalization benefits to each participant that were earned and vested on or after January 1, 2005, and is subject to the provisions of Section 409A.

These plans have been frozen to new participants since 2002. Mr. Emery is a fully vested participant in the Grandfathered and 2005 Pension Equalization Plans. Messrs. Evans, Kinzley, Iverson and Buchholz are not participants in these plans.

The annual benefit for Mr. Emery is 30 percent of his average earnings multiplied by the vesting percentage. Average earnings are normally an employee's average earnings for the five highest consecutive full years of employment during the ten full years of employment immediately preceding the year of calculation. The annual benefit is paid on a monthly basis for 15 years and, if deceased, to the employee's designated beneficiary or estate, commencing at the earliest of death or when the employee is both retired and 62 years of age or more. A participant with vested benefits who is 55 years of age or older and who is no longer our employee may elect to be paid benefits beginning at age 55 or older, subject to a discount, ranging from 60.3 percent of the benefit payable at age 55 to 93 percent of the benefit payable at age 61.

Pension Restoration Benefit. In the event that at the time of a participant's retirement, the participant's salary level exceeds the qualified Pension Plan annual compensation limitation ($280,000 in 2019) or includes nonqualified deferred compensation, then the participant will receive an additional benefit, called a "Pension Restoration Benefit," which is measured by the difference between (i) the monthly benefit that would have been provided to the participant under the Pension Plan as if there were no annual compensation limitation and no exclusion on nonqualified deferred compensation, and (ii) the monthly benefit to be provided to the participant under the Pension Plan. The Pension Restoration Benefit applies to all of the Named Executive Officers that have a pension benefit, with the exception of Mr. Iverson.

NONQUALIFIED DEFERRED COMPENSATION FOR 2019

We have a Nonqualified Deferred Compensation Plan for a select group of management or highly compensated employees. Eligibility to participate in the plan is determined by the Compensation Committee and primarily consists of only corporate officers.

A summary of the activity in the plan and the aggregate balance as of December 31, 2019 for our Named Executive Officers is shown in the following table. Our Named Executive Officers received no withdrawals or distributions from the plan in 2019.

Name	Executive Contributions	Company Contributions in Last Fiscal Year(1)	Aggregate Earnings in Last Fiscal Year(2)	Aggregate Balance at Last Fiscal Year End(3)
David R. Emery	$—	$—	$—	$—
Linden R. Evans	$—	$379,960	$711,987	$3,543,643
Richard W. Kinzley	$—	$186,257	$277,096	$1,549,260
Brian G. Iverson	$—	$98,420	$120,298	$624,021
Scott A. Buchholz	$—	$92,879	$146,375	$980,520

(1) Our contributions represent non-elective Supplemental Matching and Retirement Contributions and Supplemental Target Contributions (defined in the paragraph below) and are included in the All Other Compensation column of the Summary Compensation Table. The value attributed from each contribution type to each Named Executive Officer in 2019 is shown in the table below:

Name	Supplemental Matching Contribution	Supplemental Retirement Contribution	Supplemental Target Contribution	Total Company Contributions
David R. Emery	$—	$—	$—	$—
Linden R. Evans	$57,169	$76,226	$246,565	$379,960
Richard W. Kinzley	$26,144	$34,859	$125,254	$186,257
Brian G. Iverson	$20,733	$27,644	$50,043	$98,420
Scott A. Buchholz	$16,104	$—	$76,775	$92,879

(2) Because amounts included in this column do not include above-market or preferential earnings, none of these amounts are included in the “Change in Pension Value and Nonqualified Deferred Compensation Earnings” column of the Summary Compensation Table.

(3) Messrs. Evans’, Kinzley’s, Iverson’s and Buchholz’s aggregate balances at December 31, 2019 include $911,817, $498,358, $244,485, and $252,989, respectively, which are included in the Summary Compensation Table as 2019, 2018 and 2017 compensation.

Eligible employees may elect to defer up to 50 percent of their base salary up to 100 percent of their Short-Term Incentive Plan award, and up to 100% of the cash portion of their Performance Share Plan award. In addition, the Nonqualified Deferred Compensation Plan was amended to provide certain officers whose Pension Plan benefit and Nonqualified Pension Plans’ benefits were frozen with non-elective supplemental matching contributions equal to 6 percent of eligible compensation in excess of the Internal Revenue Code limit plus matching contributions, if any, lost under the 401(k) Retirement Savings Plan due to nondiscrimination test results and provides non-elective supplemental age and service points-based contributions that cannot be made to the 401(k) Retirement Savings Plan due to the Internal Revenue Code limit (“Supplemental Matching and Retirement Contributions”). It also provides supplemental target contributions equal to a percentage of compensation that may differ by executive, based on the executive’s current age and length of service with us, as determined by the plans’ actuary (“Supplemental Target Contributions”). Messrs. Evans, Kinzley, Iverson and Buchholz received Supplemental Target Contributions of 20 percent, 17.5 percent, 8 percent and 14 percent, respectively.

