

HILLENBRAND INDUSTRIES INC

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January 04, 2005

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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
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Check the appropriate box:

- o Preliminary Proxy Statement.
- o CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2)).
- x Definitive Proxy Statement.
- o Definitive Additional Materials.
- o Soliciting Material Pursuant to Section 240.14a-12

Hillenbrand Industries, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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HILLENBRAND INDUSTRIES, INC.

NOTICE OF ANNUAL MEETING

To Be Held February 10, 2005

The annual meeting of shareholders of Hillenbrand Industries, Inc., an Indiana corporation, 700 State Route 46 East, Batesville, Indiana 47006-8835, will be held at the offices of Batesville Casket Company, Inc., One Batesville Boulevard, Batesville, Indiana 47006-7798, on Thursday, February 10, 2005, at 10:00 a.m., local time (Eastern Standard Time), for the following purposes:

- (1) To elect five members to the Board of Directors;
- (2) To ratify the appointment of PricewaterhouseCoopers LLP as independent auditors of Hillenbrand Industries, Inc.; and
- (3) To transact such other business as may properly come before the meeting and any adjournment of the meeting.

The Board of Directors has fixed the close of business on December 17, 2004, as the record date for determining which shareholders are entitled to notice of and to vote at the meeting.

By Order of the Board of Directors

Patrick D. de Maynadier
Secretary

January 4, 2005

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HILLENBRAND INDUSTRIES, INC.

PROXY STATEMENT

This proxy statement relates to the solicitation by the Board of Directors of Hillenbrand Industries, Inc. (the Company), 700 State Route 46 East, Batesville, Indiana 47006-8835, telephone (812) 934-7000, of proxies for use at the annual meeting of the Company's shareholders to be held at the offices of Batesville Casket Company, Inc., One Batesville Boulevard, Batesville, Indiana 47006-7798, on Thursday, February 10, 2005, at 10:00 a.m., local time (Eastern Standard Time), and at any adjournments of the meeting. This proxy statement and the enclosed form of proxy were mailed initially to shareholders on or about January 4, 2005. All shares represented by these proxies will be voted at this meeting in accordance with instructions given by shareholders. Where no instructions are given the shares will be voted (1) in favor of the election of the Board of Directors' nominees for five directors; (2) in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors of the Company; and (3) in the discretion of the proxy holder upon such other business as may properly come before the meeting.

The purpose of the annual meeting is to vote upon the matters set forth above. The Board of Directors is not aware of any other business that may come before the meeting.

VOTING

The close of business on December 17, 2004, has been fixed as the record date for determining which shareholders are entitled to notice of and to vote at the annual meeting. On December 17, 2004, there were 62,025,580 shares of the Company's common stock issued and outstanding. Each share of common stock is entitled to one vote with respect to every matter submitted to a vote at the meeting. Votes cast by proxy, whether by proxy card, telephone or the Internet, or in person at the annual meeting will be tabulated by the election inspectors appointed for the meeting. If you submit your proxy by telephone or via the Internet, you should not return your proxy card. Instructions for submitting proxies by telephone or the Internet are set forth on the enclosed proxy card. If you choose to submit your proxy by mail, please sign, date and return the proxy card in the envelope provided. A proxy may be revoked at any time before it is voted at the meeting by submitting written notice of revocation to the Secretary of the Company or by submitting another timely proxy by telephone, Internet or mail. If you hold shares through a broker or other custodian, please check the voting instructions used by that broker or custodian.

Votes Necessary to Adopt Proposals. Directors are elected by a plurality of the votes cast by shareholders entitled to vote at a meeting at which a quorum is present. Ratification of the appointment of the auditors and any other matter that comes before the meeting will be approved if the votes cast favoring the action exceed the votes cast opposing the action.

A majority of the shares issued and outstanding constitutes a quorum. Under Indiana law, once a share is represented for any purpose at a meeting it is deemed present for quorum purposes for the remainder of the meeting. Abstentions, broker non-votes and instructions on a proxy to withhold authority to vote for one or more of the director nominees will result in fewer votes being cast with respect to a particular issue or nominee. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular matter because the broker does not have discretionary voting power for that matter and has not received instructions from the beneficial owner. In the absence of such instructions, brokers have discretionary voting power for matters such as the election of directors and the ratification of auditors but not for certain other matters.

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ELECTION OF DIRECTORS

The Articles of Incorporation and the Code of By-laws of the Company provide that members of the Board of Directors shall be classified with respect to the terms that they shall serve by dividing them into three classes that are as nearly equal in number of members as possible. Directors in each class are elected for a three-year term unless they resign or retire earlier. The Board assigns new directors elected by the Board to a class until the first annual meeting after their election.

On September 8, 2004, the Board of Directors increased the size of the Board of Directors from nine members to eleven members, with the new positions being added to Classes I and II. On the same day, the Board of Directors elected Eduardo R. Menascé and Mark D. Ketchum to fill the newly created Class I and Class II positions, respectively, until the upcoming annual meeting. As of the date of this proxy statement, therefore, Classes I and II each consist of four members and Class III consists of three members.

