

OLD NATIONAL BANCORP /IN/  
Form S-4  
February 11, 2014  
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As filed with the Securities and Exchange Commission on February 11, 2014

Registration No. 333-

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

**FORM S-4**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**Old National Bancorp**  
**(Exact name of registrant as specified in its charter)**

**Indiana**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**6021**  
**(Primary standard industrial**  
**classification code number)**

**35-1539838**  
**(I.R.S. Employer**  
**Identification Number)**

**ONE MAIN STREET, EVANSVILLE, INDIANA 47708, (812) 464-1294**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Jeffrey L. Knight, Esq.**

**Executive Vice President,**

**Corporate Secretary and Chief Legal Counsel**

**Old National Bancorp**

**One Main Street**

**Evansville, Indiana 47708**

**(812) 464-1294**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copy to:*

**Michael J. Messaglia, Esq.**

**Krieg DeVault LLP**

**One Indiana Square, Suite 2800**

**Indianapolis, Indiana 46204**

**(317) 238-6249**

**Gordon R. Lewis, Esq.**

**Warner Norcross & Judd LLP**

**111 Lyon Street, NW**

**Grand Rapids, MI 49503**

**(616) 752-2752**

**Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon the satisfaction or waiver of all other conditions under the merger agreement described herein.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed	Proposed	Amount of Registration Fee
		Maximum Offering Price Per Share(2)	Maximum Aggregate Offering Price(2)	
Common Stock, no par value	9,241,610	N/A	\$153,278,703	\$19,743

(1) This registration statement covers the maximum number of shares of common stock of the Registrant which are expected to be issued in connection with completion of the merger described in this registration statement.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) and Rule 457(f), based on \$11.61 per share, the average of the high and low prices of a share of United Bancorp, Inc.

( United ) common stock on February 6, 2014, multiplied by 13,202,300 shares of United common stock that may

be received by the Registrant and/or cancelled upon consummation of the merger.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**THE INFORMATION IN THIS PROXY STATEMENT AND PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS PROXY STATEMENT AND PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**PRELIMINARY PROXY STATEMENT AND PROSPECTUS  
DATED FEBRUARY 11, 2014, SUBJECT TO COMPLETION**

**PROXY STATEMENT FOR THE SPECIAL MEETING OF  
UNITED BANCORP, INC. SHAREHOLDERS**

**and**

**PROSPECTUS OF**

**OLD NATIONAL BANCORP**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The Boards of Directors of United Bancorp, Inc. ( United ) and Old National Bancorp ( Old National ) have unanimously approved an Agreement and Plan of Merger (the Merger Agreement ), pursuant to which United will merge with and into Old National (the Merger ). If the Merger Agreement is approved by the shareholders of United and all other closing conditions are satisfied, each shareholder of United will be entitled to \$2.66 in cash and 0.70 shares of Old National common stock for each share of United common stock owned before the Merger, subject to certain adjustments as described in the Merger Agreement. The board of directors of United believes that the Merger is in the best interests of United and its shareholders.

The Merger is conditioned upon, among other things, the approval of the Merger Agreement by United s shareholders. This document is a proxy statement that United s board of directors is using to solicit proxies for use at a special meeting of shareholders to be held on , 2014. At the meeting, United s shareholders will be asked (1) to approve the Merger Agreement, (2) to approve, in a non-binding advisory vote, the compensation that may or will be payable to United s named executive officers in connection with completion of the Merger, (3) to adjourn the meeting if necessary to solicit additional proxies, and (4) to transact such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

This document is also a prospectus relating to Old National s issuance of up to 9,241,610 shares of Old National common stock in connection with completion of the Merger.

Old National common stock is listed on the NASDAQ Global Select Market under the trading symbol ONB. On January 7, 2014, the date of execution of the Merger Agreement, the closing price of a share of Old National common stock was \$15.12. On , 2014, the closing price of a share of Old National common stock was \$ .

United common stock is quoted on the OTCQB under the trading symbol UBMI. On January 7, 2014, the date of execution of the Merger Agreement, the closing price of a share of United common stock was \$7.50. On , 2014, the closing price of a share of United common stock was \$ .

**For a discussion of certain risk factors relating to the Merger, see the section captioned Risk Factors beginning on page 16.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement and prospectus or determined if this proxy statement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with completion of the Merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.**

**This proxy statement and prospectus is dated , 2014, and it  
is first being mailed to United shareholders on or about , 2014.**

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**AVAILABLE INFORMATION**

As permitted by Securities and Exchange Commission ( SEC ) rules, this document incorporates certain important business and financial information about Old National and United from other documents that are not included in or delivered with this document. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following:

Old National Bancorp

One Main Street

P.O. Box 718

Evansville, Indiana 47705

Attn: Jeffrey L. Knight, Executive Vice President,

Corporate Secretary and Chief Legal Counsel

(812) 464-1363

United Bancorp, Inc.

2723 South State Street

Ann Arbor, Michigan 48104

Attn: Randal J. Rabe

Executive Vice President, Chief Financial Officer and Secretary

(517) 423-1755

**In order to ensure timely delivery of these documents, you should make your request by , 2014, to receive them before the special meeting.**

You can also obtain documents incorporated by reference in this document through the SEC's website at [www.sec.gov](http://www.sec.gov). See "Where You Can Find More Information" beginning on page .

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**UNITED BANCORP, INC.**

**2723 South State Street**

**Ann Arbor, Michigan 48104**

**(517) 423-8373**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON , 2014**

To the Shareholders of United Bancorp, Inc.:

We will hold a special meeting of the shareholders of United Bancorp, Inc. ( United ) on , 2014, at , Eastern Time, at the Downing Center, United Bank & Trust, 209 E. Russell Road, Tecumseh, Michigan 49286, to consider and vote upon:

1. *Merger Proposal.* To approve the Merger Agreement. Immediately following the consummation of the Merger, United Bank & Trust will merge with Old National Bank, the wholly-owned banking subsidiary of Old National. In connection with completion of the Merger, you will be entitled to receive in exchange for each of your shares of United common stock:

0.70 shares of Old National common stock (the Exchange Ratio ), subject to adjustment as provided in the Merger Agreement; and

\$2.66 in cash, without interest.

2. *Non-Binding Advisory Vote on Merger-Related Compensation.* To approve, on a non-binding advisory basis, the compensation that may be paid or become payable to the named executive officers of United that is based on or otherwise relates to completion of the Merger (the Merger-Related Compensation Proposal ).

3. *Adjournment.* To approve a proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes present at the special meeting in person or by proxy to approve the Merger Agreement (the Adjournment Proposal ).

4. *Other Matters.* To vote upon such other matters as may properly come before the special meeting or any adjournment of the special meeting. The United board of directors is not aware of any such other matters as of the date of this proxy statement and prospectus.

The proxy statement and prospectus describes the Merger Agreement and the proposed Merger in detail and includes, as [Annex A](#), the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed Merger. **In particular, you should carefully read the section captioned Risk Factors beginning on page of the enclosed proxy statement and prospectus for a discussion of certain risk factors relating to the Merger.**



**The board of directors of United unanimously recommends that United shareholders vote (1) FOR approval of the Merger Agreement, (2) FOR approval of the Merger-Related Compensation Proposal, and (3) FOR approval of the Adjournment Proposal.**

The board of directors of United fixed the close of business on , 2014, as the record date for determining the shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

**YOUR VOTE IS VERY IMPORTANT.** The Merger Agreement must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of United common stock entitled to vote. If you do not return your proxy or do not vote in person at the special meeting, the effect will be a vote against the Merger

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Agreement. Whether or not you plan to attend the special meeting in person, we urge you to date, sign and return promptly the enclosed proxy in the accompanying envelope. You may revoke your proxy at any time before the special meeting by sending a written notice of revocation, submitting a new proxy or by attending the special meeting and voting in person.

By Order of the Board of Directors

Randal J. Rabe

Executive Vice President,

Chief Financial Officer and

Secretary

, 2014

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

**Q: What am I voting on?**

A: You are being asked to vote to approve the Merger Agreement, pursuant to which United will merge with and into Old National. Old National would be the surviving entity in the Merger, and United would no longer be a separate company.

Additionally, you are being asked to vote to approve (1) the Merger-Related Compensation Proposal, and (2) the Adjournment Proposal.

**Q: What will I receive in the Merger?**

A: If the Merger is completed, each share of United common stock will be converted into the right to receive 0.70 shares of Old National common stock, subject to adjustment as summarized below, and \$2.66 in cash (collectively, the Merger Consideration ). The Exchange Ratio is subject to adjustment as follows:

if, as of the end of the month prior to the effective time of the Merger, the United shareholders' equity (computed in accordance with the terms of the Merger Agreement) is less than \$80,000,000, the Exchange Ratio will be decreased as provided in the Merger Agreement;

if the after-tax environmental costs (computed in accordance with the terms of the Merger Agreement) are in excess of \$1,250,000, the Exchange Ratio will be decreased as provided in the Merger Agreement; and

if the average closing price of a share of Old National common stock (computed in accordance with the terms of the Merger Agreement) is less than \$12.02 per share and decreases by more than 20% in relation to the change in the NASDAQ Bank Index, United will have the right to terminate the Merger Agreement unless Old National elects to increase the Exchange Ratio.

**Q: What risks should I consider before I vote on the Merger Agreement?**

A: You should review Risk Factors beginning on page .

**Q: Will Old National shareholders receive any shares or cash as a result of the Merger?**

A: No. Old National shareholders will continue to own the same number of Old National shares they owned before the effective time of the Merger.

**Q: When is the Merger expected to be completed?**

A: We are working to complete the Merger as quickly as possible. We first must obtain the necessary regulatory approvals and the approval of the Merger Agreement by United shareholders at the special meeting. We currently expect to complete the Merger late in the second quarter of 2014.

**Q: What are the tax consequences of the Merger to me?**

A: We have structured the Merger so that Old National, United, and their respective shareholders will generally not recognize any gain or loss for federal income tax purposes on the exchange of United shares for Old National shares in the Merger. Some United shareholders, however, may have taxable gain with respect to the cash received in the Merger. As a condition to the closing, United and Old National must each receive an opinion of counsel confirming these tax consequences. See [Material Federal Income Tax Consequences](#) beginning on page .

Your tax consequences will depend on your personal situation. You should consult your own tax advisor for a full understanding of the tax consequences of the Merger to you.

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**Q: What happens if I do not return a proxy or otherwise do not vote?**

A: Because the required vote of United shareholders on the Merger Agreement is based upon the number of outstanding shares of United common stock entitled to vote rather than upon the number of shares actually voted, a failure to vote and abstentions will have the same practical effect as a vote AGAINST approval of the Merger Agreement.

The advisory vote on the Merger-Related Compensation Proposal and the vote on the Adjournment Proposal each require more votes to be cast in favor of these proposals than against. A failure to vote and abstentions will have no effect on these proposals.

If you properly complete and sign your proxy but do not indicate how your shares of United common stock should be voted on a proposal, the shares of United common stock represented by your proxy will be voted as the United board of directors recommends and therefore, FOR approval of the Merger Agreement, FOR approval of the Merger-Related Compensation Proposal and FOR approval of the Adjournment Proposal.

**Q: Why am I being asked to cast a non-binding advisory vote on the Merger-Related Compensation Proposal?**

A: The Securities and Exchange Commission, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires United to seek a non-binding advisory vote on the Merger-Related Compensation Proposal.

**Q: What will happen if United shareholders do not approve the Merger-Related Compensation Proposal at the special meeting?**

A: Approval of the Merger-Related Compensation Proposal is not a condition to completion of the Merger. The vote with respect to the Merger-Related Compensation Proposal is an advisory vote and will not be binding on United (or Old National following the Merger). Accordingly, as such compensation is contractual, such compensation may or will become payable if the Merger is completed regardless of the outcome of the advisory vote.

**Q: Will I have dissenters' rights?**

A: No. Because Old National's common stock is traded on a national securities exchange, United's shareholders are not entitled to dissenters' rights under the Michigan Business Corporation Act.

**Q: What do I need to do now?**

A: After reading this proxy statement and prospectus, you may vote in one of four ways: (1) by mail (by completing and signing the proxy that accompanies this prospectus and proxy statement); (2) by telephone; (3) by using the Internet; and (4) in person (by either delivering the completed proxy or by casting a ballot if attending the special meeting). In the event that you choose not to exercise your vote by telephone, internet or in person, you should mail your signed proxy in the accompanying pre-addressed, postage-paid envelope as soon as possible so that your shares can be voted at the , 2014, United special meeting.

The telephone and Internet voting procedures have been set up for your convenience and have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been properly recorded. If you would like to vote by telephone or by using the Internet, please refer to the specific instructions on the proxy. The deadline for voting by telephone or via the Internet is 11:59 p.m. Eastern Time on ,



2014.

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### **Q: If my shares are held in street name by my broker, will my broker vote my shares for me?**

A: Yes. Your broker will vote your shares on the Merger Agreement, but only if you provide instructions on how to vote. You should contact your broker and ask what directions your broker will need from you. If you do not provide instructions to your broker on how to vote on the Merger Agreement, your broker will not be able to vote your shares, and this will have the effect of voting against the Merger Agreement.

Similarly, your broker will vote your shares on the Merger-Related Compensation Proposal and the Adjournment Proposal, but only if you provide instructions on how to vote. If you do not submit voting instructions to your broker, your shares will not be counted in determining the outcome of those proposals.

### **Q: How do I vote shares held in the United Bank & Trust Tax-Deferred Savings Plan?**

A: The United Bank & Trust Tax-Deferred Savings Plan owns approximately 1.8% shares of United's common stock. Each participant must instruct the trustee (1<sup>st</sup> Source Bank) how to vote the shares of United common stock allocated to his or her account under the plan. If a participant properly executes the voting instruction card distributed by the trustee, the trustee will vote such participant's shares in accordance with the participant's instructions. Where properly executed voting instruction cards are returned to the trustee with no specific instruction as to how to vote at the special meeting, the trustee will vote the shares FOR approval of the Merger Agreement, FOR approval of the Merger-Related Compensation Proposal, and FOR approval of the Adjournment Proposal. The trustee will vote the shares of United common stock held in the plan but not allocated to any participant's account and shares as to which no voting instruction cards are received in the same proportion as the allocated shares in the plan are voted with respect to the items being presented to a shareholder vote.

### **Q: Can I change my vote after I have mailed my signed proxy?**

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways. First, you can send a written notice stating that you revoke your proxy. Second, you can complete and submit a new proxy, dated at a date later than your most recent proxy. Third, you can attend the special meeting and vote in person. Your attendance at the special meeting will not, however, by itself revoke your proxy. If you hold your shares in street name and have instructed your broker how to vote your shares, you must follow directions received from your broker to change those instructions.

### **Q: What constitutes a quorum?**

A: The holders of over 50% of the outstanding shares of common stock as of the record date must be present in person or by proxy at the special meeting to constitute a quorum. In determining whether a quorum is present, shareholders who abstain will be treated as present for determining the presence or absence of a quorum.

### **Q: Should I send in my stock certificates now?**

A: No. As soon as practicable after the completion of the Merger, you will receive a letter of transmittal describing how you may exchange your certificated or book-entry shares for the Merger Consideration. At that time, you must send your completed letter of transmittal to Old National in order to receive the Merger Consideration. If you hold your shares in certificated form, you should not send your share certificate until you receive the letter of transmittal.

### **Q: Can I elect the form of payment that I prefer in the Merger?**

A: No. The amount of cash and shares of Old National common stock to be issued in the Merger have been determined, subject to those adjustments summarized in this proxy statement and prospectus.

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**Q: Whom should I contact if I have other questions about the Merger Agreement or the Merger?**

A: If you have more questions about the Merger Agreement or the Merger, you should contact:

Old National Bancorp  
One Main Street  
Evansville, Indiana 47708  
(812) 464-1294  
Attn: Jeffrey L. Knight

You may also contact:

United Bancorp, Inc.  
2723 South State Street  
Ann Arbor, Michigan 48104  
(517) 423-1755  
Attn: Randal J. Rabe

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**SUMMARY**

*This summary highlights selected information in this proxy statement and prospectus and may not contain all of the information important to you. To understand the Merger more fully, you should read this entire document carefully, including the annexes and the documents referred to in this proxy statement and prospectus. A list of the documents incorporated by reference appears under the caption *Where You Can Find More Information* on page .*

**The Companies** (page )

*Old National Bancorp*

*One Main Street*

*Evansville, Indiana 47708*

*(812) 464-1294*

Old National Bancorp is a bank holding company, incorporated under Indiana law and headquartered in Evansville, Indiana. Old National is the largest financial services holding company headquartered in Indiana and, with \$9.6 billion in assets, ranks among the top 100 banking companies in the United States. Since its founding in Evansville in 1834, Old National has focused on community banking by building long-term, highly valued partnerships with clients in its primary footprint of Indiana, Illinois and Kentucky. In addition to providing extensive services in retail and commercial banking, wealth management, investments and brokerage, Old National also owns Old National Insurance which is one of the top 100 largest agencies in the U.S. and the 10th largest bank-owned agency. Old National's common stock is listed on the NASDAQ Global Select Market under the symbol *ONB* .

*United Bancorp, Inc.*

*2723 South State Street*

*Ann Arbor, Michigan 48104*

*(517) 423-8373*

United Bancorp, Inc., is a bank holding company, incorporated under Michigan law and headquartered in Ann Arbor, Michigan. United Bank & Trust is United's only subsidiary, and provides financial solutions to its clients based on their unique circumstances and needs, through a line of business delivery system that includes banking, mortgage, structured finance and wealth management. United Bank & Trust has 18 branches in Washtenaw, Lenawee, Livingston, and Monroe Counties. United's common stock is quoted on the OTCQB under the symbol *UBMI* .

**Special Meeting of Shareholders; Required Vote** (page )

The special meeting of United shareholders is scheduled to be held at the Downing Center, United Bank & Trust, 209 E. Russell Road, Tecumseh, Michigan 49286 at , Eastern Time, on , 2014. At the United special meeting, you will be asked to vote to approve the Merger Agreement. You will also be asked to approve, on a non-binding advisory basis, the Merger-Related Compensation Proposal and approve the Adjournment Proposal. Only United shareholders of record as of the close of business on , 2014, are entitled to notice of, and to vote at, the United special meeting and any adjournments or postponements of the United special meeting.

As of the record date, there were    shares of United common stock outstanding. The directors and executive officers of United (and their affiliates), as a group, owned with power to vote    shares of United common stock, representing approximately    % of the outstanding shares of United common stock as of the record date.