The deferrals are deposited into hypothetical investment accounts where the participants may direct the investment of the deferrals as allowed by the plan. The investment options are the same as those offered to all employees in the 401(k) Retirement Savings Plan except for a fixed rate option, which was set at 3.91 percent in 2019. Investment earnings are credited to the participants' accounts. Upon retirement, we will distribute the account balance to the participant according to the distribution election filed with the Compensation Committee. The participants may elect either a lump sum payment to be paid within 30 days of retirement (requires a six-month deferral for benefits not vested as of December 31, 2004), or annual or monthly installments over a period of years designated by the participant, but not to exceed 10 years. As of January 1, 2020, Messrs. Evans, Kinzley, Iverson and Buchholz are 100 percent vested in the plan.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table describes the potential payments and benefits under our compensation and benefit plans and arrangements to which our Named Executive Officers would be entitled upon termination of employment. Except for (i) certain terminations following a change in control ("CIC"), as described below, (ii) pro-rata payout of incentive compensation and the acceleration of vesting of equity awards upon retirement, death or disability, and (iii) certain pension and nonqualified deferred compensation arrangements described under Pension Benefits for 2019 and Nonqualified Deferred Compensation for 2019 above, there are no agreements, arrangements or plans that entitle the Named Executive Officers to severance, perquisites, or other enhanced benefits upon termination of their employment. Any agreements to provide other payments or benefits to a terminating executive officer would be in the discretion of the Compensation Committee.

The amounts shown below assume that such termination was effective as of December 31, 2019, and thus includes estimates of the amounts that would be paid out to our Named Executive Officers upon their termination. The table does not include amounts such as base salary, short-term incentives and stock awards that the Named Executive Officers earned due to employment through December 31, 2019 and distributions of vested benefits such as those described under Pension Benefits for 2019 and Nonqualified Deferred Compensation for 2019. The table also does not include a value for outplacement services because this would be a de minimis amount. The actual amounts to be paid can only be determined at the time of such Named Executive Officer's separation from us.

	Cash Severance Payment	Incremental Retirement Benefit (present value)(2)	Continuation of Medical/ Welfare Benefits (present value)(3)	Acceleration of Equity Awards(4)	Total Benefits
Linden R. Evans					
• Retirement	—	—	—	$886,207	$886,207
• Death or disability	—	—	—	$2,293,751	$2,293,751
• Involuntary termination	—	—	—	—	—
• CIC	—	—	—	$1,709,190	$1,709,190
• Involuntary or good reason termination after CIC(1)	$4,485,000	$1,530,000	$78,900	$1,709,190	$7,803,090
Richard W. Kinzley					
• Retirement	—	—	—	$433,480	$433,480
• Death or disability	—	—	—	$1,054,889	$1,054,889
• Involuntary termination	—	—	—	—	—
• CIC	—	—	—	$781,598	$781,598
• Involuntary or good reason termination after CIC(1)	$1,386,000	$436,590	$80,700	$781,598	$2,684,888
Brian G. Iverson					
• Retirement	—	—	—	$337,189	$337,189
• Death or disability	—	—	—	$816,832	$816,832
• Involuntary termination	—	—	—	—	—
• CIC	—	—	—	$602,856	$602,856
• Involuntary or good reason termination after CIC(1)	$1,200,000	$264,000	$47,200	$602,856	$2,114,056
Scott A. Buchholz					
• Retirement	—	—	—	$214,047	$214,047
• Death or disability	—	—	—	$516,976	$516,976
• Involuntary termination	—	—	—	—	—
• CIC	—	—	—	$383,901	$383,901
• Involuntary or good reason termination after CIC(1)	$1,020,000	$204,000	$52,100	$383,901	$1,660,001

(1) The amounts reflected for involuntary or good reason termination after a change in control include the benefits a Named Executive Officer would receive in the event of a change in control as a sole event without the involuntary or good reason termination.