At the upcoming annual meeting, the shareholders will elect three members of the Board of Directors in Class III to serve three-year terms expiring at the 2008 annual meeting. Shareholders also will elect one member of the Board of Directors in each of Class I and II, representing the positions added by the Board of Directors on September 8, 2004. The Class I position will serve a one-year term expiring at the 2006 annual meeting and the Class II position will serve a two-year term expiring at the 2007 annual meeting. The remaining incumbent directors in Class I and Class II were each previously elected to serve terms expiring at the 2006 and 2007 annual meetings, respectively.

Unless authority is withheld, all shares represented by proxies submitted pursuant to this solicitation will be voted in favor of electing as directors the nominees listed below for the terms indicated. If any of these nominees should be unable to serve, shares represented by proxies may be voted for a substitute nominee selected by the Board of Directors, or the Board of Directors may amend the Code of By-laws of the Company to reduce the number of directors.

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

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Nominees to be elected to serve three-year terms expiring at the 2008 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since	Shares⁽¹⁾ Beneficially Owned As Of December 17, 2004	Percent of Total Shares Outstanding
John A. Hillenbrand II	73	Personal Investments	1981 ⁽²⁾	1,020,195 ⁽³⁾⁽⁴⁾	1.6%
Frederick W. Rockwood	57	President and Chief Executive Officer of the Company	1999	405,002 ⁽⁵⁾⁽⁶⁾	(7)
Joanne C. Smith	43	Senior Vice President of Strategy and Business Development of the Rehabilitation Institute of Chicago	2003	0	(7)

CLASS I

Nominee to be elected to serve a one-year term expiring at the 2006 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since	Shares⁽¹⁾ Beneficially Owned As Of December 17, 2004	Percent of Total Shares Outstanding
Eduardo R. Menascé	59	President, Enterprise Solutions Group, Verizon Communications	2004	0	0%

CLASS II

Nominee to be elected to serve a two-year term expiring at the 2007 annual meeting:

Name	Age	Principal Occupation	Served As A	Shares⁽¹⁾ Beneficially Owned As Of	Percent of Total
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			Director Since	December 17, 2004	Shares Outstanding
Mark D. Ketchum	55	Retired President of Global Baby and Family Care business unit of The Procter & Gamble Company	2004	0	0%

Table of Contents**CONTINUING DIRECTORS:****CLASS I**

Serving terms expiring at the 2006 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since	Shares⁽¹⁾ Beneficially Owned As Of December 17, 2004	Percent of Total Shares Outstanding
Rolf A. Classon	59	Supervisory Director of Bayer HealthCare AG	2002	9,000	(7)
Charles E. Golden	58	Executive Vice President and Chief Financial Officer of Eli Lilly and Company	2002	9,092 ⁽⁵⁾	(7)
W August Hillenbrand	64	Retired Chief Executive Officer of the Company	1972	3,584,577 ⁽³⁾⁽⁵⁾⁽⁹⁾	5.7%

CLASS II

Serving terms expiring at the 2007 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since	Shares⁽¹⁾ Beneficially Owned As Of December 17, 2004	Percent of Total Shares Outstanding
Ray J. Hillenbrand	70	Chairman of the Board of the Company	1970	1,302,214 ⁽³⁾⁽⁹⁾	2.1%
Anne Griswold Peirce	53	Associate Dean for Academic Affairs and Associate Professor of Clinical Nursing at Columbia University School of Nursing	2003	31 ⁽¹⁰⁾	(7)
Peter H. Soderberg	58	President and Chief Executive Officer of Welch Allyn, Inc.	2002	8,500	(7)

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Name	Age	Principal Occupation	Shares ⁽¹⁾	Percent of Total Shares Outstanding
			Beneficially Owned As Of December 17, 2004	
Scott K. Sorensen	43	Vice President and Chief Financial Officer ⁽¹¹⁾	113,743 ⁽⁵⁾	(7)
Patrick D. de Maynadier	44	Vice President, General Counsel and Secretary ⁽¹²⁾	35,925	(7)
Kenneth A. Camp	59	President and Chief Executive Officer, Batesville Casket Company, Inc. ⁽¹³⁾	105,730 ⁽⁵⁾	(7)
R. Ernest Waaser	48	President and Chief Executive Officer, Hill-Rom Company, Inc. ⁽¹⁴⁾	74,584 ⁽⁵⁾	(7)
All directors and executive officers of the Company as a group, consisting of 18 persons.			6,456,885 ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	10.2%

(1) The Company's only class of equity securities outstanding is common stock without par value. The Company is not aware of any person, other than members of the Hillenbrand family as indicated herein, beneficially owning more than five percent (5%) of the Company's common stock. These share figures include the following shares that may be purchased pursuant to stock options that are exercisable within 60 days of December 17, 2004: W August Hillenbrand, 222,000 shares; John A. Hillenbrand II, 24,000 shares; Rolf A. Classon, 8,000 shares; Charles E. Golden, 8,000 shares; Peter H. Soderberg, 8,000 shares; Frederick W. Rockwood, 361,668 shares; Ray J. Hillenbrand, 30,000 shares; Scott K. Sorensen, 106,334 shares; Patrick D. de Maynadier, 34,334 shares; Kenneth A. Camp, 99,001 shares; R. Ernest Waaser, 65,667 shares; and all directors and executive officers as a group, 994,172 shares. Except as otherwise indicated in these footnotes, the persons named have sole voting and investment power with respect to all shares shown as beneficially owned by them.