Approval of the Merger Agreement requires the affirmative vote of holders of at least a majority of the outstanding shares of United common stock entitled to vote. Approval of the Merger-Related Compensation Proposal and the Adjournment Proposal each require more votes cast in favor of the proposal than are cast against it.

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No approval by Old National shareholders is required.

### **The Merger and the Merger Agreement** (pages    and    )

The Merger Agreement provides that, if all of the conditions are satisfied or waived, United will be merged with and into Old National, with Old National surviving. Immediately following the Merger, United Bank & Trust will be merged with and into Old National Bank, a wholly owned subsidiary of Old National. We encourage you to read the Merger Agreement, which is included as Annex A to this proxy statement and prospectus and is incorporated by reference herein.

### **What United Shareholders Will Receive in the Merger** (page    )

If the Merger is completed, each share of United common stock will be converted into the right to receive 0.70 shares of Old National common stock, subject to the following adjustments, and \$2.66 in cash:

if, as of end of the month prior to the effective time, the United shareholders' equity (computed in accordance with the terms of the Merger Agreement) is less than \$80,000,000, the Exchange Ratio will be decreased as provided in the Merger Agreement;

if the after-tax environmental costs (computed in accordance with the terms of the Merger Agreement) are in excess of \$1,250,000, the Exchange Ratio will be decreased as provided in the Merger Agreement; and

if the average closing price of a share of Old National common stock (computed in accordance with the terms of the Merger Agreement) is less than \$12.02 per share and decreases by more than 20% in relation to the NASDAQ Bank Index, United will have the right to terminate the Merger Agreement unless Old National agrees to increase the Exchange Ratio.

### **Treatment of United's Stock-Based Awards** (page    )

The Merger Agreement provides that Old National and United will take all requisite action so that, at the effective time of the Merger, each of the stock-based awards issued and still outstanding under United's stock plans will be converted into an award of Old National common stock based on the Merger Consideration. All United stock-based awards will fully vest as of the effective time of the Merger.

### **Treatment of United's Deferred Compensation Plans** (page    )

The Director Retainer Stock Plan and the Senior Management Bonus Deferral Stock Plan will be terminated and at the effective time of the Merger, each phantom share credited to a participant's account under each of these plans will be converted into the right to receive a number of Old National common shares equal to the Converted Stock-Based Award Ratio. Accrued benefits under such plans will be distributed following the effective time of the Merger. Old National will assume the Supplemental Executive Retirement Plan covering David S. Hickman and accrued benefits will continue to be paid pursuant to its terms.

### **Recommendation of United Board of Directors** (page    )

The United board of directors unanimously adopted the Merger Agreement and approved and authorized the proposed Merger. The United board of directors unanimously determined that the Merger, the Merger Agreement and the Merger Consideration are fair to United and the United shareholders and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of United and the United shareholders. The United board of directors unanimously recommends that United shareholders vote FOR approval of the Merger Agreement. In reaching its determination, the United board of directors considered a number of factors, which are described in the section captioned Proposal 1 The Merger United s Reasons for the Merger and Recommendation of the Board of Directors beginning on page . Because of the wide variety of



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factors considered, the United board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

The United Board also unanimously recommends that you vote **FOR** approval of the Merger-Related Compensation Proposal and **FOR** approval of the Adjournment Proposal.

### **No Dissenters' Rights** (page )

Dissenters' rights are statutory rights that, if available under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters' rights are not available in all circumstances, and exceptions to these rights are provided in the Michigan Business Corporation Act. Because shares of Old National common stock are listed on a national securities exchange, holders of United common stock will not have dissenters' rights in connection with the Merger.

### **Voting Agreements** (page )

As of the record date, the directors of United beneficially owned shares of United common stock, including shares subject to options currently exercisable but not exercised. In connection with the execution of the Merger Agreement, all of the directors of United executed a voting agreement pursuant to which they agreed to vote their shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director's spouse to be voted, for approval of the Merger Agreement.

### **Opinion of United's Financial Advisor** (page )

In connection with the Merger, the United board of directors received an oral and a written opinion, dated January 6, 2014, from United's financial advisor, Sandler O'Neill & Partners, L.P. (Sandler O'Neill), to the effect that, as of the date of the opinion and based on and subject to the various considerations described in the opinion, the Merger Consideration described in the Merger Agreement is fair, from a financial point of view, to the holders of United common stock. The full text of Sandler O'Neill's written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Sandler O'Neill in rendering its opinion, is attached to this document as Annex B. We encourage you to read the entire opinion carefully. The opinion of Sandler O'Neill is directed to the United board of directors and does not constitute a recommendation to any United shareholder as to how to vote at the United special meeting or any other matter relating to the proposed Merger.

### **Reasons for the Merger** (page )

The United board of directors unanimously determined that the Merger, the Merger Agreement and the Merger Consideration are fair to United and the United shareholders and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of United and the United shareholders. The United board of directors unanimously recommends that United shareholders vote **FOR** the proposal to approve the Merger Agreement.

In its deliberations and in making its determination, the United board of directors considered many factors including, but not limited to, the following:

the business strategy and strategic plan of United, its prospects for the future, and projected financial results.

a review of the risks and prospects of United remaining independent, including the challenges of the current financial and regulatory climate.

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management's organic growth financial forecasts, which estimated a time frame of five to seven years to achieve, through organic growth, a comparable level of shareholder value that the Merger is expected to deliver.

management's assessment of the execution risk involved in attaining the performance levels assumed by the forecasts as considerable, and its belief that the execution risk involved in growth by acquisition being considerably higher than the risk inherent in organic growth.

the relatively low price of United common stock resulting in relatively weak currency for United to complete an acquisition.

conditions and activity in the M&A market providing a unique window of opportunity with respect to a merger of United and delivering accelerated and enhanced shareholder value, to United's shareholders as compared to organic growth.

the purchase price per share of United common stock to be paid by Old National and the resulting valuation multiples.

For more information on the factors considered by the United board of directors in reaching its determination to recommend approval of the Merger Agreement, see Proposal 1 The Merger United's Reasons for the Merger and Recommendation of the Board of Directors beginning on page .

Old National's board of directors concluded that the Merger Agreement is in the best interests of Old National and its shareholders. In deciding to approve the Merger Agreement, Old National's board of directors considered a number of factors, including, but not limited to, the following:

United's community banking orientation in Southern Michigan and its perceived compatibility with Old National and its subsidiaries;

a review of the demographic, economic, and financial characteristics of the markets in which United operates, including existing and potential competition and the history of the market areas with respect to financial institutions; and

management's review of the business, management and personnel, operations, earnings, and financial condition, including capital levels and asset quality, of United and United Bank & Trust.

**Regulatory Approvals** (page )

Under the terms of the Merger Agreement, the Merger cannot be completed until Old National receives necessary regulatory approvals, which include the approval of the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System (the Federal Reserve Board ). [Old National has filed applications with each regulatory authority to obtain the approvals]. Old National cannot be certain when such approvals will be obtained or

if they will be obtained.

**Issued Old National Shares Will be Eligible for Trading** (page )

The shares of Old National common stock to be issued upon completion of the Merger will be eligible for trading on the NASDAQ Global Select Market.

**Conditions to the Merger** (page )

The respective obligations of Old National and United to consummate the Merger are subject to the satisfaction or waiver, on or before the completion of the Merger, of a number of conditions, including:

approval of the Merger Agreement at the special meeting by holders of at least a majority of the outstanding shares of United common stock entitled to vote;

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approval of the Merger by the appropriate regulatory authorities;

the consummation of the Merger shall not be illegal or otherwise prohibited and no temporary, preliminary or permanent restraining order preventing the consummation of the Merger is in effect;

the Registration Statement on Form S-4, of which this proxy statement and prospectus is a part, relating to the Old National shares to be issued pursuant to the Merger Agreement, must have become effective under the Securities Act of 1933, and no stop order suspending the effectiveness of the Registration Statement shall have been issued or threatened by the Securities and Exchange Commission;

the shares of Old National common stock to be issued upon completion of the Merger shall have been authorized for listing on the NASDAQ Global Select Market;

the representations and warranties made by the parties in the Merger Agreement must be true and correct as of the closing date of the Merger or as otherwise required in the Merger Agreement, unless the inaccuracies do not or would not reasonably be expected to result in a material adverse effect;

the covenants made by the parties must have been fulfilled or complied with in all material respects from the date of the Merger Agreement through the closing date of the Merger;

the parties must have received the respective closing deliveries of the other party to the Merger Agreement;

since December 31, 2012, there shall not have been any change, state of facts, event, development or effect that has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect for either party;

United must have received an opinion from Warner Norcross & Judd LLP, counsel to United, and Old National must have received an opinion from Krieg DeVault LLP, counsel to Old National, each dated as of the closing date, to the effect that the Merger constitutes a tax-free reorganization for purposes of Section 368 of the Internal Revenue Code, as amended;

Old National must have received a letter of tax advice, in a form satisfactory to Old National, from United's independent certified public accounting firm to the effect that any amounts that are paid by United before the effective time of the Merger, or required to be paid at or after the effective time, to persons who are disqualified individuals under Section 280G of the Internal Revenue Code with respect to United, United Bank & Trust or their successors, and that otherwise should be allowable as deductions for federal income tax purposes, should not be disallowed as deductions for such purposes by reason of Section 280G of the Code;

United's consolidated shareholders' equity (computed in accordance with the Merger Agreement) shall not be less than \$75,000,000.

We cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed.

**Termination** (page )

Old National or United may mutually agree at any time to terminate the Merger Agreement without completing the Merger, even if the United shareholders have approved it. Also, either party may decide, without the consent of the other party, to terminate the Merger Agreement under specified circumstances, including if the Merger is not consummated by October 31, 2014, if any governmental entity has issued a final and nonappealable order or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger or if the United shareholders do not approve the Merger Agreement at the United special meeting. In addition, either party may terminate the Merger Agreement if there is a breach of the agreement by the other party.

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that would cause the failure of conditions to the terminating party's obligation to close, unless the breach is capable of being cured and is cured within thirty business days of written notice of the breach.

United has the right to terminate the Merger Agreement to enter into a definitive agreement that constitutes a superior proposal and prior to or simultaneously with termination pays the termination fee described below.

Old National has the right to terminate the Merger Agreement if the United board of directors changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal, if United enters into an agreement relating to a takeover proposal, or in the absence of a takeover proposal and only during the period which is ten days before the mailing date of the proxy statement and prospectus and the date of the United special meeting, the United board of directors fails to publicly reaffirm its recommendation within five business days of a written request by Old National.

Old National has the right to terminate the Merger Agreement if the after-tax cost of all remedial or other corrective actions and measures required by applicable law to be taken with respect to United's real property is estimated to exceed, in the aggregate, \$2,500,000, or if the cost of such actions and measures cannot be reasonably estimated. Old National's right to terminate exists for a period of ten business days following United's receipt of Old National's notice of the amount of after-tax cost.

United has the right to terminate the Merger Agreement if Old National's common stock average closing price for the five trading days ending on the sixth business day prior to the closing date of the Merger is below \$12.02 per share, and the decrease in Old National stock price from \$15.02 per share is more than 20% greater than the decrease in the NASDAQ Bank Index for the period from January 6, 2014 ending on the sixth business day prior to the closing date. Old National has the right to prevent United's termination by agreeing to United's request to increase the Exchange Ratio pursuant to a formula set forth in the Merger Agreement.

**Termination Fee (page )**

United is required to pay Old National a \$6,000,000 termination fee in the following circumstances:

if Old National terminates the Merger Agreement because the United board changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal, if United enters into an agreement relating to a takeover proposal, or in the absence of a takeover proposal and only during the period which is ten days before the mailing date of the proxy statement and prospectus and the date of the United special meeting, the United board of directors fails to publicly reaffirm its recommendation within five business days of a written request by Old National;

if Old National terminates the Merger Agreement because United has breached the Merger Agreement, such that the conditions to Old National's obligations to complete the Merger are not satisfied, and which either (A) cannot be cured by October 31, 2014 or (B) if capable of being cured by October 31, 2014, have not been cured within thirty business days following receipt of written notice from Old National of such breach, provided that Old National is not then in breach of the Merger Agreement, such that the conditions to United's obligations to complete the Merger are not satisfied, and (1) any person has made (whether or not subsequently withdrawn) a takeover proposal to United on or after the date of the Merger Agreement but

prior to the date that the Merger Agreement is terminated, and (2) within twelve months after the date of termination, United consummates a takeover proposal or enters into a definitive agreement with respect to a takeover proposal within 12 months after the date of termination;

if (A) the Merger Agreement is terminated by Old National or United because the Merger does not occur on or before October 31, 2014 or the Merger Agreement is terminated by Old National or United



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because the United shareholder meeting has concluded and been finally adjourned and the United shareholder approval has not been obtained; (B) any person has made (whether or not subsequently withdrawn) a takeover proposal to United on or after the date of the Merger Agreement but prior to (1) the date that the Merger Agreement is terminated, in the event the Merger Agreement is terminated by United because the Merger does not occur on or before October 31, 2014, or (2) the United shareholder meeting, in the case of a termination because the United shareholder meeting has concluded and been finally adjourned and the United shareholder approval has not been obtained; and (C) United consummates a takeover proposal or enters into a definitive agreement with respect to a takeover proposal within 12 months after the date of termination;

if United terminates the Merger Agreement, prior to receipt of the United shareholder approval, to enter into a definitive agreement that constitutes a superior proposal.

Old National is required to pay United a \$6,000,000 termination fee in the following circumstances:

if either party terminates the Merger Agreement because (A) any governmental entity has issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger and such order or other action is final and nonappealable or (B) the Merger does not occur before October 31, 2014, except that the right to terminate the Merger Agreement shall not be available to United if its breach of the Merger Agreement causes the failure of the effective time of the Merger to occur on or before October 31, 2014; if at the time of such termination, the condition requiring receipt of regulatory approvals has not been satisfied for reasons substantially attributable to the anti-competitive effect of the Merger or Old National's failure to comply with its best efforts obligations to obtain regulatory approval.

**Interests of Certain Directors and Executive Officers of United in the Merger That are Different From Yours**  
(page )

You should be aware that some of United's directors and executive officers may have interests in the Merger that are different from, or in addition to, their interests as shareholders. United's board of directors was aware of these interests and took them into account in adopting the Merger Agreement. For example, Old National will assume all obligations under the Employment Agreements for certain employees of United. Todd C. Clark, Executive Vice President of United and President of United Bank & Trust, accepted terms of employment with Old National following the effective time of the Merger and entered into a severance/change of control agreement with Old National effective at the effective time of the Merger, which shall supersede Mr. Clark's existing employment agreement with United.

Additionally, Old National is obligated under the Merger Agreement to provide continuing indemnification to the officers and directors of United and United Bank & Trust for a period of six years following the Merger and to provide such directors and officers with directors' and officers' liability insurance and fiduciary insurance for a period of six years following the Merger.

**Accounting Treatment of the Merger** (page )

The Merger will be accounted for as a purchase transaction in accordance with United States generally accepted accounting principles.

**Rights of Shareholders After the Merger** (page )

When the Merger is completed, United shareholders, whose rights are governed by United's articles of incorporation and bylaws, will become Old National shareholders, and their rights then will be governed by Old National's articles of incorporation and by-laws. Old National is organized under Indiana law and United is

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organized under Michigan law. To review the differences in the rights of shareholders under each company's governing documents, see [Comparison of the Rights of Shareholders](#) beginning on page .

**Material Federal Income Tax Consequences of the Merger** (page )

Old National and United expect the Merger to qualify as a reorganization for U.S. federal income tax purposes. If the Merger qualifies as a reorganization, then, in general, United shareholders will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of United shares for Old National shares in the Merger. With respect to cash received in the Merger, United shareholders will recognize gain (but not loss) in an amount equal to the lesser of (A) the amount of cash received in the Merger, and (B) the excess, if any, of (1) the sum of the amount of cash and the fair market value of the Old National common stock received in the Merger over (2) the United shareholder's aggregate tax basis in the United common stock surrendered in exchange for Old National common stock.

To review the tax consequences of the Merger to United shareholders in greater detail, please see the section [Material Federal Income Tax Consequences](#) beginning on page .

**Comparative Per Share Data**

The following table shows information about our book value per share, cash dividends per share, and diluted earnings (loss) per share, and similar information as if the Merger had occurred on the date indicated, all of which is referred to as pro forma information. In presenting the comparative pro forma information for certain time periods, we assumed that we had been merged throughout those periods and made certain other assumptions.

The information listed as [Pro Forma Equivalent United Share](#) was obtained by multiplying the Pro Forma Combined amounts by a fixed Exchange Ratio of 0.70. We present this information to reflect the fact that United shareholders will receive shares of Old National common stock for each share of United common stock exchanged in the Merger. We also anticipate that the combined company will derive financial benefits from the Merger that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the merged company under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. Further, the pro forma information below excludes one-time expenses related to the Merger. The pro forma information also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

	Old		Pro	Pro Forma
	National	United	Forma	Equivalent
	Historical	Historical	Combined	United Share
<b>Book value per share:</b>				
at September 30, 2013	\$ 11.51	\$ 6.32	\$ 11.79	\$ 8.25
at December 31, 2012	\$ 11.81	\$ 6.05	\$ 12.03	\$ 8.42
<b>Cash dividends per share:</b>				
Nine months ended September 30, 2013	\$ 0.30	\$	\$ 0.30	\$ 0.21
Year ended December 31, 2012	\$ 0.36	\$	\$ 0.36	\$ 0.25
<b>Diluted earnings per share:</b>				

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Nine months ended September 30, 2013	\$ 0.75	\$ 0.42	\$ 0.74	\$ 0.52
Year ended December 31, 2012	\$ 0.95	\$ 0.26	\$ 0.93	\$ 0.65

**Table of Contents****Market Prices and Share Information**

The following table presents quotation information for Old National common stock on the NASDAQ Global Select Market and United common stock on the OTCQB on January 7, 2014, and , 2014. January 7, 2014, was the last trading day prior to the announcement of the signing of the Merger Agreement. , 2014, was the last practicable trading day for which information was available prior to the date of this proxy statement and prospectus.