(2) Assumes that in the event of a change in control, Mr. Evans will receive an additional three years of credited and vesting service and the other Named Executive Officers will receive an additional two years of credited and vesting service towards the benefit accrual under their applicable retirement plans. For Messrs. Kinzley, Evans, Iverson and Buchholz, this would be the Retirement Contributions and Nonqualified Deferred Compensation contributions. In addition, Mr. Buchholz would also have a Pension Restoration Contribution. The benefits will immediately vest and payments will commence at the earliest eligible date unless the executive has elected a later date for the nonqualified plans. This is age 55 for Mr. Kinzley. Because Messrs. Evans, Iverson and Buchholz are age 55 or older, they are already retiree eligible.

(3) Welfare benefits include medical coverage, dental coverage, life insurance, short-term disability coverage and long-term disability coverage. The calculation assumes that the Named Executive Officer does not take employment with another employer following termination, elects continued welfare benefits until age 55 or, if later, the end of the two year benefit continuation period (three years for Mr. Evans) and elects retiree medical benefits thereafter. Retirement is assumed to occur at the earliest eligible date.

(4) In the event of death or disability, the acceleration of equity awards represents the acceleration of unvested restricted stock and the assumed payout of the pro-rata share of the performance shares for the January 1, 2018 to December 31, 2020 and January 1, 2019 to December 31, 2021 performance periods. In the event of retirement, all unvested restricted stock is

forfeited and the acceleration of equity awards represents only the pro-rata share of the performance shares. We assumed a 156 percent payout of the performance shares for the January 1, 2018 to December 31, 2020 performance period and a 87 percent payout of target for the January 1, 2019 to December 31, 2021 performance period based on our Monte Carlo valuations at December 31, 2019.

In the event of a change in control or an involuntary or good reason termination after a change in control, the acceleration of equity awards represents the acceleration of unvested restricted stock and the payout of the pro-rata share of the performance shares calculated as if the performance period ended on December 31, 2019 for the January 1, 2018 to December 31, 2020 and January 1, 2019 to December 31, 2021 performance periods.

The valuation of the restricted stock was based upon the closing price of our common stock on December 31, 2019, and the valuation of the performance shares was based on the average closing price of our common stock for the last 20 trading days of 2019. Actual amounts to be paid out at the time of separation from us may vary significantly based upon the market value of our common stock at that time.

Payments Made Upon Termination. Regardless of the manner in which a Named Executive Officer's employment terminates, he or his beneficiaries may be entitled to receive amounts earned during his term of employment. These include:

- accrued salary and unused vacation pay;
- amounts vested under the Pension Plan and Nonqualified Pension Plans;
- amounts vested under the Nonqualified Deferred Compensation Plan; and
- amounts vested under the 401(k) Retirement Savings Plan.

Payments Made Upon Retirement. In the event of retirement of a Named Executive Officer, in addition to the items identified above, he will also receive the benefit of the following:

- a pro-rata share of the performance shares for each outstanding performance period upon completion of the performance period; and
- a pro-rata share of the actual payout under the Short-Term Incentive Plan upon completion of the incentive period.

Payments Made Upon Death or Disability. In the event of death or disability of a Named Executive Officer, in addition to the items identified above for payments made upon termination, he will also receive the benefit of the following:

- accelerated vesting of restricted stock and restricted stock units;
- a pro-rata share of the performance shares for each outstanding performance period upon completion of the performance period; and
- a pro-rata share of the actual payout under the Short-Term Incentive Plan upon completion of the incentive period.

Payments Made Upon a Change in Control. With the exception of Mr. Emery, our Named Executive Officers have change in control agreements that terminate November 15, 2022. The renewal of the change in control agreements is at the discretion of the Compensation Committee and the Board of Directors. The change in control agreements provide for certain payments and other benefits to be payable upon a change in control and a subsequent termination of employment, either involuntary or for a good reason. In order to receive any payments under the agreements, the Named Executive Officer must sign a waiver that includes a one-year non-competition clause and two-year non-solicitation and non-disparagement clauses.

A change in control is defined in the agreements as:

- an acquisition of 30 percent or more of our common stock, except for certain defined acquisitions, such as acquisition by employee benefit plans, us, any of our subsidiaries, or acquisition by an underwriter holding the securities in connection with a public offering thereof; or
- members of our incumbent Board of Directors cease to constitute at least two-thirds of the members of the Board of Directors, with the incumbent Board of Directors being defined as those individuals consisting of the Board of Directors on the date the agreement was executed and any other directors elected subsequently whose election was approved by the incumbent Board of Directors; or
- approval by our shareholders of:
  - a merger, consolidation, or reorganization;
  - liquidation or dissolution; or
  - an agreement for sale or other disposition of all or substantially all of our assets, with exceptions for transactions which do not involve an effective change in control of voting securities or Board of Directors membership, and transfers to subsidiaries or sale of subsidiaries; and
- all regulatory approvals required to effect a change in control have been obtained and the transaction constituting the change in control has been consummated.