(2) John A. Hillenbrand II previously served as a Director of the Company from 1972 to 1979.

(3) John A. Hillenbrand II and Ray J. Hillenbrand are brothers, and they are cousins of W August Hillenbrand.

(4) Includes 17,240 shares held of record by John A. Hillenbrand II's wife, Joan L. Hillenbrand; and an aggregate of 526,250 shares held of record by trusts for the benefit of his children and grandchildren, by a family partnership and by a family corporation. Mr. Hillenbrand disclaims beneficial ownership of these shares.

(5) These share figures include vested deferred fees and/or compensation in the form of deferred or restricted shares of common stock held on the books and records of the Company in the following amounts: W August Hillenbrand, 170,537 shares; Charles E. Golden, 1,092 shares; Frederick W. Rockwood, 18,316 shares; Scott K. Sorensen, 2,557 shares; Kenneth A. Camp, 350 shares; R. Ernest Waaser, 5,483 shares; and all directors and

executive officers as a group, 198,335 shares.]

- (6) Includes 15,470 shares held of record by Frederick W. Rockwood's wife, Jolene Rockwood.
- (7) Ownership of less than one percent (1%) of the total shares outstanding.
- (8) Includes 265,435 shares owned of record and beneficially by W August Hillenbrand's wife, Nancy K. Hillenbrand; 2,284,760 shares owned of record, or which may be acquired within sixty days, by trusts, of which W August Hillenbrand is trustee or co-trustee; 49,242 shares held of record by a charitable trust, of which Mr. Hillenbrand is a co-trustee; and 351,879 shares held by a limited partnership, of which Mr. Hillenbrand is a limited partner. Mr. Hillenbrand disclaims beneficial ownership of these shares. Mr. Hillenbrand's address is the address of the Company's principal executive offices.
- (9) Includes 800,000 shares held of record by a trust, of which Ray J. Hillenbrand is trustee; 128,975 shares held of record by a charitable foundation, of which Mr. Hillenbrand is a trustee; and 222,854 shares held of record by family partnerships for the benefit of other members of his immediate family. Mr. Hillenbrand disclaims beneficial ownership of these shares.

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- (10) Includes 31 shares held of record by Anne Griswold Peirce's spouse.
- (11) Mr. Sorensen was elected Vice President and Chief Financial Officer of the Company on March 1, 2001.
- (12) Mr. de Maynadier was elected Vice President, General Counsel and Secretary effective January 28, 2002.
- (13) Mr. Camp was elected President and Chief Executive Officer of Batesville Casket Company, Inc., a subsidiary of the Company, on May 1, 2001. He was also elected as a Vice President of the Company on October 8, 2001. Prior to his election to these positions, Mr. Camp has held various other positions within Hillenbrand Industries, Inc. and its subsidiary Batesville Casket Company, Inc.
- (14) Mr. Waaser was elected President and Chief Executive Officer of Hill-Rom Company, Inc., a subsidiary of the Company, on January 22, 2001. He was also elected as a Vice President of the Company on October 8, 2001.
- Ray J. Hillenbrand was first named as Chairman of the Board of the Company on January 17, 2001. He has been engaged in the management of personal and family investments for much of his career. Mr. Hillenbrand was employed by and active in the management of the Company prior to his resignation as an officer in 1977. Mr. Hillenbrand is President of Dakota Charitable Foundation and serves as a member of the Board of Trustees of The Catholic University of America, Washington, D.C. He is past Chairman of the Board of Rushmore Health Systems, which includes Rapid City Regional Hospital.

Rolf A. Classon was named as Vice Chairman of the Board on December 4, 2003. He was Chairman of the Executive Committee of Bayer HealthCare, a sub group of Bayer AG, from October 2002 to July 2004, and was President of Bayer Health Care L.L.C., a subsidiary of Bayer AG, from October 2002 to July 2004. Previously, he had been president of Bayer's Diagnostic Division and head of Bayer's Worldwide Business Group - Diagnostics since 1995. Bayer is an international research-based company active in life sciences, polymers and chemicals. A native of Sweden, Mr. Classon joined Bayer's Miles Diagnostics business in 1991 as executive vice president, worldwide marketing, sales and service. He also served as senior vice president, sales and service for Diagnostics with Miles Inc. beginning in 1992. During his career, Mr. Classon has held management positions with Pharmacia AB, Sweden; Swedish Match Group; and Asbjorn Habberstad AB. Prior to joining Bayer, he was president and chief operating officer of Pharmacia Biosystems AB. Mr. Classon currently serves on the supervisory board of Bayer HealthCare AG, the board of Enzon Pharmaceuticals, Inc., a company focused on oncology and antiviral pharmaceuticals, the board of ISTA Pharmaceuticals, a company involved in ophthalmological pharmaceuticals, and the board of Auxilium Pharmaceuticals, a specialty pharmaceutical company in the fields of urology and men's health.