	Old National Common			United Common Stock		
	High	Stock Low	Close	High	Low	Close
January 7, 2014	\$ 15.23	\$ 15.04	\$ 15.12	\$ 7.60	\$ 7.40	\$ 7.50
, 2014	\$	\$	\$	\$	\$	\$

**Table of Contents****SELECTED CONSOLIDATED FINANCIAL DATA OF OLD NATIONAL**

The selected consolidated financial data presented below, as of and for the nine months ended September 30, 2013 and 2012, is unaudited. The information as of and for each of the years in the five-year period ended December 31, 2012, is derived from Old National's audited historical financial statements. Per share amounts have been adjusted to reflect all completed stock dividends and splits. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto incorporated by reference in this proxy statement and prospectus. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	<b>Nine Months September 30,</b>		<b>Year Ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>(unaudited)</b>		<b>(Dollar amounts in thousands except per share data)</b>				
<b>Results of Operations</b>							
Net interest income	\$ 236,237	224,396	\$ 308,757	\$ 272,873	\$ 218,416	\$ 231,399	\$ 243,325
Provision for loan losses	(4,572)	2,849	5,030	7,473	30,781	63,280	51,464
Noninterest income	140,314	138,542	189,816	182,883	170,150	163,460	166,969
Noninterest expense	273,757	266,333	365,758	348,521	314,305	338,956	297,229
Income (loss) before income tax	107,366	93,756	127,785	99,762	43,480	(7,377)	61,601
Income tax (benefit)	30,995	25,090	36,110	27,302	5,266	(21,114)	(877)
Net income	76,371	68,666	91,675	72,460	38,214	13,737	62,478
Net income available to common shareholders	76,371	68,666	91,675	72,460	38,214	9,845	62,180
Dividends paid on common stock	30,275	25,551	34,657	26,513	24,361	30,380	45,710
<b>Per Common Share</b>							
Earnings per share (basic)	0.76	0.72	0.95	0.76	0.44	0.14	0.95
Earnings per share (diluted)	0.75	0.72	0.95	0.76	0.44	0.14	0.95

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Dividends paid	0.30	0.27	0.36	0.28	0.28	0.44	0.69
Book value end of period	11.51	11.70	11.81	10.92	10.08	9.68	9.56
Market value end of period	14.20	13.61	11.87	11.65	11.89	12.43	18.16
<b>At Period End</b>							
Total assets	9,652,079	9,383,044	9,543,623	8,609,683	7,263,892	8,005,335	7,873,890
Investment securities	3,132,491	2,723,310	2,903,612	2,555,866	2,598,432	2,882,228	2,224,687
Loans, excluding held for sale	5,072,476	5,243,166	5,196,594	4,767,203	3,743,451	3,835,486	4,760,359
Allowance for loan losses	47,318	54,762	54,763	58,060	72,309	69,548	67,087
Total deposits	7,208,407	7,221,377	7,278,953	6,611,563	5,462,925	5,903,488	5,422,287
Other borrowings	633,875	288,502	237,493	290,774	421,911	699,059	834,867
Shareholders equity	1,159,256	1,186,764	1,194,565	1,033,556	878,805	843,826	730,865
<b>Financial Ratios</b>							
Return on average assets	1.06%	1.06%	1.04%	0.86%	0.50%	0.17%	0.82%
Return on average common shareholders equity	8.58%	8.57%	8.34%	7.24%	4.40%	1.41%	9.49%
Allowance for loan losses to total loans (period end) (excluding held for sale)	0.93%	1.04%	1.05%	1.22%	1.93%	1.81%	1.41%
Shareholders equity to total assets (period end)	12.01%	12.65%	12.52	12.00%	12.10%	10.54%	9.28%
Average equity to average total assets	12.39%	12.42%	12.49%	11.94%	11.46%	9.06%	8.67%
	39.64%	37.21%	37.80%	36.59%	63.75%	308.59%	73.51%

Dividend  
payout ratio

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**Table of Contents****SELECTED CONSOLIDATED FINANCIAL DATA OF UNITED**

The selected consolidated financial data presented below as of and for the nine months ended September 30, 2013 and 2012, is unaudited. The information as of and for each of the years in the five-year period ended December 31, 2012, is derived from United's audited historical financial statements. Per share amounts have been adjusted to reflect all completed stock dividends and splits. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto incorporated by reference in this proxy statement and prospectus. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	Nine months ended September 30,		Year Ended December 31,				
	2013 (unaudited)	2012	2012	2011	2010	2009	2008
<b>Results of Operations</b>							
Net interest income	\$ 23,093	\$ 22,781	\$ 30,165	\$ 30,051	\$ 31,083	\$ 31,515	\$ 29,744
Provision for loan losses	1,900	6,650	8,350	12,150	21,530	25,770	14,607
Noninterest income	16,686	15,600	21,491	17,211	16,298	16,899	13,510
Noninterest expense	28,892	27,617	37,203	34,618	32,497	37,116	29,963
Income (loss) before federal income tax	8,987	4,114	6,103	494	(6,646)	(14,472)	(1,316)
Federal income tax (benefit)	2,682	1,097	1,640	(423)	(2,938)	(5,639)	(1,280)
Net income (loss)	6,305	3,017	4,463	917	(3,708)	(8,833)	(36)
Dividends paid on common stock						102	3,544
<b>Per Common Share</b>							
Basic and diluted earnings (loss) per share	0.42	0.17	0.26	(0.02)	(0.89)	(1.93)	(0.01)
Dividends paid						0.02	0.70
Book value end of period	6.32	6.01	6.05	5.78	5.72	11.98	13.75
Market value end of period	6.80	4.20	4.50	2.50	3.50	5.25	7.55
<b>At Period End</b>							
Total assets	918,832	898,581	907,741	885,009	861,710	909,328	832,393
	204,827	198,069	206,129	173,197	124,544	92,146	82,101

Securities available for sale							
Net loans	621,188	569,348	577,515	551,359	577,111	638,012	683,695
Total deposits	805,740	776,025	784,643	764,856	733,998	782,801	709,549
Other borrowings	11,983	21,759	21,999	24,035	30,321	42,098	50,036
Shareholders equity	90,637(1)	96,836	97,397	93,774	92,704	80,867	69,451
<b>Financial Ratios</b>							
Return on average assets	0.93%	0.45%	0.50%	0.10%	-0.42%	-1.03%	0.00%
Return on average common shareholders equity	8.57%	4.26%	4.69%	0.98%	-4.66%	-10.61%	-0.05%
Average equity to average total assets	10.8%	10.6%	10.6%	10.6%	9.1%	9.5%	9.1%
Dividend payout ratio	NA	NA	NA	NA	NA	NA	NA

- (1) On December 27, 2013, United completed the redemption of all of the remaining 10,300 shares of outstanding Fixed Rate Cumulative Perpetual Preferred Stock, Series A, stated liquidation preference amount of \$1,000 per share. Assuming completion of the redemption as of September 30, 2013, shareholders equity would have been \$80,337 at that date.

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**RISK FACTORS**

In addition to the other information contained in or incorporated by reference into this proxy statement and prospectus (See [Where You Can Find More Information](#) ), including the risk factors included in Old National's and United's respective Annual Report on Form 10-K for the year ended December 31, 2012, you should consider carefully the risk factors described below in deciding how to vote. You should keep these risk factors in mind when you read forward-looking statements in this document and in the documents incorporated by reference into this document. Please refer to the section of this proxy statement and prospectus titled [Caution About Forward-Looking Statements](#).

***United shareholders cannot be certain of the value of the Merger Consideration they will receive, because the market price of Old National common stock will fluctuate and the Exchange Ratio is subject to adjustment.***

Upon completion of the Merger, each share of United common stock will be converted into the Merger Consideration. The Exchange Ratio is subject to downward adjustment, as described in the Merger Agreement and in this proxy statement and prospectus in the event that United's consolidated shareholders' equity is less than \$80,000,000 as of the end of month prior to the effective time or after-tax environmental costs exceed \$1,250,000. See [The Merger Agreement - Merger Consideration](#) for a more complete discussion of the Merger Consideration to be paid in the Merger.

Additionally, the market value of the Merger Consideration may vary from the closing price of Old National common stock on the date the Merger was announced, on the date that this document was mailed to United shareholders, on the date of the special meeting of the United shareholders and on the date the Merger is completed and thereafter. Any change in the Exchange Ratio or the market price of Old National common stock prior to completion of the Merger will affect the amount of and the market value of the Merger Consideration that United shareholders will receive upon completion of the Merger. Accordingly, at the time of the special meeting, United shareholders will not know or be able to calculate with certainty the amount or the market value of the Merger Consideration they would receive upon completion of the Merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in business, operations and prospects, and regulatory considerations. Many of these factors are beyond Old National's or United's control. You should obtain current market quotations for shares of Old National common stock and for shares of United common stock before you vote.

***Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.***

Before the transactions contemplated in the Merger Agreement may be completed, various approvals must be obtained from the Federal Reserve Board and the Office of the Comptroller of the Currency. These governmental entities may impose conditions on the completion of the Merger or require changes to the terms of the Merger Agreement. Although Old National and United do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the transactions contemplated in the Merger Agreement or imposing additional costs on or limiting Old National's revenues, any of which might have a material adverse effect on Old National following the Merger. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed.

***The Merger Agreement may be terminated in accordance with its terms and the Merger may not be completed, which could have a negative impact on United.***

The Merger Agreement with Old National is subject to a number of conditions which must be fulfilled in order to close. Those conditions include: United shareholder approval, regulatory approvals, the continued accuracy of certain representations and warranties by both parties and the performance by both parties of certain covenants and agreements. In particular, Old National is not obligated to close the Merger transaction if United s

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consolidated shareholders' equity is less than \$75,000,000, subject to adjustments in the Merger Agreement, as of the end of the month prior to the effective time of the Merger or after-tax environmental costs exceed \$2,500,000.

In addition, certain circumstances exist where United may choose to terminate the Merger Agreement, including the acceptance of a superior proposal or the decline in Old National's share price to below certain thresholds set forth in the Merger Agreement. See "The Merger Agreement - Merger Consideration" for a more complete discussion of the Merger Consideration to be paid in the Merger and "Termination" for a more complete discussion of the circumstances under which the Merger Agreement could be terminated. There can be no assurance that the conditions to closing the Merger will be fulfilled or that the Merger will be completed.

If the Merger Agreement is terminated, there may be various consequences to United, including:

United's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Merger, without realizing any of the anticipated benefits of completing the Merger;

United may have incurred substantial expenses in connection with the Merger, without realizing any of the anticipated benefits of completing the Merger; and

the market price of United common stock might decline to the extent that United's market price following announcement of the Merger reflects a market assumption that the Merger will be completed.

If the Merger Agreement is terminated and United's board of directors seeks another merger or business combination, under certain circumstances United may be required to pay Old National a \$6,000,000 termination fee. United shareholders cannot be certain that United would be able to find a party willing to pay an equivalent or more attractive price than the price Old National has agreed to pay in the Merger.

***United shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management.***

United's shareholders currently have the right to vote in the election of the United board of directors and on other matters affecting United. When the Merger occurs, each United shareholder will become a shareholder of Old National with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of United. Because of this, United's shareholders will have less influence on the management and policies of Old National than they now have on the management and policies of United.

***Old National may be unable to successfully integrate United Bank & Trust's operations and retain United Bank & Trust's employees.***

United Bank & Trust will be merged with and into Old National Bank immediately following the closing of the Merger. The difficulties of merging the operations of United Bank & Trust with Old National Bank include:

integrating personnel with diverse business backgrounds;

combining different corporate cultures; and

retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of Old National, Old National Bank or United Bank & Trust, and the loss of key personnel. The integration of United Bank & Trust with Old National Bank will require the experience and expertise of certain key employees of United Bank & Trust who are expected to be retained by Old National. However, there can be no assurances that Old National will be successful in retaining these employees for the time period necessary to successfully integrate United Bank & Trust into Old National Bank. The diversion of management's attention and any delays

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or difficulties encountered in connection with the merger and integration of United Bank & Trust into Old National Bank could have an adverse effect on the business and results of operations of Old National or Old National Bank.

***The termination fee and the restrictions on solicitation contained in the Merger Agreement may discourage other companies from trying to acquire United.***

Until the completion of the Merger, with some exceptions, United is prohibited from soliciting, initiating, encouraging, or participating in any discussion of, or otherwise considering, any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person or entity other than Old National. In addition, United has agreed to pay a termination fee of \$6,000,000 to Old National if United terminates the Merger Agreement to enter into a definitive agreement for a superior proposal or Old National terminates the Merger Agreement because the United board changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal, if United enters into an agreement relating to a takeover proposal, or in the absence of a takeover proposal and only during the period which is ten days before the mailing date of the proxy statement and prospectus and the date of the United special meeting, the United board of directors fails to publicly reaffirm its recommendation within five business days of a written request by Old National. These provisions could discourage other companies from trying to acquire United even though such other companies might be willing to offer greater value to United's shareholders than Old National has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on United's financial condition.

***Certain of United's executive officers and directors have interests that are different from, or in addition to, the interests of United's shareholders generally.***

Certain of United's executive officers and directors have interests in the Merger that are in addition to, or different from, the interests of United's shareholders. United's board of directors was aware of these conflicts of interest when it approved the Merger Agreement.

For a more detailed discussion of these interests, see [Interests of Certain Directors and Officers of United in the Merger](#).

***The fairness opinion obtained by United will not reflect changes in the relative values of Old National and United between the time the opinion was obtained and the effective time of the Merger.***

The fairness opinion of Sandler O'Neill was delivered as of January 6, 2014. United does not intend to obtain any further update of the Sandler O'Neill fairness opinion. Changes in the operations and prospects of Old National and United, general market and economic conditions, and other factors both within and outside of Old National's and United's control, on which the opinion of Sandler O'Neill is based, may alter the relative value of the companies. Therefore, the Sandler O'Neill opinion does not address the fairness of the Merger Consideration as of the date of this proxy statement and prospectus, the date of the special meeting or at the time the Merger will be completed.

***The Merger may fail to qualify as a reorganization for federal tax purposes, resulting in your recognition of taxable gain or loss in respect of your United shares.***

United intends the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Although the Internal Revenue Service will not provide a ruling on the matter, Old National and United will, as a condition to closing, each obtain an opinion from their respective legal counsel that the Merger will constitute a reorganization for federal tax purposes. These opinions do not bind the IRS or prevent the IRS from adopting a

contrary position. If the Merger fails to qualify as a reorganization, you generally would recognize gain or loss on each share of United common stock surrendered in an amount equal to



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the difference between your adjusted tax basis in that share and the fair market value of the Merger Consideration received in exchange for that share upon completion of the Merger.

***The shares of Old National common stock to be received by United shareholders as a result of the Merger will have different rights from the shares of United common stock.***

The rights associated with United common stock are different from the rights associated with Old National common stock. See the section of this proxy statement and prospectus entitled "Comparison of the Rights of Shareholders" for a discussion of the different rights associated with Old National common stock.

***Each party is subject to business uncertainties and contractual restrictions while the Merger is pending, which could adversely affect each party's business and operations.***

In connection with the pendency of the Merger, it is possible that some customers and other persons with whom Old National or United has a business relationship may delay or defer certain business decisions or might seek to terminate, change or renegotiate their relationships with Old National or United, as the case may be, as a result of the Merger, which could negatively affect Old National's or United's respective revenues, earnings and cash flows, as well as the market price of Old National's or United's common stock, regardless of whether the Merger is completed.

Under the terms of the Merger Agreement, United is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations could negatively affect United's businesses and operations prior to the completion of the Merger.

***Litigation may be filed against United and its board of directors that could prevent or delay the completion of the Merger or result in the payment of damages following completion of the Merger.***

In connection with the Merger, it is possible that United shareholders may file putative shareholder class action lawsuits against United and its board of directors. Among other remedies, the plaintiffs may seek to enjoin the Merger. The outcome of any such litigation is uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the Merger and result in substantial costs to United, including any costs associated with indemnification. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is consummated may adversely affect Old National's business, financial condition, results of operations, cash flows and market price.

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**CAUTION ABOUT FORWARD-LOOKING STATEMENTS**

This document, and the documents incorporated by reference into it, contain forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this filing that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future respective filings of Old National and United with the SEC, in press releases and in oral and written statements made by or with the approval of Old National that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to:

statements about the benefits of the Merger between Old National and United, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the Merger;

statements of plans, objectives and expectations of Old National or United or their managements or boards of directors;

statements of future economic performance; and

statements of assumptions underlying such statements.

Words such as believes, anticipates, expects, intends, targeted, continue, remain, will, should, may expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

the risk that the businesses of Old National and United will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;

expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame;

revenues following the Merger may be lower than expected;

deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

the inability to obtain governmental approvals of the Merger on the proposed terms and schedule;

the failure of United's shareholders to approve the Merger;

local, regional, national and international economic conditions and the impact they may have on Old National and United and their customers and Old National's and United's assessment of that impact;

changes in the level of non-performing assets, delinquent loans, and charge-offs;

material changes in the stock market value of Old National common stock;

changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

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the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

inflation, interest rate, securities market and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

prepayment speeds, loan originations and credit losses;

sources of liquidity;

competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues;

changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which Old National and United must comply;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;

Old National's and United's common shares outstanding and common stock price volatility;

legislation affecting the financial services industry as a whole, and/or Old National and United and their subsidiaries, individually or collectively;

governmental and public policy changes;

financial resources in the amounts, at the times and on the terms required to support Old National's and United's future businesses; and

the impact on Old National's or United's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause Old National's and United's results to differ materially from those described in the forward-looking statements can be found in Old National's and United's respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and

oral forward-looking statements concerning the proposed transaction or other matters and attributable to Old National or United or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. Old National and United undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

We caution you not to place undue reliance on the forward-looking statements.

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**SPECIAL MEETING OF UNITED S SHAREHOLDERS**

**Date, Place, Time, and Purpose**

United's board of directors is sending you this proxy statement and prospectus and proxy to use at the special meeting. At the special meeting, the United board of directors will ask you to vote (1) on a proposal to approve the Merger Agreement; (2) to approve the Merger-Related Compensation Proposal; and (3) to approve the Adjournment Proposal. United does not expect any other items of business to be presented at the special meeting. If other matters do properly come before the special meeting, the accompanying proxy gives discretionary authority to the persons named in the proxy to vote on any other matters brought before the meeting. Those persons intend to vote the proxies in accordance with their judgment.

The special meeting will be held on , 2014, at , Eastern Time, at the Downing Center, United Bank & Trust, 209 E. Russell Road, Tecumseh, Michigan 49286.