In the change in control agreements, a good reason for termination that triggers payment of benefits includes:

- a material reduction of the executive's authority, duties or responsibilities;
- a reduction in the executive's annual compensation or any failure to pay the executive any compensation or benefits to which he or she is entitled within seven days of the date due;
- any material breach by us of any provisions of the change in control agreement;
- requiring the executive to be based outside a 50-mile radius from his or her usual and normal place of work; or
- our failure to obtain an agreement, satisfactory to the executive, from any successor company to assume and agree to perform under the change in control agreement.

In connection with Mr. Emery's upcoming retirement as Executive Chairman, the Compensation Committee did not renew Mr. Emery's prior change in control agreement beyond its expiration on November 15, 2019.

Upon a change in control, Mr. Evans will have an employment contract for a three-year period and the other Named Executive Officers (NEOs) will have an employment contract for a two-year period. During this time, the executive will receive annual compensation at least equal to the highest rate in effect at any time during the one-year period preceding the change in control and will also receive employment welfare benefits, pension benefits and supplemental retirement benefits on a basis no less favorable than those received prior to the change in control. Annual compensation is defined to include amounts which are includable in the gross income of the executive for federal income tax purposes, including base salary, targeted short-term incentive, targeted long-term incentive grants and awards, and matching contributions or other benefits payable under the 401(k) Retirement Savings Plan, but exclude restricted stock awards, performance units or stock options that become vested or exercisable pursuant to a change in control.

If a Named Executive Officer's employment is terminated prior to the end of the covered time by us for cause or disability, by reason of the Named Executive Officer's death, or by the Named Executive Officer without good reason, the Named Executive Officer will receive all amounts of compensation earned or accrued through the termination date. If the Named Executive Officer's employment is terminated because of death or disability, the Named Executive Officer or his beneficiaries will also receive a pro rata bonus equal to 100 percent of the target incentive for the portion of the year served.

If Mr. Evans' employment is terminated during the employment term (other than by reason of death) (i) by us other than for cause or disability, or (ii) by Mr. Evans for a good reason, then Mr. Evans is entitled to the following benefits:

- all accrued compensation and a pro-rata bonus (the same as Mr. Evans or Mr. Evans' beneficiaries would receive in the event of death or disability discussed above);
- severance pay equal to 2.99 times Mr. Evans' severance compensation defined as his base salary and short-term incentive target on the date of the change in control; provided that if Mr. Evans has attained the age of 62 on the termination date, the severance payment will be adjusted for the ratio of the number of days remaining to his 65th birthday to 1,095 days;
- continuation of employee welfare benefits for three years following the termination date unless Mr. Evans becomes covered under the health insurance coverage of a subsequent employer which does not contain any exclusion or limitation with respect to any preexisting condition of Mr. Evans or his eligible dependents;
- following the three-year period, Mr. Evans may elect to receive coverage under the employee welfare plans of the successor entity at his then-current level of benefits (or reduced coverage at his election) by paying the premiums charged to regular full-time employees for such coverage, and is eligible to continue receiving such coverage through the date of his retirement;
- three additional years of service and age will be credited to Mr. Evans' retiree medical savings account and the account balance will become fully vested and he is eligible to use the account balance to offset retiree medical premiums at the later of age 55 or the end of the three year continuation period;
- three years of additional credited service under the 2005 Pension Equalization Plan, Pension Restoration Plan and Pension Plan; and
- outplacement assistance services for up to six months.

If any other NEO's employment is terminated during the employment term (other than by death) (i) by us other than for cause or disability, or (ii) by the NEO for a good reason, then the NEO is entitled to the following benefits:

- all accrued compensation and a pro-rata bonus (the same as the NEO or the NEO's beneficiaries would receive in the event of death or disability discussed above);
- severance pay equal to two times the NEO's severance compensation defined as the NEO's base salary and short-term incentive target on the date of the change in control; provided that if the NEO has attained the age of 63 on the termination date, the severance payment shall be adjusted for the ratio of the number of days remaining to the NEO's 65th birthday to 730 days;

- continuation of employee welfare benefits for two years following the termination date unless the NEO becomes covered under the health insurance coverage of a subsequent employer which does not contain any exclusion or limitation with respect to any preexisting condition of the NEO or the NEO's eligible dependents;
- following the two-year period, the NEO may elect to receive coverage under the employee welfare plans of the successor entity at his then-current level of benefits (or reduced coverage at the NEO's election) by paying the premiums charged to regular full-time employees for such coverage, and is eligible to continue receiving such coverage through the date of his retirement;
- two additional years of service and age will be credited to the NEO's retiree medical savings account and the account balance will become fully vested and the NEO is eligible to use the account balance to offset retiree medical premiums at the later of age 55 or the end of the two year continuation period;
- two years of additional credited service under the executives' applicable retirement plans; and
- outplacement assistance services for up to six months.