Charles E. Golden is Executive Vice President and Chief Financial Officer for Eli Lilly and Company, Indianapolis, Indiana, a global provider of pharmaceutical products and health care information. He joined Eli Lilly in his current position and as a member of its board of directors in 1996. Prior to joining Eli Lilly, Mr. Golden served as a corporate vice president of General Motors and chairman of General Motors' vehicle operations in the United Kingdom from 1993 to 1996. He joined General Motors as part of its treasurer's office in 1970 and subsequently held positions in domestic and international operations, ultimately becoming treasurer of GM. He is a member of the National Advisory Board of J.P. Morgan Chase & Co., and Chairman of The Council of Financial Executives of the Conference Board. He also serves on the boards of directors of Clarian Health Partners, and Crossroads of America Council (Boy Scouts of America) (as President), on the board of trustees of Park Tudor School, and on the Finance Committee of the Indianapolis Museum of Art.

John A. Hillenbrand II has managed personal and family investments since 1979. He is also Vice Chairman of Able Body Manufacturing and Assembly, LLC, a manufacturer of truck bodies, and Nambé Mills, Inc., a producer of handcrafted alloy items for cooking, serving and decorating, and Vice Chairman of Pri-Pak, Inc., a provider of packaging for energy drinks and spirits. Mr. Hillenbrand was employed by and active in the

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management of the Company prior to his resignation as an officer in 1979. He currently serves as Co-Chairman of the State of Indiana's Government Efficiency Commission.

W August Hillenbrand served as Chief Executive Officer of the Company from 1989 until 2000. Mr. Hillenbrand also served as President of the Company from 1981 until 1999. Prior to his retirement in December 2000, the Company had employed Mr. Hillenbrand throughout his business career. Mr. Hillenbrand is the Chief Executive Officer of Hillenbrand Capital Partners, an unaffiliated family investment partnership. He is also a director of DPL Inc. of Dayton, Ohio and Pella Corporation of Pella, Iowa.

Mark D. Ketchum retired in November 2004 as the President of Global Baby and Family Care business unit of The Procter & Gamble Company of Cincinnati, Ohio, a manufacturer and marketer of consumer products, after serving in that capacity since 1999. Mr. Ketchum held a broad range of assignments with Procter & Gamble since joining the company in 1971. He held leadership roles for thirteen years in manufacturing and operations, six years in brand management and advertising, and fourteen years in executive level general management positions. He holds a Bachelor of Science in Industrial Engineering and Operations Research from Cornell University. Mr. Ketchum has been a Cornell University Alumni Ambassador and, from 1991 to 1999, was on the Board of Directors, Tissue Division of the American Forest & Paper Association. He is a director of Newell Rubbermaid Inc.

Eduardo R. Menascé is President of the Enterprise Solutions Group for Verizon Communications, Inc., New York City, New York. Prior to the merger of Bell Atlantic and GTE Corporation, which created Verizon Communications, he was the president and Chief Executive Officer of CTI MOVIL S.A. (Argentina), a business unit of GTE Corporation, from 1996 to 2000. Mr. Menascé has also held senior positions at CANTV in Venezuela and Wagner Lockheed and Alcatel in Brazil. He earned a Bachelor degree in Industrial Engineering from Universidad Pontificia Catolica de Rio de Janeiro and a Master's degree in Business Administration from Columbia University. Mr. Menascé currently serves on the Board of Directors of Pitney Bowes, Inc., a global provider of integrated mail and document management solutions, and Key Corp, one of the nation's leading bank-based financial service companies. He also serves on the Board of Advisors of Adventis, a leading management and strategy consultancy to the converging global information industries.

Anne Griswold Peirce, R.N., Ph.D. has been the Associate Dean for Academic Affairs and Associate Professor of Clinical Nursing at the Columbia University School of Nursing since September, 2002. From 1996 through June 2002, Dr. Peirce was a Dean and Professor of Nursing and the Director of Nursing Research at the University of Mississippi Medical Center. During her career, Dr. Peirce has held management and academics positions with various medical institutions, colleges and universities, including the Columbia University School of Nursing. Dr. Peirce has also authored numerous journal articles and textbook chapters related to the field of nursing. She also serves on the editorial board of the journals of Nursing Measurement and the Online Journal of Health Ethics.

Frederick W. Rockwood was elected Chief Executive Officer and President of the Company on December 3, 2000 after being President since December 6, 1999. The Company has employed him since 1977. Previous positions held within the Company include President and Chief Executive Officer of Hillenbrand Funeral Services Group, Inc. from 1997 to 1999, President and Chief Executive Officer of Forethought Financial Services, Inc. from 1985 to 1997, and Senior Vice President of Corporate Planning and Director of Corporate Strategy. He has also been a management consultant with Bain and Company and Boston Consulting Group. He is a member of the Board of Directors of AdvaMed.