**Record Date, Voting Rights, Quorum, and Required Vote**

United has set the close of business on , 2014, as the record date for determining the holders of United common stock entitled to notice of and to vote at the special meeting. Only United shareholders at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were shares of United common stock outstanding and entitled to vote at the special meeting. Each share of United's common stock is entitled to one vote at the special meeting on all matters properly presented.

The holders of over 50% of the outstanding shares of United's common stock as of the record date must be present in person or by proxy at the special meeting to constitute a quorum. In determining whether a quorum is present, shareholders who abstain will be treated as present for determining the presence or absence of a quorum. There will be no broker non-votes at the special meeting because the only proposals are non-routine under NYSE Rule 452.

Approval of the Merger Agreement will require the affirmative vote of holders of at least a majority of United's outstanding shares entitled to vote. Abstentions from voting will have the same effect as a vote against the Merger Agreement. The directors and executive officers of United (and their affiliates), as a group, owned with power to vote shares of United common stock, representing approximately % of the outstanding shares of United common stock as of the record date, including shares subject to options currently exercisable but not exercised. In connection with the execution of the Merger Agreement, the directors of United each executed a voting agreement pursuant to which they agreed to vote their shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director's spouse to be voted, for approval of the Merger Agreement.

The advisory vote on the Merger-Related Compensation Proposal and the vote on the Adjournment Proposal each require more votes cast in favor of the proposal than are cast against it. Abstentions will have no effect on these proposals.

**Voting and Revocability of Proxies**

You may vote in one of four ways: (1) by mail (by completing and signing the proxy that accompanies this prospectus and proxy statement); (2) by telephone; (3) by using the Internet; and (4) in person (by either delivering the completed proxy or by casting a ballot if attending the special meeting). To ensure your representation at the special meeting, we recommend you vote by proxy even if you plan to attend the special meeting. You may change your proxy vote at the special meeting.

United shareholders whose shares are held in street name by their broker, bank, or other nominee must follow the instructions provided by their broker, bank, or other nominee to vote their shares.

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Voting instructions are included on your proxy. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. If you submit your proxy without specifying a voting instruction, your shares will be voted FOR approval of the Merger Agreement, FOR approval of the Merger-Related Compensation Proposal and FOR approval of the Adjournment Proposal.

You may revoke your proxy before it is voted by:

filing with the Secretary of United a duly executed revocation of proxy;

submitting a new proxy with a later date; or

voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: United Bancorp, Inc., 2723 South State Street, Ann Arbor, Michigan 48104, Attention: Randal J. Rabe, Executive Vice President, Chief Financial Officer and Secretary.

The telephone and Internet voting procedures have been set up for your convenience and have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been properly recorded. If you would like to vote by telephone or by using the Internet, please refer to the specific instructions on the proxy. The deadline for voting by telephone or via the Internet is 11:59 p.m. EDT on , 2014.

## **Voting of Shares Held in the United Bank & Trust Tax-Deferred Savings Plan**

The United Bank & Trust Tax-Deferred Savings Plan owns approximately 1.8% of United's common stock. Each plan participant must instruct the trustee of the plan (1<sup>st</sup> Source Bank) how to vote the shares of United common stock allocated to his or her account under the plan. If a participant properly executes the voting instruction card distributed by the trustee, the trustee will vote such participant's shares in accordance with the participant's instructions. Where properly executed voting instruction cards are returned to the trustee with no specific instruction as to how to vote at the special meeting, the trustee will vote the shares FOR approval of the Merger Agreement, FOR approval of the Merger-Related Compensation Proposal and FOR approval of the Adjournment Proposal. The trustee will vote the shares of United common stock held in the plan but not allocated to any participant's account and shares as to which no voting instruction cards are received in the same proportion as the allocated shares in the plan are voted with respect to the items being presented to a shareholder vote.

## **Solicitation of Proxies**

Old National will pay the costs of the distribution of this proxy statement and prospectus. In addition to soliciting proxies by mail, directors, officers, and employees of United may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. United will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.



To help assure the presence in person or by proxy of the largest number of shareholders possible, United has engaged Georgeson Inc., a proxy solicitation firm, to solicit proxies on United's behalf, for a proxy solicitation fee of \$6,000, plus reasonable out-of-pocket costs and expenses.

**Recommendation of United's Board of Directors**

The United board of directors unanimously determined that the Merger, the Merger Agreement and the Merger Consideration are fair to United and the United shareholders and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best

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interest of United and the United shareholders. The United board of directors unanimously recommends that United shareholders vote FOR approval of the Merger Agreement, FOR approval of the Merger-Related Compensation Proposal, and FOR approval of the Adjournment Proposal.

See The Merger Background of the Merger and United's Reasons for the Merger and Recommendation of the Board of Directors for a more detailed discussion of the United board of directors' recommendation with regard to the Merger Agreement.

**INFORMATION ABOUT THE COMPANIES**

*Old National Bancorp*

*One Main Street*

*Evansville, Indiana 47708*

*(812) 464-1294*

Old National Bancorp is a bank holding company, incorporated under Indiana law and headquartered in Evansville, Indiana. Old National is the largest financial services holding company headquartered in Indiana and, with \$9.6 billion in assets, ranks among the top 100 banking companies in the United States. Since its founding in Evansville in 1834, Old National has focused on community banking by building long-term, highly valued partnerships with clients in its primary footprint of Indiana, Illinois and Kentucky. In addition to providing extensive services in retail and commercial banking, wealth management, investments and brokerage, Old National also owns Old National Insurance which is one of the top 100 largest agencies in the U.S. and the 10th largest bank-owned agency. Old National's common stock is listed on the NASDAQ Global Select Market under the symbol ONB.

Additional information about Old National and its subsidiaries is included in documents incorporated by reference into this document. For more information, please see the section entitled Where You Can Find More Information beginning on page .

*United Bancorp, Inc.*

*2723 South State Street*

*Ann Arbor, Michigan 48104*

*(517) 423-8373*

United Bancorp, Inc., headquartered in Ann Arbor, Michigan, is a community-based financial services company located in Washtenaw, Lenawee, Livingston and Monroe Counties in Michigan. United Bank & Trust is United's only subsidiary and provides financial solutions to its clients based on their unique circumstances and needs, through a line of business delivery system that includes banking, mortgage, structured finance and wealth management. United Bank & Trust has 18 branches in Washtenaw, Lenawee, Livingston and Monroe Counties.

Additional information about United and United Bank & Trust is included in documents incorporated by reference into this document. For more information, please see the section entitled Where You Can Find More Information beginning on page .



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**PROPOSAL 1 THE MERGER**

**Background of the Merger**

United's board of directors regularly evaluates and assesses United's strategy and opportunities to strengthen its business and achieve profitable growth and value for its shareholders through various strategic initiatives, alternatives and transactions, giving consideration to the context of developments in the banking industry, including the regulatory environment, conditions in the geographic areas that United serves, competitive considerations and other factors. United's board of directors regularly reviews United's performance, risks, opportunities, stock valuation and strategy and discusses such matters at board meetings. On at least an annual basis for the last several years, United's board of directors has received a market update from its financial advisor, Sandler O'Neill providing, among other things, a banking industry update and overview and mergers and acquisitions (M&A) update and outlook.

In late 2011, the United board of directors established the External Growth Committee (the Committee) consisting of directors James D. Buhr (Vice Chairman of the Board), Kenneth W. Crawford, and Len M. Middleton. Chairman of the Board James C. Lawson was subsequently appointed a member of the Committee in 2013. The established purpose of the Committee is to develop and recommend to the full board of directors and management United's strategic growth plan and review and consider growth opportunities (both organic and through acquisition).

Beginning in January, 2013, the Committee met five times (January 30, 2013, February 20, 2013, March 18, 2013, June 4, 2013, and August 26, 2013). During these meetings, the Committee discussed, evaluated and considered various strategic growth opportunities for United, including organic growth, growth by acquisition, a merger of equals and selling or merging United to or with another party. A representative of Sandler O'Neill attended the January 30, 2013, February 20, 2013 and August 26, 2013 meetings of the Committee.

On March 12, 2013, the board of directors held a regular meeting at which a representative of United's legal counsel, Warner Norcross & Judd LLP (Warner Norcross), provided a review of the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company and provided an overview of the process involved with selling or merging a company. A representative of Sandler O'Neill also attended this meeting.

On October 17, 2013, the Committee held a meeting at which a representative of Sandler O'Neill provided a presentation relating to a banking industry update and overview, M&A update and outlook, summary overview of United relative to peers, including bank valuation themes, United in the merger context, including potential advantages, disadvantages and risks associated with completing an acquisition of another company or being merged with another company, identifying potential merger partners, including affordability analysis and pro forma analysis, summary valuation analysis of United, comparable company analysis and precedent M&A transaction analysis. Based on conditions and activity in the M&A market, including several recently announced merger transactions, the Committee determined that a unique window of opportunity may exist with respect to exploring the potential merger of United and delivering enhanced shareholder value, as compared to organic growth, and requested Sandler O'Neill to attend and give the presentation at the October 24, 2013 meeting of the board of directors.

On October 24, 2013, the board of directors of United held a regular meeting at which a representative of Sandler O'Neill provided the presentation previously provided to the Committee on October 17, 2013. At the conclusion of its presentation, the board of directors authorized Sandler O'Neill to contact four identified potential merger partners, including Old National (each a Potential Merger Partner), affirm their expected interest and execute a non-disclosure agreement and share limited but appropriate information for the Potential Merger Partners to present non-binding indications of interest. The four Potential Merger Partners were chosen from a pool of potential merger partners and were chosen on the basis of, among other things, likelihood of



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interest in partnering with United, demonstrated ability to complete a merger transaction and financial ability and capacity to complete a merger transaction. Representatives of Warner Norcross provided a review of the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company and provided an overview of the process involved with selling or merging a company. Management presented organic growth financial forecasts. These forecasts indicated an estimated time frame of five to seven years to achieve, through organic growth, a comparable level of shareholder value that a merger of United might deliver in the current M&A market. Management provided its assessment of the execution risk involved in attaining the performance levels assumed by the forecasts as considerable, and its belief that the execution risk involved in growth by acquisition was considerably higher than the risk inherent in organic growth. The United board of directors extensively discussed the Sandler O'Neill presentation, the pool of potential merger partners, including the Potential Merger Partners, United's organic growth plans and financial forecasts, its ability to grow earnings, its capacity to pay dividends to common shareholders and the Warner Norcross presentation. At the conclusion of the meeting, the board of directors authorized the commencement of a discovery process related to a potential merger of United.

On October 25, 2013, United, Sandler O'Neill and Warner Norcross commenced preparation of due diligence materials for the discovery process related to a potential merger of United.

During the weeks of October 27, 2013 and November 3, 2013, Sandler O'Neill contacted the four Potential Merger Partners to determine their level of interest in a possible strategic partnership with United. Each indicated an interest, and customary non-disclosure agreements were negotiated and executed with each Potential Merger Partner.

On November 4, 2013, the board of directors of United held a special meeting to answer any additional questions that directors had related to the authorization of the discovery process and review, in detail, with representatives of Warner Norcross the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company. At this meeting, the board of directors unanimously approved an engagement letter with Sandler O'Neill for Sandler O'Neill to act as United's financial advisor in connection with the discovery process and the exploration of a potential merger of United.

On November 6, 2013, a virtual data room containing information about the Company was opened and access was granted to each Potential Merger Partner.

During the weeks of November 11, 2013 and November 18, 2013, Sandler O'Neill had ongoing conversations with each Potential Merger Partner emphasizing the uniqueness of opportunity and competitive nature of process. Sandler O'Neill reviewed the financial and non-financial assumptions of each Potential Merger Partner. Each Potential Merger Partner performed off-site due diligence, including multiple conference calls with Robert K. Chapman (Chief Executive Officer), Todd C. Clark (President) and Randal J. Rabe (Executive Vice President and Chief Financial Officer) and Sandler O'Neill.

On November 18, 2013, one of the Potential Merger Partners withdrew from the discovery process, stating that it was not the right strategic fit at this time. Also on this date, Messrs. Chapman and Clark had an in-person meeting with the Chief Executive Officer and an Executive Vice President of Potential Merger Partner #1.

On November 20, 2013, Messrs. Chapman and Clark had an in-person meeting with the Chief Executive Officer, Chief Financial Officer and an Executive Vice President of Potential Merger Partner #2.

On November 22, 2013, written, preliminary, non-binding indications of interest were received from each of the three remaining Potential Merger Partners. The indicated range of purchase price per share submitted by the Potential Merger Partners was \$11.00 to \$12.65.

On November 25, 2013, Potential Merger Partner #2 and Old National submitted enhanced indicated ranges of purchase price per share, resulting in the low end of the indicated range of purchase price per share submitted

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by the Potential Merger Partners increasing from \$11.00 to \$11.25. Also on this date, the board of directors of United held a special meeting to review and consider, in detail, the preliminary, non-binding indications of interest received from the Potential Merger Partners and other matters related to a potential merger of United. Among other things, the following occurred at the meeting:

A representative of Sandler O'Neill led a review and discussion of the preliminary, non-binding indications of interest, which included, among other data points, each Potential Merger Partner's stock price, indicated range of purchase price per share, form of consideration, implied exchange ratio, deal protection, structure of merger, branch consolidation plans, management plans, board of director appointments, post-transaction employee matters and benefit plans, anticipated contingencies and closing conditions and timing for due diligence.

Sandler O'Neill provided a detailed summary pro forma financial analysis based on the midpoint of the indicated range of purchase price per share in each Potential Merger Partner's preliminary, non-binding indications of interest. Among other data points, the analysis addressed implied exchange ratio, potential costs savings, potential tangible book value per share accretion/dilution and earn back period, potential earnings per share and accretion/dilution, potential dividend accretion/dilution, per share net present value of five-year projected dividend, estimated transaction internal rate of return and pro forma capital ratios.

Sandler O'Neill provided a detailed implied valuation analysis of United. This included a comparison of the implied valuation of the low and high end of the indicated range of purchase price per share to other data points, including Midwest peers, Michigan peers, net present value analysis, nationwide M&A precedent transactions and Michigan M&A precedent transactions.

Sandler O'Neill provided an overview of additional information about each of the Potential Merger Partners, which included, among other things, capitalization data, asset quality, performance data and ratios, branch data, trading data, valuation data, 90-day, one year and three year comparative stock performance, comparable company analysis, public market overview (including dividend and payout ratio history and institutional ownership), research analyst summaries and M&A history.

Messrs. Chapman and Clark summarized their in-person meetings with executive officers of Potential Merger Partner #1 and Potential Merger Partner #2, and indicated an in-person meeting with executive officers of Old National was scheduled.

A representative of Warner Norcross discussed the competitive effects of a proposed merger with respect to Potential Merger Partner #1 and Old National, particularly in the Lenawee, Michigan market.

United management provided its recommendation that United proceed to the next step in the discovery process with each of the three Potential Merger Partners. Sandler O'Neill indicated that this would involve additional and more detailed due diligence by each of the Potential Merger Partners on United, including



on-site due diligence, and reverse due diligence by United on each of the Potential Merger Partners, culminating in each of the Potential Merger Partners submitting a final indication of interest.

The board of directors extensively discussed the preliminary, non-binding indications of interest, the presentation by Sandler O'Neill, the competitive effects of a proposed Merger with respect to Potential Merger Partner #1 and Old National related to two bids and the recommendation by United management to proceed to the next step in the discovery process with each of the three Potential Merger Partners. At the conclusion of the meeting, the board of directors unanimously authorized United to proceed to the next step in the discovery process with each of the three Potential Merger Partners and directed Warner Norcross and Sandler O'Neill to engage in a discussion with Potential Merger Partner #1 and Old National related to the competitive effects of a proposed merger with either party.

On November 26, 2013, United, Sandler O'Neill and Warner Norcross began compiling responses to due diligence requests from all three Potential Merger Partners.

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During the weeks of November 25, December 2, and December 9, 2013, the three Potential Merger Partners conducted confirmatory due diligence and the virtual data room was continually updated based on the requests of the Potential Merger Partners. Discussions occurred between Potential Merger Partner #1 and Old National (and their respective advisors) and Sandler O'Neill and Warner Norcross regarding the competitive effects of a proposed merger with either party relating to the Lenawee, Michigan market and both parties provided a written analysis related thereto.

During the weeks of December 2, and December 9, 2013, on-site due diligence with all three Potential Merger Partners occurred, coupled with multiple conference calls with all three Potential Merger Partners on many due diligence topics. Warner Norcross prepared, in consultation with United and Sandler O'Neill, a draft prototype merger agreement.

On December 8, 2013, United provided each Potential Merger Partner with a fourth quarter 2013 financial update, which updated fourth quarter and year-end 2013 forecasted results of operations and financial condition. Sandler O'Neill advised each Potential Merger Partner that United expects each party's final indication of interest to reflect the updated forecasted financial information.

On December 10, 2013, a draft prototype merger agreement was sent to all three Potential Merger Partners, coupled with a request for final and best indications of interest and comments to the draft prototype merger agreement by 10 a.m. eastern time on December 18, 2013. Sandler O'Neill gave specific instructions to provide final and best indications of interest, not a range. Also on this date, the Chief Executive Officer and four senior officers of Old National met with Messrs. Chapman, Clark and Rabe and other individuals with United in Ann Arbor, Michigan for face-to-face due diligence.

On December 11, 2013, the Chief Financial Officer of Potential Merger Partner #2 and Mr. Rabe had a lunch meeting and discussed various due diligence topics.

On December 11, and December 12, 2013, Messrs. Chapman, Clark and Rabe and other individuals with United met with the Chief Executive Officer and various senior officers of Potential Merger Partner #2 in Ann Arbor, Michigan for face-to-face due diligence and driving tours of United markets and facilities.

On December 13, 2013, Messrs. Chapman, Clark and Rabe traveled with the Chief Executive Officer of Potential Merger Partner #1 to Potential Merger Partner #1's headquarters for reverse due diligence with Potential Merger Partner #1 management.

On December 16, 2013, Messrs. Chapman, Clark and Rabe met with Old National's Chief Executive Officer and senior management at Old National's headquarters for reverse due diligence with Old National management.

On December 17, 2013, Messrs. Chapman, Clark and Rabe met with Potential Merger Partner #2's Chief Executive Officer and senior management at Potential Merger Partner #2's headquarters for reverse due diligence with Potential Merger Partner #2 management.

On December 18, 2013, final, non-binding indications of interest and comments to the draft prototype merger agreement are received from each Potential Merger Partner. Prior to submission, Sandler O'Neill again emphasized providing a final and best indication of interest, not a range.