The change in control agreements do not contain a benefit to cover any excise tax imposed by Section 4999 of the Internal Revenue Code of 1986. The executive must sign a waiver and release agreement in order to receive the severance payment.

PAY RATIO FOR 2019

We are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Linden Evans, our Chief Executive Officer in 2019.

Based on the information below for the fiscal year 2019 and calculated in a manner consistent with Item 402(u) of Regulation S-K, we reasonably estimate that the ratio of our CEO's annual total compensation to the annual total compensation of our median employee was 39:1.

Name	Year	Salary	Stock Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value[(2)]	All Other Compensation[(3)]	Total
Linden R. Evans	2019	$713,333	$1,541,811	$800,400	$110,158	$473,600	$3,639,302
Median Employee [(1)]	2019	$80,684	$—	$7,319	$—	$5,626	$93,629

(1) We identified our median employee based on the year-to-date total cash compensation actually paid as of October 3, 2017 to all of our employees, other than our CEO, who were employed on October 3, 2017. There has been no change in employee population or employee compensation that we reasonably believe would result in a significant change in our pay ratio disclosure. Accordingly, the Company utilized the same employee as the median employee for 2019.

(2) See Note 4 to our Summary Compensation Table for a description of how the values in the Change in Pension Value column are calculated.

(3) All Other Compensation includes 401(k) match, dividends on restricted stock and other personal benefits for Mr. Evans and only the 401(k) match for the median employee.

PROPOSAL 3	ADVISORY VOTE ON OUR EXECUTIVE COMPENSATION

We are providing shareholders with an annual advisory, non-binding vote on the executive compensation of our Named Executive Officers (commonly referred to as "say on pay"). Accordingly, shareholders will vote on approval of the following resolution:

> RESOLVED, that the shareholders approve, on an advisory basis, the compensation of our Named Executive Officers as disclosed in the Compensation Discussion and Analysis section, the accompanying compensation tables and the related narrative disclosure in this proxy statement.

This vote is non-binding. The Board of Directors and the Compensation Committee expect to consider the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results. At our 2019 annual meeting, shareholders owning 97 percent of the shares voted to approve our executive compensation.

As described at length in the Compensation Discussion and Analysis section of this proxy statement, we believe our executive compensation program is reasonable, competitive and strongly focused on pay for performance. The compensation of our Named Executive Officers varies depending upon the achievement of pre-established performance goals, both individual and corporate. Our short-term incentive is tied to earnings per share and safety performance targets that reward our executives when they deliver targeted financial and safety results. Our long-term incentives are tied to market performance with 50 percent delivered in restricted stock and 50 percent delivered in performance shares. Entitlement to the performance shares is based on our total shareholder return over a three-year performance period compared to our Performance Peer Group. Through stock ownership guidelines, equity incentives and clawback provisions, we align the interests of our executives with those of our shareholders and our long-term interests. Our executive compensation policies have enabled us to attract and retain talented and experienced senior executives who can drive financial and strategic growth objectives that are intended to enhance shareholder value. We believe that the 2019 compensation of our Named Executive Officers was appropriate and aligned with our 2019 results and positions us for long-term growth.

Shareholders are encouraged to read the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosures to better understand the compensation of our Named Executive Officers.

The advisory resolution to approve executive compensation is non-binding. However, our Board of Directors will consider shareholders to have approved our executive compensation if the number of votes cast "For" the proposal exceeds the number of votes cast "Against" the proposal. Abstentions and broker non-votes will have no effect on such vote.

The Board of Directors recommends a vote *FOR* the advisory vote on executive compensation.

Exhibit No. RJA – 5

Black Hill Corporation ("BHC") maintains credit ratings with three nationally recognized credit rating services:

Moody's Investors Service ("Moody's")	Standard and Poor's ("S&P"),	Fitch Ratings ("Fitch").
Baa2	BBB+	BBB+
Stable	Stable	Stable

The ratings above are as of April 30, 2020 for BHC's senior unsecured.