Joanne C. Smith, M.D. has been the Senior Vice President, Corporate Strategy and Business Development for the Rehabilitation Institute of Chicago since April 2002. Since 1992 she has been an attending physician at the same institution. From 1997 through April 2002, Dr. Smith was the Senior Vice President and

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Chief Operating Officer of the Corporate Partnership Division of the Rehabilitation Institute of Chicago and from 1992 to 1997 she held various management positions there. She also serves on the boards of directors of AptarGroup, Inc., a leading supplier of personal care, cosmetics, pharmaceutical, food and beverage dispensing systems, and the AON Memorial Education Fund, a fund dedicated to supporting the educational needs of the children who suffered the loss of a parent in the World Trade Center attack.

Peter H. Soderberg is President and Chief Executive Officer of Welch Allyn, Inc., Skaneateles Falls, N.Y. Welch Allyn, Inc. is a privately held global technology company with units that manufacture innovative medical diagnostic equipment, patient monitoring systems and miniature precision lamps. Appointed to his current position in 2000, Mr. Soderberg was previously group vice president and chief operating officer. His prior experience includes 23 years at Johnson & Johnson where he served in a variety of operations, marketing and management positions in four of its over-the-counter and professional product companies. Most recently, he was president of Johnson & Johnson Health Management, a Johnson & Johnson portfolio company. His career also includes roles as president and chief executive officer of an industrial technology company and the founder and president of a venture capital business. He is on the board of directors of Wilson Greatbatch Technologies, Inc., the Advanced Medical Technology Association (AdvaMed) and the Health Industry Distributors Association Foundation and serves as vice chairman of the board of the Syracuse Symphony Orchestra and vice chairman of the Metropolitan Development Authority of Central New York.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, the Company's directors, its executive officers and any person holding more than ten percent of the Company's common stock are required to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock of the Company. The Company is required to report in this proxy statement any failure to file or late filing occurring during the fiscal year ended September 30, 2004. Based solely on a review of filings furnished to the Company and other information from reporting persons, the Company believes that all of these filing requirements were satisfied by its directors, executive officers and ten percent beneficial owners except that Kimberly K. Dennis filed two late reports with respect to two transactions involving the award of 500 restricted stock units to, and the exercise of 1,250 stock options by, her husband, who is an employee of one of the Company's subsidiaries, Anne Griswold Peirce filed one late report with respect to one transaction involving the purchase of 31 shares by her husband, Scott K. Sorensen filed one late report with respect to one transaction for nine shares received by him as a result of the reinvestment of dividends, and Stephen R. Lang filed one late report with respect to one transaction involving the exercise of 5,000 options.

ABOUT THE BOARD OF DIRECTORS (INCLUDING DIRECTOR COMPENSATION)

The Board of Directors, which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. It selects the senior management team, which is charged with the conduct of the Company's business. Having selected the senior management team, the Board acts as an advisor and counselor to senior management and monitors its performance.

Board's Role in Strategic Planning

The Board of Directors has the legal responsibility for overseeing the affairs of the Company and, thus, an obligation to keep informed about the Company's business and strategies. This involvement enables the Board to provide guidance to management in formulating and developing plans and to exercise independently

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its decision-making authority on matters of importance to the Company. Acting as a full Board and through the Board's four standing committees, the Board is fully involved in the Company's strategic planning process.

Each year, typically in the spring, summer and fall, senior management sets aside specific periods to develop, discuss and refine the Company's long-range operating plan and overall corporate strategy. Specific operating priorities are developed to effectuate the Company's long-range plan. Some of the priorities are short-term in focus; others are based on longer-term planning horizons. Senior management reviews the insights and conclusions reached at its meetings with the Board over the course of several Board meetings and seeks approval of the overall corporate strategy and long-range operating plan at Board meetings that usually occur in the summer and fall. These meetings are focused on corporate strategy and involve both management presentations and input from the Board regarding the assumptions, priorities and objectives that will form the basis for management's strategies and operating plans.

At subsequent Board meetings, the Board continues to substantively review the Company's progress against its strategic plans and to exercise oversight and decision-making authority regarding strategic areas of importance and associated funding authorizations.

In addition, Board meetings held throughout the year target specific strategies and critical areas for extended, focused Board input and discussion.

The role that the Board plays is inextricably linked to the development and review of the Company's strategic plan. Through these processes, the Board, consistent with good corporate governance, encourages the long-term success of the Company by exercising sound and independent business judgment on the strategic issues that are important to the Company's business.

Functioning of the Board

The Chairman of the Board, Chief Executive Officer and Secretary set the agenda for Board meetings with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought to it periodically by the Chief Executive Officer for review and/or decision. For example, the Board reviews the annual corporate budget. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. All directors have the opportunity sufficiently in advance of regular Board and committee meetings to review proposed Board and committee agendas and any member of the Board may request that an item be removed from or included on the agenda. Board and committee materials related to agenda items are provided to Board members sufficiently, typically up to two weeks, in advance of regular meetings to allow the Directors to prepare for discussion of the items at the meetings.