On December 19, 2013, the United board of directors held a special meeting to review and consider, in detail, the final, non-binding indications of interest received from the Potential Merger Partners and other matters related to a

potential merger of United. Among other things, the following occurred at the meeting:

A representative of Warner Norcross provided a review of the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company.

A representative of Sandler O'Neill provided a detailed overview of each Potential Merger Partner's final, non-binding indication of interest, including, among other data points, each Potential Merger

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Partner's stock price, indicated purchase price per share, implied transaction value, form of consideration, implied exchange ratio, implied valuation multiples, deal protection, structure of acquisition, branch consolidation plans, management plans, board of director appointments, post-transaction employee matters and benefit plans, anticipated contingencies and closing conditions and timing for negotiation and execution of a definitive merger agreement. Old National indicated a purchase price per share of \$13.30 (based on Old National's closing stock price of \$15.20 per share on December 16, 2013) payable in all stock or a combination of stock and cash and an implied aggregate transaction value of \$174 million. Old National's indicated purchase price per share was the highest among the three Potential Merger Partners.

Sandler O'Neill provided a detailed summary pro forma financial analysis of each final, non-binding indication of interest, in each case, based on an all-stock transaction and a combination of stock and cash, at the indicated purchase price per share in each Potential Merger Partner's final, non-binding indication of interest. Among other data points, the analysis addressed implied exchange ratio, potential costs savings, pro forma ownership, potential tangible book value per share accretion/dilution and earn back period, potential earnings per share accretion/dilution, potential dividend accretion/dilution, per share net present value of five-year projected dividend, estimated transaction internal rate of return and pro forma capital ratios.

Sandler O'Neill provided a detailed implied valuation analysis of United. This included a comparison of the implied valuation of the indicated purchase price per share in each Potential Merger Partner's written, final, non-binding indication of interest to other data points, including Midwest peers, Michigan peers, net present value analysis, nationwide M&A precedent transactions, and Michigan M&A precedent transactions.

Sandler O'Neill provided an overview of additional information about each of the Potential Merger Partners, which included, among other things, capitalization data, asset quality, performance data and ratios, branch data, trading data, valuation data, 90-day, one year and three year comparative stock performance, comparable company analysis, public market overview (including dividend and payout ratio history and institutional ownership), research analyst summaries and M&A history.

Warner Norcross discussed the competitive effects of a proposed merger with Potential Merger Partner #1 and Old National, particularly in the Lenawee, Michigan market. Warner Norcross indicated that it and Sandler O'Neill had discussions with Potential Merger Partner #1 and Old National and their respective legal counsel on this issue and that each party understood the issue and presented a written analysis with credible arguments and positions to address the issue. Warner Norcross advised that Old National had committed to use its best efforts to obtain regulatory approval and pay a reverse termination fee if regulatory approval is not obtained due to the competitive effects of the proposed merger.

Warner Norcross provided a summary of the process of preparing the draft prototype merger agreement for distribution to each Potential Merger Partner and a detailed summary of the response from each Potential Merger Partner to the draft prototype merger agreement.

Mr. Lawson asked each of Messrs. Chapman, Clark and Rabe for his recommendation among the three Potential Merger Partners on the basis of the best interests of United shareholders and United personnel and

culture. Messrs. Chapman, Clark and Rabe each recommended that United should pursue a strategic partnership with Old National, in light of the purchase price per share offered by Old National relative to the other two Potential Merger Partners and the perceived cultural similarities between United and Old National. The board of directors extensively discussed the final, non-binding indications of interest, the presentation by Sandler O'Neill and the presentation by Warner Norcross. In addition, the board of directors discussed the costs and benefits related to the form of consideration, including the tax consequences to shareholders, the fact that selecting a cash portion would partially fix the price, the ability of shareholders to sell stock before and after

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the transaction is completed and the financial and accounting impact to the combined company. At the conclusion of the meeting, the board of directors unanimously authorized United to proceed to continue the process and negotiate exclusively with Old National, approved the terms of Old National's final, non-binding indication of interest, authorized management of United and its advisors to negotiate a definitive merger agreement with Old National and approved and authorized merger consideration of approximately 80% stock and 20% cash. Following the meeting, Sandler O'Neill informed Old National that United had determined to proceed exclusively with it to negotiate a definitive merger agreement and informed Potential Merger Partner #1 and Potential Merger Partner #2 that United had determined not to proceed any further with each party at that time.

During the time period beginning on December 20, 2013 and ending on January 3, 2014, Warner Norcross and Old National's legal counsel, Krieg DeVault LLP (Krieg DeVault), with the participation of management from each party and Sandler O'Neill, proceeded to negotiate a definitive merger agreement. Multiple drafts of the merger agreement were exchanged between Warner Norcross and Krieg DeVault and several negotiating sessions occurred. Also, during this time period, each party prepared, circulated and finalized its disclosure letter listing certain exceptions to the representations and warranties contained in the merger agreement.

On January 3, 2014, an informal meeting of the board of directors was held at which representatives of Warner Norcross reviewed, in detail, the proposed definitive merger agreement and answered questions asked by the directors.

On January 6, 2014, the United board of directors held a special meeting to consider and adopt the proposed definitive merger agreement and review and consider Sandler O'Neill's fairness analysis and opinion. Among other things, the following occurred at the meeting:

A representative of Warner Norcross advised that a proposed definitive merger agreement with Old National, pursuant to which United would be merged with and into Old National, had been successfully negotiated and would be presented for adoption by the board of directors at the meeting. Warner Norcross referred to the comprehensive review of the merger agreement previously occurred at an informal meeting of the board of directors held on January 3, 2014. Additional questions from directors related to the merger agreement were asked and answered.

A representative of Sandler O'Neill presented Sandler O'Neill's fairness analysis. This review included, among other things, terms of the proposed merger, including the purchase price per share and form of merger consideration, valuation multiples of the proposed merger compared to comparable transactions, pro forma branch network, franchise overview of United, franchise overview of Old National, pro forma analysis and transaction analysis.

Sandler O'Neill delivered its oral opinion that, as of January 6, 2013 and based on current assumptions, the merger consideration is fair to holders of United common stock from a financial point of view. The board of directors discussed the merger agreement and the fairness analysis and fairness opinion. At the conclusion of the meeting, the board of directors unanimously:

based on the evaluation and consideration of all reports and information available to the board of directors as of the date of the meeting and all factors that the board of directors deemed relevant, including, without limitation, the fairness opinion, determined that the merger, the definitive merger agreement and the merger consideration are fair to United and the United shareholders and that entering into the definitive merger agreement and completing the merger and the other transactions contemplated by the definitive merger agreement is in the best interest of United and the United shareholders;

authorized and approved the merger and all other transactions contemplated by the definitive merger agreement;

adopted the definitive merger agreement;

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authorized officers of United to execute and deliver the definitive merger agreement; and

recommended that United shareholders vote for approval of the definitive merger agreement.

On January 7, 2014, United and Old National executed and delivered the definitive merger agreement and respective disclosure letters. On January 8, 2014, before the U.S. financial markets opened, United and Old National issued a joint press release announcing execution of the definitive merger agreement and the terms of the merger.

**United's Reasons for the Merger and Recommendation of the Board of Directors**

In determining that the Merger, the definitive Merger Agreement and the Merger Consideration are fair to and in the best interest of United and its shareholders, in authorizing and approving the merger, in adopting the definitive Merger Agreement and in recommending that United shareholders vote for approval of the Merger Agreement, the United board of directors consulted with members of United's management, and with Sandler O'Neill and Warner Norcross, and also considered a number of factors that the United board of directors viewed as relevant to its decisions, including, without limitation, the following factors:

The business strategy and strategic plan of United, its prospects for the future, and projected financial results.

A review of the risks and prospects of United remaining independent, including the challenges of the current financial, operating and regulatory climate.

Management's organic growth financial forecasts, which estimated a time frame of five to seven years to achieve, through organic growth, a comparable level of shareholder value that the Merger is expected to deliver.

Management's assessment of the execution risk involved in attaining the performance levels assumed by the forecasts as considerable, and its belief that the execution risk involved in growth by acquisition being considerably higher than the risk inherent in organic growth.

The relatively low price of United common stock resulting in relatively weak currency to complete an acquisition.

Conditions and activity in the M&A market providing a unique window of opportunity with respect to a merger of United and delivering accelerated and enhanced shareholder value, as compared to organic growth.

The increasing costs associated with banking regulation, including the Dodd-Frank Act.



The anticipated costs associated with continuing to develop and enhance United's information technology platform.

The form and amount of the Merger Consideration, including the tax treatment of stock consideration and cash consideration.

The purchase price per share to be paid by Old National and the resulting valuation multiples (based on Old National's closing price per share of \$15.20 on January 3, 2014 and total purchase price per share of \$13.30), all of which were significantly higher than the median valuation multiples for comparable transactions.

Price to last twelve months earnings per share at September 30, 2013 of 26.1x

Price to estimated 2013 earnings per share of 21.8x

Price to tangible book value per share at September 30, 2013 of 210%

Tangible book premium to core deposits of 13.3%

One-day premium to market on January 3, 2013 of 79.7%

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Expected earnings per share accretion, which Old National estimates to be approximately \$0.06 per share in 2015.

Expected operating efficiencies.

The fact that United's President, Todd C. Clark, will lead Old National's expansion in Michigan as Regional President.

Old National's strategy of expansion in Michigan and adding markets with greater populations and more favorable demographics.

The belief that Old National can leverage United's expertise in structured finance and small business administration lending throughout Old National's footprint.

The belief that Old National can expand United's mortgage servicing function throughout Old National's footprint.

United's and Old National's shared values, common cultures and commitment to serve their clients and communities.

Old National's historically strong financial condition and results of operations.

A review of the historical financial statements and condition of United and certain other internal information, primarily financial in nature, relating to the business, earnings and balance sheet of United.

The fact that the Merger would combine two established banking franchises to create a well-positioned, community bank with approximately \$12.0 billion in assets.

Comparative stand alone and pro forma analyses of United, Old National and the combined company, and the book and tangible book values per share, earnings per share, dividends and capital levels of each entity.

The anticipated future earnings growth of United compared to the potential future earnings growth of Old National and the combined company.

The anticipated future trading value of the United common stock compared to the value of the common stock Merger Consideration offered by Old National and the potential future trading value of the combined

company's common stock.

The anticipated future receipt by United shareholders of a dividend after completion of the Merger as Old National shareholders, based on Old National's current and forecasted dividend payout ratio.

The prospects for increased commercial loan growth opportunities and improved market demographics resulting from Old National's market presence in the desirable Ann Arbor, Michigan metropolitan area.

The complementary nature of the businesses of United and Old National and the anticipated improved stability of the combined company's business and earnings in varying economic and market climates.

The greater market capitalization of the combined organization and trading volume and liquidity of Old National common stock in the event United shareholders desire to sell the shares of Old National common stock to be received by them upon completion of the Merger.

Old National's demonstrated ability to successfully complete a merger transaction.

The ability of Old National to complete a merger transaction from a financial and regulatory perspective.

The geographic fit and increased customer convenience of the branch networks of the combined company.

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The scale, scope, strength and diversity of operations, product lines and delivery systems that could be achieved by the combined company.

The ability of the combined company to provide comprehensive financial services to its customers, and the potential for operating synergies and cross-marketing of products and services across the combined company.

The likelihood of successful integration and operation of the combined company.

The likelihood of obtaining the shareholder and regulatory approvals needed to complete the transaction.

The analyses presented by Warner Norcross as to the structure of the Merger, the Merger Agreement, the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company and the process that United (including its board of directors) employed in considering potential strategic alternatives, including the Merger with Old National.

The thorough process conducted by United, with the assistance of its advisors.

Certain structural protections included in the Merger Agreement, including:

the fact that the Merger Agreement does not preclude a third party from making an unsolicited proposal for an alternative takeover proposal with United and that, under certain circumstances more fully described under The Merger Agreement Acquisition Proposals by Third Parties beginning on page , United may furnish non-public information to and enter into discussions with such third party regarding the alternative takeover proposal and the ability of the United board of directors to withdraw, amend or qualify its board recommendation of the merger or recommend a superior proposal or terminate the Merger Agreement to enter into a definitive agreement for a superior proposal if certain requirements are met, in each case subject to the payment of a termination fee by United of \$6,000,000, the amount of which was negotiated at arm s-length and was determined by the United board of directors to be reasonable; and

the covenant of Old National to use its best efforts to obtain regulatory approval coupled with a related reverse termination fee payable if regulatory approval is not obtained for reasons substantially attributable to the competitive effects of the Merger or Old National s failure to comply with its best efforts to obtain regulatory approval.

The financial analyses reviewed and discussed with the United board of directors by representatives of Sandler O Neill, as well as the oral opinion of Sandler O Neill delivered to the United board of directors on January 6, 2014 (which was subsequently confirmed in writing by delivery of Sandler O Neill s written

opinion dated January 6, 2014) that the Merger Consideration is fair to holders of United common stock from a financial point of view.

The United board of directors also considered a number of potential risks and uncertainties in connection with its consideration of the proposed Merger, including, without limitation, the following:

The challenges of integrating United's business, operations and employees with those of Old National.

The need to and likelihood of obtaining approval by shareholders of United and regulatory approvals in order to complete the transaction.

The status, developments related to and likelihood of completion of Old National's pending merger with Tower Financial Corporation.

The risks associated with the operations of the combined company, including the ability to achieve the anticipated cost savings.

The risks and costs associated with entry into the Merger Agreement and restrictions on the conduct of United's business before the merger is completed.

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The impact that provisions of the Merger Agreement relating to payment of a termination fee by United may have on United receiving an alternative takeover proposal.

The potential costs associated with executing the Merger Agreement, including change in control payments and related costs, as well as estimated advisor fees.

The possibility of litigation in connection with the Merger.

This discussion of the information and factors considered by United's board of directors in reaching its conclusions and recommendation includes the factors identified above, but is not intended to be exhaustive and may not include all of the factors considered by the United board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger agreement, and the complexity of these matters, the United board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the Merger and the other transactions contemplated by the Merger Agreement, and to make its recommendation to United shareholders. Rather, the United board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with and questioning of members of United's management and outside legal and financial advisors. In addition, individual members of the United board of directors may have assigned different weights to different factors.

Certain of United's directors and executive officers have financial interests in the Merger that are different from, or in addition to, those of United's shareholders generally. The United board of directors was aware of and considered these potential interests, among other matters, in evaluating the Merger and in making its recommendation to United shareholders. For a discussion of these interests, see *Interests of Certain Directors and Officers of United in the Merger* beginning on page .

**The United board of directors unanimously determined that the Merger, the Merger Agreement and the Merger Consideration are fair to United and the United shareholders and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of United and the United shareholders. The United board of directors unanimously recommends that United shareholders vote FOR approval of the Merger Agreement.**

### **Old National's Reasons For the Merger**

Old National's board of directors concluded that the Merger Agreement is in the best interests of Old National and its shareholders. In deciding to approve the Merger Agreement, Old National's board of directors considered a number of factors, including, without limitation, the following:

United's community banking orientation in Southeastern Michigan and its perceived compatibility with Old National and its subsidiaries;

a review of the demographic, economic and financial characteristics of the markets in which United operates, including existing and potential competition and history of the market areas with respect to financial institutions; and

management's review of the business, operations, earnings, and financial condition, including capital levels and asset quality, of United and United Bank & Trust.

**Effects of the Merger**

The respective Boards of Directors of Old National and United believe that, over the long-term, the Merger will be beneficial to Old National shareholders, including the current shareholders of United who will become Old National shareholders if the Merger is completed. The Old National board of directors believes that one of

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the potential benefits of the Merger is the cost savings that may be realized by combining the two companies and integrating United Bank & Trust as a banking subsidiary of Old National, which savings are expected to enhance Old National's earnings.

Old National expects to reduce expenses by combining accounting, data processing, retail and lending support, and other administrative functions after completion of the Merger, which will enable Old National to achieve economies of scale in these areas. Promptly following the completion of the Merger, which is expected to occur late in the second quarter of 2014, Old National plans to begin the process of eliminating redundant functions, and eliminating duplicative expenses.

The amount of any cost savings Old National may realize in 2014 and beyond will depend upon how quickly and efficiently Old National is able to implement the processes outlined above.

Old National believes that it will achieve cost savings based on the assumption that it will be able to:

reduce data processing costs;

reduce staff;

achieve economies of scale in advertising and marketing budgets;

reduce legal and accounting fees; and

achieve other savings through reduction or elimination of miscellaneous items such as insurance premiums, travel and automobile expense, and investor relations expenses.

Old National has based these assumptions on its present assessment of where savings could be realized based upon the present independent operations of the two companies. Actual savings in some or all of these areas could be higher or lower than is currently expected.

Old National also believes that the Merger will be beneficial to the customers of United as a result of the additional products and services offered by Old National and its subsidiaries and because of the increased lending capability.

## **Opinion of Financial Advisor to United**

By letter dated November 1, 2013, United retained Sandler O'Neill to act as independent financial advisor to the board of directors in connection with a possible business combination of United with another party. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor in connection with the proposed Merger and participated in certain of the negotiations leading to the execution of the Merger Agreement. At a meeting of the United board of directors on



January 6, 2014, Sandler O'Neill delivered to the United board of directors its oral opinion, followed by delivery of its written opinion, that, the Merger Consideration was fair to the holders of United common stock from a financial point of view. The full text of Sandler O'Neill's written opinion dated January 6, 2014 is attached as Annex B to this proxy statement and prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. United shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed Merger. Sandler O'Neill has consented to the inclusion of its written opinion and this description of its opinion in this proxy statement and prospectus.

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Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the United board of directors and is directed only to the fairness of the Merger Consideration to be paid to the holders of United common stock from a financial point of view. It does not address the underlying business decision of United to engage in the Merger or any other aspect of the Merger and is not a recommendation to any United shareholder as to how such shareholder should vote at the special meeting with respect to the approval of the Merger Agreement or any other matter.