At the invitation of the Board and its committees, members of senior management attend Board and committee meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board and its committees are made by the manager responsible for that function or area of the Company's operations. In addition, Board members have free access to all other members of management and employees of the Company and, as necessary and appropriate in their discretion, the Board and its committees may consult with independent legal, financial and accounting advisors to assist in their duties to the Company and its shareholders.

The chairs of the committees of the Board each preside over the portion of the meetings at which the principal items to be considered are within the scope of the authority of their respective committees. The chair of each committee determines the frequency, length and agenda of meetings of that committee. Sufficient time

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to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently, typically up to two weeks, in advance of regular meeting to allow the members to prepare for discussion of the items at the meeting.

Executive sessions or meetings of outside Directors without management present are held regularly after Board and committee meetings. The Chairman of the Board generally presides at executive sessions of non-management directors, except that the chairs of the committees of the Board preside at executive sessions of non-management directors held following meetings of their committees or at which the principal items to be considered are within the scope or authority of their committees.

Communications with Directors

In order to provide the Company's security holders and other interested parties with a direct and open line of communication to the Board of Directors, the Board of Directors has adopted and implemented the following procedures for communications to Directors.

Security holders of the Company and other interested persons may communicate with the Chairman of the Board, the chairmen of the Company's Nominating/Corporate Governance Committee, Audit Committee or Compensation and Management Development Committee or the non-management directors of the Company as a group by sending an email to investors@hillenbrand.com. The email should specify which of the foregoing is the intended recipient.

All communications received in accordance with these procedures will be reviewed initially by the Company's Investor Relations Department and General Counsel. The Investor Relations Department will relay all such communications to the appropriate director or directors unless the Investor Relations Department and General Counsel determine that the communication:

does not relate to the business or affairs of the Company or the functioning or constitution of the Board of Directors or any of its committees;

relates to routine or insignificant matters that do not warrant the attention of the Board of Directors;

is an advertisement or other commercial solicitation or communication;

is frivolous or offensive; or

is otherwise not appropriate for delivery to directors.

The director or directors who receive any such communication will have discretion to determine whether the subject matter of the communication should be brought to the attention of the full Board of Directors or one or more of its committees and whether any response to the person sending the communication is appropriate. Any such response will be made through the Company's Investor Relations Department and only in accordance with the Company's policies and procedures and applicable law and regulations relating to the disclosure of information.

The Company's Investor Relations Department will retain copies of all communications received pursuant to these procedures for a period of at least one year.

The Nominating/Corporate Governance Committee of the Board of Directors will review the effectiveness of these procedures from time to time and, if appropriate, recommend changes.

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The Company has not established a formal policy regarding director attendance at its annual meetings of shareholders, but the Company's directors generally do attend the annual meetings. The Chairman of the Board presides at the annual meeting of shareholders, and the Board of Directors holds one of its regular meetings in conjunction with the annual meeting of shareholders. Accordingly, unless one or more members of the Board are unable to attend, all members of the Board are present for the annual meeting. All members of the Board at the time of the Company's 2004 annual meeting of shareholders attended that meeting.

Other Corporate Governance Matters

Both the Board of Directors and management of the Company firmly embrace good and accountable corporate governance and believe that an attentive, performing Board is a tangible competitive advantage. With that commitment, the Company began its efforts to improve the operation and processes of its Board of Directors significantly in advance of recent corporate governance developments. Director compensation has always comprised cash and stock based compensation. A non-Chief Executive Officer director has held the position of Chairman of the Board since April 1989. In early 2001, efforts to modify the composition of the Board began, with an emphasis on independence and the mix of characteristics, experiences and diverse perspectives and skills most appropriate for the Company. The Board has established position specifications, including performance criteria, for itself, the Chairman of the Board, the Vice Chairman of the Board and the Chief Executive Officer, and, since May 2002, as part of the planned transition of the membership of our Board, the Company has welcomed to the board seven new independent directors who are proven leaders, five of whom have significant experience in the health care industry. Non-Hillenbrand family directors have outnumbered family members on the Board since May 2002, and the Board has had a majority of independent directors since December 4, 2003. Moreover, since September 2002, the Board of Directors of the Company has taken additional measures to ensure continued high standards for corporate governance. Specifically, the Board has taken the following actions, among others:

The Board approved Corporate Governance Standards for the Board of Directors in September 2002 and has revised these Standards on several occasions as warranted by changes in New York Stock Exchange governance standards and other developments. Among other matters, these Standards:

confirm that the Board of Directors has established standing committees, each with a charter approved by the Board, to address certain key areas. These committees are the Audit Committee, Finance Committee, Compensation and Management Development Committee and Nominating/Corporate Governance Committee;

provide that at least a majority of the directors of the Company shall be independent;

provide for an annual determination by the Board of Directors regarding the independence of each director;

provide that the Audit Committee, Nominating/Corporate Governance Committee and Compensation and Management Development Committee will consist entirely of independent directors;

provide for an annual assessment by the Nominating/Corporate Governance Committee of the Board's effectiveness as a whole as well as the effectiveness of the individual directors and the Board's various committees, including a review of the mix of skills, core competencies and qualifications of members of the Board, which should reflect expertise in one or more of the following areas: accounting and finance, product and technology development, strategic oversight, healthcare, death

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care or other low growth industry, manufacturing, service businesses, international operations, merger and acquisition related business development leadership development, sales and marketing development, compensation design and processes, public company governance and international governance; and

provide that the non-management directors regularly shall conduct executive sessions without participation by any employees of the Company.

The full text of the Corporate Governance Standards as approved and revised by the Board of Directors is attached to this proxy statement as Appendix A.

The Board determined the independence of each of the Company's directors based on the standards set forth in the Corporate Governance Standards described above and elected only independent directors as members of the Audit Committee, Nominating/Corporate Governance Committee and Compensation and Management Development Committee. See "Determinations with Respect to Independence of Directors" below.

On December 1, 2004 the Nominating/Corporate Governance Committee of the Board completed a formal evaluation of the effectiveness of the incumbent directors who are being nominated for election at the Company's 2005 annual meeting of shareholders and substantially completed a formal evaluation of the effectiveness of the Board as a whole as well as the effectiveness of the individual directors and the Board's various committees, including a review of the mix of skills, core competencies and qualifications of members of the Board. On December 1, 2004 the Nominating/Corporate Governance Committee also reviewed a summary of its findings with the Board and commenced the process of setting Board, Board committee and individual director goals for 2005. The Nominating/Corporate Governance Committee plans to complete its formal evaluation of all individual directors, the Board and its committees over the course of several meetings.

In September 2002, the Board overhauled its committee structure by:

creating the Nominating/Corporate Governance Committee and approving a written charter for this committee;

renaming its Compensation Committee as the Compensation and Management Development Committee and approving a revised written charter for this committee;

approving a revised written charter for the Audit Committee; and

suspending operations of the Executive Committee of the Board of Directors.

The Board has since adopted revised charters for each of its committees as warranted by changes in NYSE listing standards, SEC rules and other developments.

The Board approved a revised Code of Ethical Business Conduct covering, among other matters, conflicts of interest, corporate opportunities, confidentiality, protection and proper use of the Company's assets, fair dealing, compliance with laws, including insider trading laws, accuracy and reliability of the Company's books and records and reporting of illegal or unethical behavior. This Code applies to all directors, officers and other employees of the Company, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Company's Code of Ethical Business Conduct constitutes a "code of ethics" within the meaning of Item 406 of the Securities and Exchange Commission's Regulation S-K.

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All employees, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, are required to participate in ethics training and abide by the Code of Ethical Business Conduct to ensure that the Company's business is conducted in a consistently legal and ethical manner. All members of the Board of Directors and all officers of the Company and its subsidiaries have read and certified their compliance with the Code without exception.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Ethical Business Conduct. The Sarbanes-Oxley Act of 2002 requires companies to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Company currently has such procedures in place and has effectively and independently addressed concerns raised by employees and others.

Hill-Rom refers to Advanced Medical Technology Association's (AdvaMed) Code of Ethics on Interactions with Health Care Professionals on a regular basis to seek guidance on policies and ethical issues. AdvaMed is the largest medical technology association in the world, representing more than 1,200 innovators and manufacturers of medical devices, diagnostic products and medical information systems. The Code is a voluntary code of ethics to facilitate members' ethical interactions with those individuals or entities that purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe members' medical technology products in the United States. The Company and Hill-Rom are members and Fred Rockwood is on its Board of Directors. The Code can be accessed at www.advamed.org/publicdocs/coe.html.

Directors may not be given personal loans or extensions of credit by the Company, and all Directors are required to deal at arm's length with the Company and its subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest. In September 2004, the Nominating/Corporate Governance Committee adopted a policy that all new proposed related party transactions involving executive officers or directors must be reviewed and approved by that Committee in advance.

The Board approved a policy mandating that the Company's outside independent auditors not perform any prohibited non-audit services under the Sarbanes-Oxley Act of 2002 and the related SEC rules. In addition, the Audit Committee approved a policy requiring that all services from the outside independent auditors must be pre-approved by the Audit Committee or its delegate (i.e., Chairman).

The Board adopted stock ownership guidelines for the Company's Directors and executive officers. In general, these standards require non-employee Directors to hold restricted stock granted to them until six months after they cease to be directors and that executive officers of the Company must achieve and maintain a minimum level of stock ownership. The stock ownership guidelines are included in the Corporate Governance Standards attached as Appendix A.

As part of director's education, which includes, among other things regular dedicated sessions regarding the Company's businesses and operations, the Board requires each director to attend an outside governance related seminar at least once every three years, and the Audit Committee sponsors regular sessions with participation by all directors concerning financial literacy.

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Pursuant to the Foreign Corrupt Practices Act and the Sarbanes-Oxley Act of 2002, the Company monitors and enforces policies, and implements a system of internal controls, designed to detect and prevent money laundering, corruption and bribery. Supporting processes include ethics training and certification regarding, among other things, compliance with the Foreign Corrupt Practices Act, documentation, training and testing, new hire criminal background checks and internal audit procedures.