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

- (1) the Merger Agreement;
- (2) certain publicly available financial statements and other historical financial information of United that Sandler O'Neill deemed relevant;
- (3) certain publicly available financial statements and other historical financial information of Old National that Sandler O'Neill deemed relevant;
- (4) internal financial projections for United for the years ending December 31, 2013 through 2017 as provided by senior management of United;
- (5) median publicly available analyst estimates for Old National's long-term earnings for the years ending December 31, 2014 through 2016 and median long-term growth rate for years thereafter.
- (6) the pro forma financial impact of the Merger on Old National, based on certain assumptions relating to, among other things, transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of Old National;
- (7) a comparison of certain financial and other information for United and Old National with similar publicly available information for certain other commercial banks, the securities of which are publicly traded;
- (8) the terms and structures of other recent mergers and acquisition transactions in the commercial banking sector;
- (9) the current market environment generally and in the commercial banking sector in particular; and
- (10) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O Neill also discussed with certain members of senior management of United the business, financial condition, results of operations and prospects of United and held similar discussions with the senior management of Old National regarding the business, financial condition, results of operations and prospects of Old National.

In performing its review, Sandler O Neill has relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by United and Old National or that was otherwise reviewed by it and assumed such accuracy and completeness for purposes of preparing its fairness opinion. Sandler O Neill further relied on the assurances of the management of United and Old National that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading in any material respect. Sandler O Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of United or Old National or any of their respective subsidiaries. Sandler O Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of United, Old National or the combined entity after the Merger and it has not reviewed any individual credit files relating to United or Old National. Sandler O Neill has assumed that the respective allowances for loan losses for both United and Old National are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

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In preparing its analyses, Sandler O'Neill used internal financial projections as provided by the senior management of United and certain publicly available analyst estimates of earnings and long-term growth rates for Old National. Sandler O'Neill also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with the senior management of Old National. With respect to those projections, estimates and judgments, the respective management of United and Old National confirmed to Sandler O'Neill that those projections, estimates and judgments reflected the best currently available estimates and judgments of the future financial performance of United and Old National, respectively, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expresses no opinion as to such estimates or the assumptions on which they are based. Sandler O'Neill has assumed that there has been no material change in the respective assets, financial condition, results of operations, business or prospects of United and Old National since the date of the most recent financial data made available to it. Sandler O'Neill has also assumed in all respects material to its analysis that United and Old National would remain as a going concern for all periods relevant to its analyses. Sandler O'Neill expresses no opinion as to any of the legal, accounting and tax matters relating to the Merger and any other transactions contemplated in connection therewith.

Sandler O'Neill's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after the date of the opinion could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. Sandler O'Neill expresses no opinion as to the price at which the stock of United or Old National may trade at any time.

Sandler O'Neill's opinion was directed to the United board of directors in connection with its consideration of the Merger and does not constitute a recommendation to any shareholder of United as to how any such shareholder should vote at the special meeting called to consider and vote upon the Merger. Sandler O'Neill's opinion is directed only to the fairness, from a financial point of view, of the Merger Consideration to the holders of United common stock and does not address the underlying business decision of United to engage in the Merger, the relative merits of the Merger as compared to any other alternative business strategies that might exist for United or the effect of any other transaction in which United might engage. Sandler O'Neill's opinion may not be reproduced or used for any other purposes; provided however, Sandler O'Neill has consented to its inclusion in any regulatory filings or mailings to shareholders to be completed in connection with the Merger. Sandler O'Neill has consented to inclusion of its opinion and this summary in this proxy statement and prospectus and in the registration statement on Form S-4 which includes this proxy statement and prospectus. Sandler O'Neill's opinion has been approved by Sandler O'Neill's fairness opinion committee. Sandler O'Neill does not express any opinion as to the fairness of the amount or nature of the compensation to be received in the Merger by any officer, director, or employees, or class of such persons, relative to the compensation to be received in the Merger by any other shareholder.

In rendering its January 6, 2014 opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather Sandler O'Neill made its determination as to the fairness of the Merger Consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process,

therefore, is

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not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to United or Old National and no transaction is identical to the Merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of United or Old National and the companies to which they are being compared.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of United, Old National and Sandler O'Neill. The analysis performed by Sandler O'Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the United board of directors at the January 6, 2014 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of United's common stock or the prices at which United's common stock may be sold at any time. The analysis and opinion of Sandler O'Neill was among a number of factors taken into consideration by the United board of directors in making its determination to adopt the Merger Agreement and the analyses described below should not be viewed as determinative of the decision of the United board of directors with respect to the fairness of the Merger.

At the January 6, 2014 meeting of the United board of directors, Sandler O'Neill presented certain financial analyses of the Merger. The summary below is not a complete description of the analyses underlying the opinions of Sandler O'Neill or the presentation made by Sandler O'Neill to the United board of directors, but is instead a summary of the material analyses performed and presented in connection with the opinion.

***Summary of Financial Terms***

Sandler O'Neill reviewed the financial terms of the proposed Merger. Shares of United common stock issued and outstanding immediately prior to the Merger will be converted into the right to receive 0.70 shares of Old National common stock plus \$2.66 per share in cash consideration. The aggregate transaction value of approximately \$174.9 million is based upon Old National's closing stock price as of January 3, 2014 (the last trading day prior to Sandler O'Neill's fairness opinion presentation to United's board of directors) of \$15.02 and 12,718,080 common shares outstanding at United, plus 249,725 restricted stock units and management stock awards which will also be added to the basic share count upon closing. In addition, United had 267,750 in-the-money options outstanding with a weighted average strike price of \$4.82.

Based upon financial information as of and for the quarter ended September 30, 2013, Sandler O'Neill calculated the following transaction ratios:

Transaction Value / Tangible Book Value:	210%
Price/ Estimated 2013 Earnings Per Share	21.8x
Transaction Value / Last Twelve Months Earnings Per Share:	26.1x

Core Deposit Premium:

13.3%

**Table of Contents****United Comparable Company Analysis**

Sandler O'Neill also used publicly available information to compare selected financial and market trading information for United and a group of financial institutions selected by Sandler O'Neill.

The United peer group was selected by Sandler O'Neill and consisted of the following publicly-traded commercial banks with total assets between \$750 million and \$1.5 billion located in Illinois, Indiana, Iowa, Kentucky, Missouri, Michigan, Nebraska, Ohio, South Dakota, and Wisconsin; a ratio of non-performing assets to total assets of less than 4%, a ratio of tangible common equity to total assets greater than 7.5% and which either have redeemed or never issued TARP preferred shares:

West Bancorporation, Inc.	Baylake Corp.
BankFinancial Corporation	LCNB Corp.
Mercantile Bank Corporation	HopFed Bancorp, Inc.
MutualFirst Financial, Inc.	Foresight Financial Group, Inc.
Tri City Bankshares Corporation	Southern Missouri Bancorp, Inc.
Security National Corporation	Oconomowoc Bancshares, Inc.
Farmers National Banc Corp.	

The analysis compared publicly available financial information for United and the median financial and market trading data for the United peer group as of and for the last twelve months ended September 30, 2013. The table below sets forth the data for United and the median data for the United peer group as of and for the last twelve months ended September 30, 2013, with pricing data as of January 3, 2014.

<i>(Dollars in Millions)</i>	United	Comparable Group Median	Comparable Group High	Comparable Group Low
Total Assets	\$ 919	\$ 1,148	\$ 1,471	\$ 775
Tangible Common Equity / Tangible Assets	8.75%	9.55%	11.93%	7.58%
Leverage Ratio	9.79%	9.84%	13.74%	8.19%
Total Risk-Based Capital Ratio	14.98%	15.91%	19.31%	12.79%
Return on Average Assets	0.85%	0.75%	1.28%	(1.59%)
Return on Average Equity	7.91%	9.24%	12.63%	(12.85%)
Net Interest Margin	3.57%	3.55%	3.92%	2.88%
Efficiency Ratio	71.1%	67.8%	88.8%	51.8%
Loan Loss Reserve / Gross Loans	3.41%	1.51%	2.57%	0.60%
Non-performing Assets / Assets	1.67%	2.03%	3.92%	0.67%
Price / Tangible Book Value	117%	118%	209%	84%
Price / Last Twelve Months Earnings Per Share	14.5x	14.5x	25.3x	9.8x



Market Capitalization	\$ 94	\$ 124	\$ 253	\$ 56
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Sandler O'Neill noted that United had similar financial and performance metrics to the United peer group selected by Sandler O'Neill.

*Old National Comparable Company Analysis*

Sandler O'Neill also used publicly available information to compare selected financial and market trading information for Old National and a group of financial institutions defined by Old National in its proxy statement and prior investor presentations.

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The Old National peer group consisted of the following publicly-traded commercial banks with total assets between \$4.0 and \$25.0 billion located throughout the United States:

FirstMerit Corp.

Cullen/Frost Bankers Inc.

Commerce Bancshares Inc.

Susquehanna Bancshares Inc.

Wintrust Financial Corp.

Fulton Financial Corp.

UMB Financial Corp.

Prosperity Bancshares Inc.

Valley National Bancorp

Bank of Hawaii Corp.

IBERIABANK Corp.

BancorpSouth Inc.

F.N.B. Corp.

Trustmark Corp.

MB Financial Inc.

First Midwest Bancorp Inc.  
United Bankshares Inc.

Glacier Bancorp Inc.

First Interstate BancSystem

Park National Corp.

Chemical Financial Corp.

First Financial Bancorp.

First Commonwealth Financial

WesBanco Inc.

BancFirst Corp.

Renasant Corp.

Pinnacle Financial Partners

Heartland Financial USA Inc.

1st Source Corp.

S&T Bancorp Inc.

First Merchants Corp.

The analysis compared publicly available financial information for Old National and the median financial and market trading data for the Old National peer group as of and for the last twelve months ended September 30, 2013. The table

below sets forth the data for Old National and the median data for the Old National peer group as of and for the last twelve months ended September 30, 2013, with pricing data as of January 3, 2014.

<i>(Dollars in Millions)</i>	Old National	Comparable Group Median	Comparable Group High	Comparable Group Low
Total Assets	\$ 9,652	\$ 8,518	\$ 24,135	\$ 4,326
Tangible Common Equity / Tangible Assets	8.41%	8.26%	10.77%	5.78%
Leverage Ratio	8.80%	9.65%	11.91%	6.95%
Total Risk-Based Capital Ratio	15.10%	14.27%	18.78%	12.07%
Return on Average Assets	1.04%	0.97%	1.35%	0.49%
Return on Average Equity	8.37%	8.63%	14.80%	4.11%
Net Interest Margin	4.08%	3.56%	4.09%	2.58%
Efficiency Ratio	65.8%	62.0%	81.8%	40.0%
Loan Loss Reserve / Gross Loans	0.93%	1.37%	3.22%	0.90%
Non-performing Assets / Assets	1.36%	1.36%	2.93%	0.08%
Price / Tangible Book Value	196%	199%	370%	152%
Price / Last Twelve Months Earnings Per Share	15.5x	16.8x	29.2x	12.6x
Market Capitalization	\$ 1,531	\$ 1,737	\$ 4,457	\$ 501

Sandler O'Neill noted that Old National had similar financial and performance metrics to the Old National peer group as defined by Old National in its proxy statement and prior investor presentations.

### ***United Stock Price Performance***

Sandler O'Neill reviewed the history of the publicly reported trading prices of United's common stock for the one-year period ended January 3, 2014 (the last trading day prior to Sandler O'Neill's fairness opinion).

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presentation to United's board of directors). Sandler O'Neill also reviewed the history of the publicly reported trading prices of United's common stock for the one-year and three-year periods ended January 3, 2014. Sandler O'Neill then compared the relationship between the movements in the price of United's common stock against the movements in the prices of the SNL U.S. Bank Index, its peer group and the S&P 500 Index.

**United One Year Stock Performance**

	Beginning Index Value January 3, 2013	Ending Index Value January 3, 2014
United	100%	168%
SNL U.S. Bank Index	100%	132%
United Peer Group	100%	126%
S&P 500 Index	100%	126%

**United Three Year Stock Performance**

	Beginning Index Value January 3, 2011	Ending Index Value January 3, 2014
United	100%	211%
SNL U.S. Bank Index	100%	133%
United Peer Group	100%	145%
S&P 500 Index	100%	144%

Sandler O'Neill noted the above analysis shows that United stock out-performed each of the indices to which it was compared in the one-year and three-year periods.

***Old National Stock Price Performance***

Sandler O'Neill reviewed the history of the publicly reported trading prices of Old National's common stock for the one-year period ended January 3, 2014. Sandler O'Neill also reviewed the history of the publicly reported trading prices of Old National's common stock for the one-year and three-year periods ended January 3, 2014. Sandler O'Neill then compared the relationship between the movements in the price of Old National's common stock against the movements in the prices of the SNL U.S. Bank Index, its peer group and the S&P 500 Index.

**Old National One Year Stock Performance**

	Beginning Index Value January 3, 2013	Ending Index Value January 3, 2014
Old National	100%	120%
SNL U.S. Bank Index	100%	132%
Old National Peer Group	100%	131%
S&P 500 Index	100%	126%

**Old National Three Year Stock Performance**

	Beginning Index Value January 3, 2011	Ending Index Value January 3, 2014
Old National	100%	125%
SNL U.S. Bank Index	100%	133%
Old National Peer Group	100%	128%
S&P 500 Index	100%	144%

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Sandler O Neill noted the above analysis shows that Old National stock under-performed each of the indices to which it was compared in the one-year and three-year periods.

**United Net Present Value Analysis**

Sandler O Neill performed an analysis that estimated the net present value of United through December 31, 2017.

Sandler O Neill based the analysis on United's projected earnings stream as derived from the internal financial projections provided by United management for the years ending December 31, 2013 through 2017.

To approximate the terminal value of United's common stock at December 31, 2017, Sandler O Neill applied price to forward earnings multiples of 10.0x to 15.0x and multiples of tangible book value ranging from 100% to 175%. Sandler O Neill selected the price to forward earnings multiples of 10.0x to 15.0x based on the range of trades multiples of the comparable groups of United. The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.0% to 16.0%, which were assumed deviations, both up and down, as selected by Sandler O Neill based on the United discount rate of 15.7% as determined by Sandler O Neill. The discount rate is determined by adding the 10-year Treasury Bond rate (3.02%), the published Ibbotson 60-year equity risk premium (5.70%), the published Ibbotson size premium (3.81%) and the published Ibbotson Industry Premium (3.20%).

Discount	Earnings Per Share Multiples						
	Rate	10.0x	11.0x	12.0x	13.0x	14.0x	15.0x
	10.0%	\$ 6.81	\$ 7.45	\$ 8.09	\$ 8.72	\$ 9.36	\$ 10.00
	11.0%	\$ 6.56	\$ 7.17	\$ 7.78	\$ 8.40	\$ 9.01	\$ 9.63
	12.0%	\$ 6.31	\$ 6.91	\$ 7.50	\$ 8.09	\$ 8.68	\$ 9.27
	13.0%	\$ 6.08	\$ 6.65	\$ 7.22	\$ 7.79	\$ 8.36	\$ 8.93
	14.0%	\$ 5.86	\$ 6.41	\$ 6.96	\$ 7.51	\$ 8.06	\$ 8.60
	15.0%	\$ 5.65	\$ 6.18	\$ 6.71	\$ 7.24	\$ 7.77	\$ 8.29
	16.0%	\$ 5.45	\$ 5.96	\$ 6.47	\$ 6.98	\$ 7.49	\$ 8.00

Discount	Tangible Book Value Per Share Multiples						
	Rate	100%	110%	120%	130%	140%	175%
	10.0%	\$ 6.59	\$ 7.21	\$ 7.82	\$ 8.44	\$ 9.05	\$ 11.21
	11.0%	\$ 6.35	\$ 6.94	\$ 7.53	\$ 8.12	\$ 8.72	\$ 10.79
	12.0%	\$ 6.11	\$ 6.68	\$ 7.25	\$ 7.82	\$ 8.39	\$ 10.39
	13.0%	\$ 5.89	\$ 6.44	\$ 6.99	\$ 7.54	\$ 8.09	\$ 10.01
	14.0%	\$ 5.68	\$ 6.20	\$ 6.73	\$ 7.26	\$ 7.79	\$ 9.64
	15.0%	\$ 5.47	\$ 5.98	\$ 6.49	\$ 7.00	\$ 7.51	\$ 9.29
	16.0%	\$ 5.28	\$ 5.77	\$ 6.26	\$ 6.75	\$ 7.24	\$ 8.96

Sandler O Neill also considered and discussed with the United board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O Neill performed a similar analysis assuming United's net income varied from 25% above





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projections to 25% below projections. This analysis resulted in the following reference ranges of indicated aggregate values for United's common stock, using a discount rate of 15.7%.

<b>Annual Budget</b>	<b>Earnings Per Share Multiples</b>					
<b>Variance</b>	<b>10.0x</b>	<b>11.0x</b>	<b>12.0x</b>	<b>13.0x</b>	<b>14.0x</b>	<b>15.0x</b>
(25.0%)	\$ 4.66	\$ 5.09	\$ 5.51	\$ 5.94	\$ 6.37	\$ 6.80
(20.0%)	\$ 4.95	\$ 5.40	\$ 5.86	\$ 6.31	\$ 6.77	\$ 7.22
(15.0%)	\$ 5.23	\$ 5.71	\$ 6.20	\$ 6.68	\$ 7.16	\$ 7.65
(10.0%)	\$ 5.51	\$ 6.03	\$ 6.54	\$ 7.05	\$ 7.56	\$ 8.08
(5.0%)	\$ 5.80	\$ 6.83	\$ 7.42	\$ 8.00	\$ 8.58	\$ 9.17
0.0%	\$ 6.56	\$ 7.17	\$ 7.78	\$ 8.40	\$ 9.01	\$ 9.63
5.0%	\$ 6.86	\$ 7.51	\$ 8.15	\$ 8.80	\$ 9.44	\$ 10.09
10.0%	\$ 7.17	\$ 7.85	\$ 8.52	\$ 9.20	\$ 9.87	\$ 10.55
15.0%	\$ 7.48	\$ 8.18	\$ 8.89	\$ 9.60	\$ 10.30	\$ 11.01
20.0%	\$ 7.78	\$ 8.52	\$ 9.26	\$ 9.99	\$ 10.73	\$ 11.47
25.0%	\$ 8.09	\$ 8.86	\$ 9.93	\$ 10.39	\$ 11.16	\$ 11.93

**Old National Net Present Value Analysis**

Sandler O'Neill performed an analysis that estimated the net present value of Old National through December 31, 2017.

Sandler O'Neill based the analysis on Old National's projected earnings stream as derived from median publicly available analyst estimates and long-term earnings growth rate for the years ending 2014 through 2017.

To approximate the terminal value of Old National's common stock at December 31, 2017, Sandler O'Neill applied price to forward earnings multiples of 14.0x to 24.0x and multiples of tangible book value ranging from 150% to 275%. Sandler O'Neill selected the price to forward earnings multiples of 14.0x to 24.0x based on the range of trades multiples of the comparable groups of Old National. The income streams and terminal values were then discounted to present values using different discount rates ranging from 8.0% to 14.0%, which were assumed deviations, both up and down, as selected by Sandler O'Neill based on the Old National discount rate of 13.8% as determined by Sandler O'Neill. The discount rate is determined by adding the 10-year Treasury Bond rate (3.02%), the published Ibbotson 60-year equity risk premium (5.70%), the published Ibbotson size premium (1.85%) and the published Ibbotson Industry Premium (3.20%).

<b>Discount</b>	<b>Earnings Per Share Multiples</b>					
<b>Rate</b>	<b>14.0x</b>	<b>16.0x</b>	<b>18.0x</b>	<b>20.0x</b>	<b>22.0x</b>	<b>24.0x</b>
8.0%	\$ 15.50	\$ 17.49	\$ 19.47	\$ 21.46	\$ 23.44	\$ 25.42
9.0%	\$ 14.93	\$ 16.84	\$ 18.75	\$ 20.66	\$ 22.56	\$ 24.47
10.0%	\$ 14.39	\$ 16.22	\$ 18.06	\$ 19.89	\$ 21.73	\$ 23.56
11.0%	\$ 13.87	\$ 15.63	\$ 17.40	\$ 19.17	\$ 20.93	\$ 22.70
12.0%	\$ 13.37	\$ 15.07	\$ 16.77	\$ 18.47	\$ 20.17	\$ 21.87
13.0%	\$ 12.90	\$ 14.53	\$ 16.17	\$ 17.81	\$ 19.44	\$ 21.08

14.0%	\$ 12.44	\$ 14.02	\$ 15.60	\$ 17.17	\$ 18.75	\$ 20.33
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**Discount****Tangible Book Value Per Share Multiples**

<b>Rate</b>	<b>150%</b>	<b>175%</b>	<b>200%</b>	<b>225%</b>	<b>250%</b>	<b>275%</b>
8.0%	\$ 13.11	\$ 15.02	\$ 16.94	\$ 18.85	\$ 20.77	\$ 22.68
9.0%	\$ 12.63	\$ 14.47	\$ 16.31	\$ 18.15	\$ 19.99	\$ 21.83
10.0%	\$ 12.17	\$ 13.94	\$ 15.71	\$ 17.48	\$ 19.25	\$ 21.03
11.0%	\$ 11.73	\$ 13.44	\$ 15.14	\$ 16.85	\$ 18.55	\$ 20.25
12.0%	\$ 11.32	\$ 12.96	\$ 14.60	\$ 16.24	\$ 17.88	\$ 19.52
13.0%	\$ 10.92	\$ 12.50	\$ 14.08	\$ 15.66	\$ 17.24	\$ 18.82
14.0%	\$ 10.54	\$ 12.06	\$ 13.58	\$ 15.10	\$ 16.62	\$ 18.15

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Sandler O'Neill also considered and discussed with the United board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming Old National's net income varied from 25% above projections to 25% below projections. This analysis resulted in the following reference ranges of indicated aggregate values for Old National's common stock, using a discount rate of 13.7%:

<b>Annual Budget</b>	<b>Earnings Per Share Multiples</b>					
<b>Variance</b>	<b>14.0x</b>	<b>16.0x</b>	<b>18.0x</b>	<b>20.0x</b>	<b>22.0x</b>	<b>24.0x</b>
(25.0%)	\$ 10.78	\$ 12.10	\$ 13.43	\$ 14.75	\$ 16.07	\$ 17.40
(20.0%)	\$ 11.39	\$ 12.81	\$ 14.22	\$ 15.63	\$ 17.05	\$ 18.46
(15.0%)	\$ 12.01	\$ 13.51	\$ 15.02	\$ 16.52	\$ 18.02	\$ 19.52
(10.0%)	\$ 12.63	\$ 14.22	\$ 15.81	\$ 17.40	\$ 18.99	\$ 20.58
(5.0%)	\$ 13.25	\$ 14.93	\$ 16.60	\$ 18.28	\$ 19.96	\$ 21.64
0.0%	\$ 13.87	\$ 15.63	\$ 17.40	\$ 19.17	\$ 20.93	\$ 22.70
5.0%	\$ 14.49	\$ 16.34	\$ 18.19	\$ 20.05	\$ 21.90	\$ 23.76
10.0%	\$ 15.10	\$ 17.05	\$ 18.99	\$ 20.93	\$ 22.87	\$ 24.82
15.0%	\$ 15.72	\$ 17.75	\$ 19.78	\$ 21.81	\$ 23.84	\$ 25.88
20.0%	\$ 16.34	\$ 18.46	\$ 20.58	\$ 22.70	\$ 24.82	\$ 26.94
25.0%	\$ 16.96	\$ 19.17	\$ 21.37	\$ 23.58	\$ 25.79	\$ 27.99

***Analysis of Selected Merger Transactions***

Sandler O'Neill reviewed a comprehensive set of comparable mergers and acquisitions.

The set of mergers and acquisitions included 32 transactions announced from January 1, 2012 through January 3, 2014 where the seller met all of certain criteria as determined by Sandler O'Neill, including: assets at announcement greater than \$500 million, tangible common equity to tangible assets greater than 7.0%, non-performing assets to total assets of less than 3.0%, and a positive return on assets for the last twelve months. Sandler O'Neill deemed these transactions to be reflective of the proposed Merger. Sandler O'Neill reviewed the following multiples: transaction price to tangible book value, transaction price to last twelve months' earnings per share, transaction price to estimated earnings per share, core deposit premium and market premium. As illustrated in the following table, Sandler O'Neill compared the proposed Merger multiples to the median multiples of these comparable transactions.

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Acquiror	ST	Target	S	Consideration	Date	Announced Deal Value (\$mm)	TBV	Deal Price /		Core Dep	Day Market
								LTM EPS	Est. FY EPS Premium		
Provident Financial Services	NJ	Team Capital Bank	PA	Mixed	12/20/2013	\$ 124	191%	19.2x		8.2%	
ViewPoint Financial Group Inc	TX	LegacyTexas Group Inc.	TX	Mixed	11/25/2013	300	239	17.0		14.7	
Independent Bk Group Inc.	TX	BOH Holdings Inc.	TX	Mixed	11/21/2013	182	262	17.4		18.4	
Heritage Financial Corp.	WA	Washington Banking Co.	WA	Mixed	10/23/2013	265	149	15.6	17.0	7.0	18.0
Cascade Bancorp	OR	Home Federal Bancorp	ID	Mixed	10/23/2013	266	154	NM		12.9	39.6
East West Bancorp Inc.	CA	MetroCorp Bancshares Inc.	TX	Mixed	9/18/2013	273	167	23.9	23.9	11.9	34.7
Umpqua Holdings Corp.	OR	Sterling Financial Corp.	WA	Mixed	9/11/2013	1,995	167	19.1	19.4	NA	13.9
Old National Bancorp	IN	Tower Financial Corp.	IN	Mixed	9/10/2013	108	175	15.9	16.1	9.8	47.0
PacWest Bancorp	CA	CapitalSource Inc.	CA	Mixed	7/22/2013	2,382	169	5.4	19.1	35.4	20.1
Wilshire Bancorp Inc.	CA	Saehan Bancorp	CA	Mixed	7/15/2013	105	170	NM		11.3	(3.5)
MB Financial Inc.	IL	Taylor Capital Group Inc.	IL	Mixed	7/15/2013	659	182	11.3	14.0	9.3	24.6
First Federal Bancshares of AR	AR	First National Security Co.	AR	Mixed	7/1/2013	123	137	14.2		5.2	
F.N.B. Corp.	PA	BCSB Bancorp Inc.	MD	Stock	6/14/2013	78	134	45.1		4.6	38.1
Union First Market Bkshs Corp.	VA	StellarOne Corp.	VA	Stock	6/10/2013	445	142	19.9	18.8	6.0	20.3
Peoples Financial Services	PA	Penseco Financial Services	PA	Stock	6/28/2013	156	147	15.1		7.6	26.1
Banco de Credito e		CM Florida Holdings Inc.	FL	Cash	5/24/2013	881	191	14.5		13.8	

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Inversiones												
Provident												
New York												
Bancorp	NY	Sterling Bancorp		NY	Stock	4/4/2013	343	168	17.1	15.4	8.1	10.9
CBFH Inc.	TX	VB Texas Inc.		TX	Stock	3/28/2013	77	100	17.1		NM	
SCBT												
Financial												
Corp.	SC	First Financial Holdings Inc.		SC	Stock	2/20/2013	299	132	12.0	15.3	3.4	9.5
PacWest												
Bancorp	CA	First California Financial Grp		CA	Stock	11/6/2012	235	170	21.1	20.0	7.3	17.5
NBT												
Bancorp												
Inc.	NY	Alliance Financial Corp.		NY	Stock	10/8/2012	231	212	19.1	21.0	12.4	22.4
Prosperity												
Bancshares												
Inc.	TX	Coppermark Bancshares Inc.		OK	Mixed	12/10/2012	194	159	13.1		6.9	
FirstMerit												
Corp.	OH	Citizens Republic Bancorp Inc.		MI	Mixed	9/13/2012	943	130	2.6	4.3	3.3	17.1
First												
PacTrust												
Bancorp	CA	Private Bank of California		CA	Mixed	8/22/2012	52	122	25.4		2.4	27.0
WesBanco												
Inc.	WV	Fidelity Bancorp Inc.		PA	Mixed	7/19/2012	73	167	56.4		7.1	82.9
Investors												
Bancorp												
Inc. (MHC)	NJ	Marathon Banking Corporation		NY	Cash	6/14/2012	135	151	23.8		7.5	
Hilltop												
Holdings												
Inc.	TX	PlainsCapital Corp.		TX	Mixed	5/9/2012	527	128	8.6		4.5	
Independent												
Bank Corp.												
	MA	Central Bancorp Inc.		MA	Mixed	5/1/2012	55	165	NM		8.4	77.3
United												
Financial												
Bancorp	MA	New England Bancshares		CT	Stock	5/31/2012	86	155	19.1		6.5	48.3
Mitsubishi												
UFJ Finl												
Grp Inc		Pacific Capital Bancorp		CA	Cash	3/12/2012	1,516	224	21.5		22.2	60.3
Cadence												
Bancorp												
LLC	TX	Encore Bancshares Inc.		TX	Cash	3/6/2012	251	240	NM	24.8	17.6	38.3
Prosperity												
Bancshares												
Inc.	TX	American State Financial Corp.		TX	Mixed	2/27/2012	529	206	12.6		13.5	
						High	\$ 2,382	262%	56.4x	24.8x	35.4%	82.9%
						Low	52	100	2.6	4.3	2.4	(3.5)
						Mean	434	169	18.7	17.6	10.2	31.4
						Median	243	167	17.1	18.8	8.1	25.4
Old												
		United Bancorp, Inc.		MI	Mixed	1/8/2014	\$ 175	210%	26.1x	21.8x	13.3%	79.7%



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Sandler O'Neill analyzed certain potential pro forma effects of the Merger, assuming the following: (1) the Merger is completed in the second quarter of 2014; (2) the deal value per share is equal to \$13.30 per United share, based on Old National's closing stock price of \$15.20 on January 3, 2014, and given an exchange ratio of 0.70 shares of Old National common stock plus \$2.66 in cash for each share of United common stock; (3) 30% cost savings of United projected operating expense, 25% phased in in 2014 and fully phased-in in 2015; (4) approximately \$18.0 million in pre-tax transaction costs and expenses; (5) United's performance was calculated in accordance with United management's prepared earnings projections; (6) Old National's performance was calculated in accordance with median publicly available analyst estimates for Old National's 2013-2017 projected earnings per share and long-term earnings growth rate for the year ended December 31, 2013 and the years thereafter; and (7) certain other assumptions pertaining to costs and expenses associated with the transaction, intangible amortization, opportunity cost of cash and other items. The analyses indicated that, for the full years 2014-2017, the Merger (excluding transaction expenses) would be accretive to Old National's projected earnings per share, while initially dilutive to tangible book value per share. The actual results achieved by the combined company may vary from projected results and the variations may be material.

***Sandler O'Neill's Compensation and Other Relationships with United and Old National***

Sandler O'Neill has acted as financial advisor to the United board of directors and senior management of United and its subsidiaries in connection with the Merger. The United board of directors and its subsidiaries agreed to pay Sandler O'Neill a transaction fee based on the closing price of the transaction, \$50,000 of which was paid upon execution of the engagement letter, \$100,000 of which was paid upon delivery of Sandler O'Neill's opinion, and \$200,000 of which was paid upon execution of the definitive Merger Agreement. The remainder of the fee due to Sandler O'Neill, which is contingent upon completion of the Merger, is currently estimated to be approximately \$1,625,000. United has also agreed to indemnify Sandler O'Neill against certain liabilities arising out of its engagement and to reimburse Sandler O'Neill for certain of its reasonable out-of-pocket expenses.

In the ordinary course of their respective broker and dealer businesses, Sandler O'Neill may purchase securities from and sell securities to United and Old National and their affiliates. Sandler O'Neill may also actively trade the debt and/or equity securities of United and Old National or their affiliates for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities. In addition, in December 2010, Sandler O'Neill served as Sole Bookrunner in United's equity capital raise of approximately \$18,960,000 and was compensated approximately \$950,000 for capital raising services. Sandler O'Neill also assisted Old National in 2013 in connection with its pending acquisition of Tower Financial Corporation, as well as sales of various branches in 2012 and 2013. Sandler O'Neill was or will be compensated approximately \$850,000 in total for those advisory services.

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**THE MERGER AGREEMENT**

**Structure of the Merger**

Subject to the terms and conditions of the Merger Agreement, at the completion of the Merger, United will merge with and into Old National, with Old National as the surviving corporation. The separate existence of United will terminate and United common stock will cease to be quoted on the OTCQB and will be cancelled as a consequence of the Merger. Old National common stock will continue to be listed on the NASDAQ Global Select Market under the symbol ONB . Immediately following the Merger, United Bank & Trust will be merged with and into Old National Bank, a wholly-owned subsidiary of Old National.

Under the Merger Agreement, the officers and directors of Old National serving at the effective time of the Merger will continue to serve as the officers and directors of Old National after the Merger is consummated.

**Merger Consideration**

If the Merger is completed, your shares of United common stock will be converted into the right to receive 0.70 shares of Old National common stock, subject to adjustment as summarized below and \$2.66 in cash.

The Exchange Ratio is subject to adjustment as follows:

*Decrease for United's Consolidated Shareholders' Equity or Environmental Costs.* If as of the end of the month prior to the effective time of the Merger the United consolidated shareholders' equity is less than \$80,000,000, or the after-tax environmental costs are in excess of \$1,250,000, the Exchange Ratio shall be decreased to a quotient determined by dividing the Adjusted Stock Purchase Price by the total number of shares of United common stock outstanding, and further dividing that number by the Average Old National Closing Price. For purposes of the computation, the Adjusted Stock Purchase Price shall be equal to (x) the Stock Purchase Price, less (y) the difference between \$80,000,000 and the United consolidated shareholders' equity as of the end of the month prior to the effective time of the Merger, and less (z) the difference between the after-tax environmental costs and \$1,250,000. The Stock Purchase Price shall be the Exchange Ratio in effect at the time of the adjustment multiplied by the Average Old National Closing Price multiplied by the total number of shares of United common stock outstanding at the effective time of the Merger. The Average Old National Closing Price shall be the average of the per share closing prices of a share of Old National common stock as quoted on The NASDAQ Global Select Market during the ten trading days preceding the fifth calendar day preceding the effective time.

The United consolidated shareholders' equity shall be the consolidated shareholder's equity of United excluding the net accumulated other comprehensive income/(loss), each as of the end of the month prior to the effective time of the Merger, determined in accordance with GAAP, and to which shall be added the following:

- i. any accruals, reserves or charges resulting from expenses of the Merger and other transactions contemplated by the Merger Agreement; and
- ii. any accruals, reserves or charges taken by United at the request of Old National.



*Decrease in Market Price of Old National Common Stock.* After the closing of the Merger is properly called under the Merger Agreement, United may terminate the Merger Agreement if both of the following conditions exist:

the average of the closing price of Old National common stock as reported on the NASDAQ Global Select Market for the five trading days ending on the sixth business day prior to the closing date (the Pricing Period ) (the Final Purchaser Price ) is less than \$12.02; and

the number determined by dividing the Final Purchaser Price by \$15.02 (the Initial Purchaser Price ), is less than the number obtained by subtracting (1) .20 from (2) the quotient obtained by

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dividing the closing price of the NASDAQ Bank Index on the last day of the Pricing Period by the NASDAQ Bank Index on January 6, 2014.

If these conditions exist, United has the right to proceed with the Merger with no change to the Exchange Ratio, or request Old National to increase the Exchange Ratio to a ratio computed by multiplying the Exchange Ratio by a fraction that has at its numerator \$12.02 and that has as its denominator the Final Purchaser Price (the Adjusted Exchange Ratio). If United requests Old National to increase the Exchange Ratio, then Old National can either accept or decline the requested increase to the Exchange Ratio. If Old National accepts the requested increase, the Merger Agreement will remain in effect in accordance with its terms, except the Merger Consideration will be increased to reflect the Adjusted Exchange Ratio. If Old National declines the requested increase, the Merger will be abandoned, unless United elects to proceed with the Merger on the basis of the original Exchange Ratio.

### **Treatment of United's Stock-Based Awards**

At the effective time of the Merger, each right of any kind to receive United common stock or benefits measured by the value of a number of shares of United common stock granted under the United stock plans will be converted into an award with respect to a number of shares of Old National common stock equal to the product of (1) the aggregate number of shares of United common stock subject to such award, multiplied by (2) the sum of (A) the Exchange Ratio and (B) \$2.66 divided by the average of the per share closing prices of a share of Old National common stock as quoted on the NASDAQ Global Select Market during the ten trading days preceding the fifth calendar day preceding the effective time (the Converted Stock-Based Award Ratio). Such converted awards shall otherwise continue to have, and be subject to, the same terms and conditions set forth in the applicable United stock plan (or any other agreement to which such converted award was subject immediately prior to the effective time of the merger). The exercise or strike price (if any) per share of Old National common stock applicable to any converted stock-based award shall be equal to (a) the per share exercise price of such award immediately prior to the effective time divided by (b) the Converted Stock-Based Award Ratio. All United stock-based awards will fully vest as of the effective time of the Merger.