Consistent with the Company's commitment to corporate governance, the Board and management believe that the foregoing measures and others that have been taken place the Company in compliance with listing requirements of the New York Stock Exchange, the Sarbanes-Oxley Act of 2002 and related rules of the Securities and Exchange Commission. Copies of the Company's Corporate Governance Standards, Code of Ethical Business Conduct and Board committee charters are filed or incorporated by reference as exhibits to the Company's Annual Report on Form 10-K for the year ended September 30, 2004 and are available on the Company's website at www.hillenbrand.com. Also available on the Company's website are position specifications adopted by the Board for the positions of Chief Executive Officer, Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Vice Chairman of the committees of the Board of Directors and other members of the Board of Directors.

Determinations with Respect to Independence of Directors

As noted above, the Corporate Governance Standards adopted by the Board of Directors require the Board of Directors to make an annual determination regarding the independence of each of the Company's directors and provide standards for making these determinations which are consistent with the listing standards of the New York Stock Exchange. The Board made these determinations for each member of the Board in December 2004, based on an annual evaluation performed by and recommendations made by the Nominating/Corporate Governance Committee,

consistent with pastm"> **VBF** (a) Amount Beneficially Owned: 110,695 shares (b) Percent of Class: .84 % (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 110,695 shares (iii) sole power to dispose or direct disposition of: None (iv) shared power to dispose or to direct disposition of: 110,695 shares **VLBF** (a) Amount Beneficially Owned: 13,040 shares (b) Percent of Class: .10% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 13,040 shares (iii) sole power to dispose or direct disposition of: None (iv) shared power to dispose or to direct disposition of: 13,040 shares **VBFO** (a) Amount Beneficially Owned: 167,929 shares (b) Percent of Class: 1.27% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 167,929 shares (iii) sole power to dispose or direct disposition of: None (iv) shared power to dispose or to direct disposition of: 167,929 shares **VLBFO** (a) Amount Beneficially Owned: 32,549 shares (b) Percent of Class: .25% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 32,549 shares (iii) sole power to dispose or direct disposition of: None (iv) shared power to dispose or to direct disposition of: 32,549 shares **VAM** (a) Amount Beneficially Owned:

By virtue of its position as investment advisor to each of VBF, VLBF, VBFO and VLBFO as well as managing an account for AMF, VAM may be deemed to beneficially own the 928,278 shares of the Company's Common Stock beneficially owned by VBF, VLBF, VBFO and VLBFO as well as the shares of the Company's Common Stock in the AMF managed account.

(b) Percent of Class: 7.01% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: 928,278 shares (ii) shared power to vote or to direct vote: None (iii) sole power to dispose or direct disposition of: 928,278 shares (iv) shared power to dispose or to direct disposition of: None **VCM** (a) Amount Beneficially Owned:

By virtue of its position as General Partner to each of VBF and VLBF, VCM may be deemed to beneficially own the 123,735 shares of the Company's Common Stock beneficially owned by VBF and VLBF.

(b) Percent of Class: .93% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 123,735 shares (iii) sole power to dispose or direct disposition of: None (iv) shared power to dispose or to direct disposition of: 123,735 shares **Jacob Gottlieb** (a) Amount Beneficially Owned: By virtue of his position as the principal of VAM and the sole managing member of VCM, Dr. Gottlieb may be deemed to beneficially own the 928,278 shares of the Company's Common Stock beneficially owned by VAM. (b) Percent of Class: 7.01% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: 928,278 shares (ii) shared power to vote or to direct vote: None (iii) sole power to dispose or direct disposition of: 928,278

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shares (iv) shared power to dispose or to direct disposition of: None Ownership: AMF (a) Amount Beneficially Owned: 604,065 shares (b) Percent of Class: 4.56% (c) Number of Shares as to which person has: (i) sole power to vote or to direct vote: None (ii) shared power to vote or to direct vote: 604,065 shares (iii) sole power to dispose or direct disposition of: None **Item 5** Ownership of Five Percent or Less of a Class: Not Applicable **Item 6** Ownership of More than Five Percent on Behalf of Another Person: Not Applicable **Item 7** Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company: Not Applicable **Item 8** Identification and Classification of Members of the Group: Not Applicable **Item 9** Notice of Dissolution of Group: Not Applicable **Item 10** Certification: By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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CUSIP No. 423691104

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 14, 2007

VISIUM ASSET MANAGEMENT, LLC

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

VISIUM LONG BIAS FUND, LP

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

VISIUM BALANCED FUND, LP

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

VISIUM BALANCED OFFSHORE FUND, LTD.

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

VISIUM CAPITAL MANAGEMENT, LLC

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

VISIUM LONG BIAS OFFSHORE FUND, LTD.

By: /s/ Mark Gottlieb
Mark Gottlieb
Authorized Signatory

JACOB GOTTLIEB

By: /s/ Mark Gottlieb
Authorized Signatory

ATLAS MASTER FUND, LTD.

By: /s/ Matthew Siclari
Authorized Signatory