### **Treatment of United's Deferred Compensation Plans**

The Director Retainer Stock Plan and the Senior Management Bonus Deferral Stock Plan will be terminated and at the effective time of the Merger, each phantom share credited to a participant's account under each of these plans will be converted into the right to receive a number of Old National common shares equal to the Converted Stock-Based Award Ratio. Accrued benefits under such plans will be distributed following the effective time of the Merger. Old National will assume the Supplemental Executive Retirement Plan covering David S. Hickman and accrued benefits will continue to be paid pursuant to its terms.

### **Treatment of the United Bank & Trust Tax-Deferred Savings Plan**

The United Bank & Trust Tax-Deferred Savings Plan will be terminated as of the day prior to the effective time of the Merger, and as soon as administratively feasible thereafter the individual account balances of all participants in the plan will be fully vested and distributed or transferred in accordance with the applicable plan termination provisions of the plan.

### **Exchange and Payment Procedures**

At and after the effective time of the Merger, each certificate or book-entry representing shares of United common stock will represent only the right to receive the Merger Consideration in accordance with the terms of the Merger Agreement. Old National will reserve a sufficient number of shares of Old National common stock to be issued as a

part of the Merger Consideration. As soon as practicable after the effective time of the Merger, Old National will mail a letter of transmittal to each holder of United common stock that will include detailed

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instructions on how such holder may exchange such holder's United common shares for the Merger Consideration.

Old National will provide a written notice of ownership of uncertificated shares to each former United registered shareholder setting forth the number of shares of Old National common stock that each holder of United common stock has received in the Merger and a check in the amount of any cash that such holder has the right to receive to be delivered to such shareholder upon delivery to Old National of certificates or book-entry representing such shares of United common stock and a properly completed letter of transmittal. No interest will be paid on any Merger Consideration that any such holder shall be entitled to receive.

The stock transfer books of United will be closed immediately at the effective time of the Merger and after the effective time there will be no transfers on the stock transfer records of United of any shares of United common stock. Old National will be entitled to rely on United's stock transfer books to establish the identity of those persons entitled to receive the Merger Consideration. If any old certificate is lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming such old certificate to be lost, stolen, or destroyed and, if required by Old National, the posting by such person of a bond or other indemnity as Old National may reasonably direct as indemnity against any claim that may be made with respect to the old certificate, Old National will issue the Merger Consideration in exchange for such lost, stolen or destroyed certificate.

## **Dividends and Distributions**

Until United common stock certificates or book-entry shares are surrendered for exchange, any dividends or other distributions declared after the effective time of the Merger with respect to Old National common shares into which shares of United common stock may have been converted will accrue but will not be paid. When such certificates or book-entry shares have been duly surrendered, Old National will pay any unpaid dividends or other distributions, without interest.

## **Representations and Warranties**

The Merger Agreement contains representations and warranties of United, on the one hand, and Old National, on the other hand, to each other, as to, among other things:

the corporate organization and existence of each party;

the authority of each party to enter into the Merger Agreement, perform its obligations under the Merger Agreement and make it valid and binding;

the fact that the Merger Agreement does not conflict with or violate:

the articles of incorporation and by-laws of each party,

applicable law, and

regulatory restrictions of each party;

required regulatory approvals;

subsidiaries;

deposit insurance and payment of assessments;

the capitalization of United and Old National;

voting rights of securities;

each party's financial statements and filings with applicable regulatory authorities;

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absence of changes or events occurring since December 31, 2012;

the absence of material litigation;

regulatory filings;

each party's compliance with applicable law;

the accuracy of statements made and materials provided to the other party;

agreements with regulatory agencies;

payments to be made to any brokers or finders in connection with the Merger;

Community Reinvestment Act rating;

organizational documents; and

compliance with the Bank Secrecy Act.

In addition, the Merger Agreement contains representations and warranties of United to Old National as to:

absence of appraisal rights;

absence of indemnification claims;

the filing and accuracy of tax returns;

title to its assets;

intellectual property;

required licenses;

material contracts;

labor and employment matters;

employee benefit plans and related matters;

environmental matters;

duties as fiduciary;

the adequacy of insurance;

the receipt of a fairness opinion from United's financial advisor;

the adequacy of its loan loss reserves;

loans and investments;

Securities and Exchange Commission filings and internal controls and disclosure controls;

books and records;

absence of shareholder rights plan; and

the absence of undisclosed obligations or liabilities.

None of the representations and warranties of the parties will survive the consummation of the Merger. Additionally, the parties qualified many of the representations and warranties contained in the Merger Agreement with exceptions set forth in disclosure letters which were separately delivered by each party to the other party.

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**Conduct of Business Prior to Completion of the Merger**

***United Restrictions***

United has agreed to certain covenants in the Merger Agreement restricting the conduct of its business between the date of the Merger Agreement and the earlier of the effective time of the Merger or the termination of the Merger Agreement. In general, except as expressly contemplated by the Merger Agreement or as required by applicable law or with the prior written consent of Old National (which consent will not be unreasonably withheld, conditioned or delayed), United will conduct its business in the ordinary course of business generally consistent with past practice in all material respects and, to the extent consistent therewith, will use its commercially reasonable efforts to preserve substantially intact its and its subsidiaries' business organization and advantageous customer and business relationships and further to keep available the services of the present officers and employees.

In addition, United has agreed to specific restrictions between the date of the Merger Agreement and the earlier of the effective time or the termination of the Merger, including, but not limited to, the following (subject, in each case, to exceptions specified below and in the Merger Agreement or previously disclosed in writing to the other party as provided in the Merger Agreement):

the amendment of its articles of incorporation or bylaws (or other comparable organizational documents);

(A) the split, combination or reclassification of any securities issued by United or its subsidiaries, (B) the repurchase, redemption or other acquisition of, or offer to repurchase, redeem or otherwise acquire, any securities issued by United or its subsidiaries, except for the acceptance of shares of common stock delivered in satisfaction of the exercise price or tax withholding obligations by holders awards under United stock plans that are outstanding as of the date of the Merger Agreement who exercise such awards, and shares of common stock submitted for cancellation to satisfy tax withholding obligations that occur upon the vesting of stock-based awards that are outstanding as of the date of the Merger Agreement, or (C) the declaration, setting aside or payment of any dividend or distribution (whether in cash, stock, property or otherwise) in respect of, or enter into any contract with respect to the voting of, any shares of its capital stock, except for distributions to or from United's subsidiaries;

the issuance, sale, pledge, disposal or encumbrance of any securities issued by United or any of its subsidiaries, other than the issuance of shares of common stock upon the exercise of any award granted pursuant to a United stock plan;

except in the ordinary course of business consistent with past practice or as required by applicable law or the express terms of any United benefit plan or contract in effect as of the date of the Merger Agreement, (A) the increase of the compensation (including bonus opportunities) payable or that could become payable by United or its subsidiaries to directors or officers or to any substantial class of employees; (B) the entry into any new or amendment in any material respect of any existing employment, consulting, severance, termination, retention or change in control agreement with any of its past or present officers, directors or employees; (C) the establishment, adoption, entry into, amendment of, termination of, or the taking of any action to accelerate rights under any benefit plan; (D) the granting of any severance or termination pay



unless provided under any benefit plan; (E) the granting of any compensatory awards that are payable in, relate to, or are determined by reference to the value of United common stock; (F) the funding or in any other way securing of any payment of compensation or benefit under any benefit plan;

the promoting of any officer or any non-officer employee to an officer position or hiring or termination of employment of any officer except for termination for cause and hiring to replace;

the acquisition, by merger, consolidation, acquisition of stock or assets, or otherwise, of any business or division of a business or, except among wholly owned subsidiaries, make any capital contributions to any person, other than (a) incident to foreclosures in connection with debts previously contracted in

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good faith, or (b) acquisitions of personal property in the ordinary course of business generally consistent with past practice;

the (A) transfer, license, sale, lease or other disposition of any material assets, including capital stock or other equity interests in any subsidiary, provided that any of its subsidiaries may transfer, license, sell, lease or dispose of any obsolete or unused equipment, fixtures or assets in the ordinary course of business consistent with past practice; or (B) adoption or effecting of a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

the repurchase, prepayment or incurrence of any indebtedness for borrowed money or guarantee of any such indebtedness of another person except in the ordinary course of business;

the application for the opening, relocation, or closing of any branch office, loan production office or other material office or facility, or the opening, relocation or closing any branch office, loan production office or other material office or facility;

the entry into or amendment or modification of, in any material respect, or the consent to the termination of (other than at its stated expiry date), any material contract, other than in the ordinary course of business consistent with past practice;

the institution, settlement or compromise of any actions pending or threatened before any arbitrator, court or other governmental entity (A) involving the payment of monetary damages or admission of liability by United or any of its subsidiaries of any amount exceeding \$250,000, or (B) having a material impact on United's business;

the making of any material change in any method of financial accounting principles or practices, in each case except for any such change required or to be required by a change in generally accepted accounting principles or applicable law;

the settlement or compromise of any material tax claims, audits or assessments in excess of the amount reserved for such claims, audits or assessments as set forth on the books and records; (B) the making or changing of any material tax election, changing of any annual tax accounting period, adoption or changing of any method of tax accounting; or (C) the entry into any material closing agreement, surrender in writing any right to claim a material tax refund, offset or other reduction in tax liability or consent to any extension or waiver of the limitation period applicable to any material tax claim or assessment relating to United or any of its respective subsidiaries;

the making of any capital expenditures or permit of any of such party's subsidiaries to make any capital expenditures, except for (A) capital expenditures not to exceed the aggregate amount set forth in United's capital expenditure plan delivered prior to the date of the Merger Agreement, (B) capital expenditures of

amounts not more than \$100,000, individually, or \$250,000, in the aggregate, or (C) capital expenditures required by law or governmental authorities or incurred in connection with the repair or replacement of facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance);

the entry into any material new line of business or the change in any material respect of its lending, investment, underwriting, risk and asset liability management and other material banking or operating policies or practices, except in the ordinary course of business consistent with past practice or as required by law or any regulatory agency;

(A) except for loans or legally binding commitments for loans that have previously been approved and committed to by United prior to the date of the Merger Agreement, making or acquiring any loan or issuing a commitment (or renewing or extending an existing commitment) for any loan, or amending or modifying in any material respect any existing loan, that would result in total credit exposure to the applicable borrower in excess of \$4,500,000, (B) except with respect to amendments or modifications that have previously been approved and committed to by United prior to the date of the Merger Agreement, amending or modifying in any material respect any existing loan rated (i) special mention, with total credit exposure in excess of \$2,000,000; (ii) substandard, with total credit exposure in excess

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of \$1,000,000; or (iii) nonaccrual, doubtful, loss, restructured by United or past due 90 days or more, with total credit exposure in excess of \$500,000 or (c) except with respect to any such actions that have previously been approved and committed to by United prior to the date of the Merger Agreement, modify or amend any loan in a manner that would result in any additional extension of credit, principal forgiveness, or effect any uncompensated release of collateral, i.e., at a value below the fair market value thereof as determined by United, in each case in excess of \$500,000;

the restructuring or materially changing the nature of the composition of its investment securities portfolio through purchases, sales or otherwise, or its policies with respect to the classification and reporting of such portfolios;

the taking of any action or omitting to take any action that would, or could reasonably be expected to prevent or impeded the Merger from qualifying for its intended tax treatment;

the taking of any action that would reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated by the Merger Agreement, or (b) the taking, or knowingly failure to take, any action that is reasonably likely to result in any of the conditions to the Merger not being satisfied;

the taking of any action to pay any liability, absolute or contingent, in excess of \$100,000, except liabilities shown on the financial statements set forth in United's Annual Report on Form 10-K for the year ended December 31, 2012 or in any Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, each as filed with the SEC, except in the ordinary course of business consistent with past practice, or except in connection with the transactions contemplated by the Merger Agreement;

changing in any material respects its underwriting, operating, investment or risk management or other similar policies or any of its subsidiaries except as required by law; or

the agreement or commitment to take any of the foregoing actions.

***Old National Restrictions***

Old National has agreed to specific restrictions between the date of the Merger Agreement and the earlier of the effective time or the termination of the Merger, including, but not limited to, taking the following actions (subject, in each case, to exceptions specified below and in the Merger Agreement or previously disclosed in writing to the other party as provided in the Merger Agreement):

the amendment of its articles of incorporation or bylaws in a manner that would materially and adversely affect the holders of United common stock relative to the holders of Old National common stock;

the taking of any action or omitting to take any action that would, or could reasonably be expected to prevent or impeded the Merger from qualifying for its intended tax treatment;

the taking of any action that would reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated by the Merger Agreement, or (b) the taking, or knowingly failure to take, any action that is reasonably likely to result in any of the conditions to the Merger not being satisfied; or

the agreement or commitment to take any of the foregoing actions.

**Covenants**

In addition to the restrictions noted above, the Merger Agreement contains certain other covenants and agreements, including the following covenants:

Old National agreed to use commercially reasonable efforts to prepare and cause to be filed with the SEC a Registration Statement on Form S-4, which includes this proxy statement and

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prospectus, as promptly as practicable following the date of the Merger Agreement (and in any event no later than 45 days);

United has agreed to hold a special meeting of its shareholders, as soon as practicable following the date of the Merger Agreement, for the purpose of seeking the United shareholder approval of the Merger Agreement and, except if the United board of directors has made an adverse recommendation change, to use its commercially reasonable efforts to solicit the requisite shareholder approval for such proposal;

Old National shall use its commercially reasonable efforts to cause (a) the shares of Old National common stock to be issued as Merger Consideration and (b) the shares of Old National common stock to be reserved for issuance upon the exercise, vesting or payment under any converted stock-based award, in each case to be approved for listing on The NASDAQ Global Select Market, subject to official notice of issuance, prior to the effective time of the Merger;

Old National shall prepare and file with the Federal Reserve Board and each other governmental entity having jurisdiction as soon as practicable after the date of this Merger Agreement, all applications and documents required to obtain, and shall use its best efforts to obtain, each necessary approval of or consent to consummate the Merger. Best efforts shall include Old National having to enter into a consent decree or other commitment containing Purchaser's agreement to (a) hold separate or divest Old National's or United's or their subsidiaries' assets, facilities, properties or businesses, or the assets, facilities, properties or businesses to be acquired pursuant to the Merger, and (b) limitations on its or its subsidiaries' conduct or actions or covenants affecting business practices, in each case as and to the extent necessary to obtain each necessary approval of or consent to consummate the Merger; provided that Old National is not obligated to take any such action unless such action is expressly conditioned upon the consummation of the Merger;

neither of the parties will issue any press release or make any public announcement relating to the Merger Agreement, the Merger or the other transactions contemplated by the Merger Agreement without the prior written approval of the other party, unless the disclosing party believes in good faith that such press release or public announcement is required to be made by applicable law, rule or regulation promulgated by any applicable securities exchange after consultation with outside legal counsel, in which case the disclosing party will use its commercially reasonable efforts to advise and consult with the other party regarding such press release or other announcement prior to making any such disclosure;

each party, commencing on the date of the Merger Agreement through the effective time of the Merger, will permit the other party to have reasonable access to the officers and senior management, the premises, agents, books, records and contracts of or pertaining to the other party, as may reasonably be requested in writing;

each party will give prompt written notice to the other party of (i) any event that would reasonably be expected to give rise to a material adverse effect, (ii) any notice or other communication received by such party from any governmental entity or other person in connection with the Merger or from any person alleging that the consent of such person is or may be required in connection with the Merger and (iii) any

actions commenced or threatened against, relating to or involving or otherwise affecting such party which relate to the Merger Agreement or the Merger;

each party will hold and treat in confidence all documents and information concerning the other party and its subsidiaries furnished in connection with the Merger or Merger Agreement pursuant to the confidentiality agreement between Old National and United;

Old National will maintain a directors and officers liability insurance policy for six years after the effective time of the Merger to cover the present and former officers and directors of United and United Bank & Trust with respect to claims against such directors and officers arising from facts or events which occurred before the effective time, and for six years after the effective time, continue the

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indemnification and exculpation rights of the present and former officers and directors of United and United Bank & Trust against all losses, expenses, claims, damages, or liabilities arising out of actions or omissions occurring on or prior to the effective time to the full extent then permitted under the articles of incorporation or by-laws of United or United Bank & Trust or any indemnification arrangement or agreement disclosed to Old National;

if any anti takeover laws of any governmental entity are or may become applicable to the Merger, the parties agree to use their respective commercially reasonable efforts to take such action as reasonably necessary so that the Merger may be consummated as promptly as practicable under the terms of the Merger Agreement or so as to eliminate or minimize the effects of any such law on the Merger;

each party will take all such steps as may be required to cause (a) any dispositions of United common stock (including derivative securities with respect to United common stock and awards) resulting from the Merger and the other transactions contemplated by the Merger Agreement, by each individual who will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to United immediately prior to the effective time of the Merger, to be exempt under Rule 16b 3 promulgated under the Exchange Act, and (b) any acquisitions or dispositions of Old National common stock (including derivative securities with respect to Old National common stock and converted stock based awards) resulting from the Merger and the other transactions contemplated by the Merger Agreement, by each individual who may become or is reasonably expected to become subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Old National immediately following the effective time of the Merger, to be exempt under Rule 16b 3 promulgated under the Exchange Act;

each party will keep the other party reasonably informed with respect to the defense or settlement of any securityholder action against it and its directors relating to the Merger, will give the other party opportunity to consult with it regarding the defense or settlement of any such securityholder action, and will not settle any such action without the other party's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed);

the parties agree that each party will not, and will not permit any of their respective subsidiaries to, take any action, or fail to take any action, that would reasonably be expected to jeopardize the qualification of the Merger as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, and each party will use commercially reasonable efforts to cause the Merger to so qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986;

United will, upon Old National's request, cooperate with Old National to prepare documentation and take such other steps as may be necessary to effect the consolidation of the parties' respective subsidiary banks at the effective time of the Merger;

United will use commercially reasonable efforts to deliver within seven business days of the date of the Merger Agreement the written fairness opinion of Sandler O'Neill that the Merger Consideration is fair to the shareholders of United from a financial point of view;



United will cooperate with an environmental consulting firm designated by Old National in the conduct by such firm of a phase one and/or phase two environmental investigation on all real property owned or leased by United or United Bank & Trust as of the date of the Merger Agreement, and any real property acquired or leased by United or United Bank & Trust after the date of the Merger Agreement;

Prior to the effective time, United shall and shall cause its subsidiaries to make, consistent with GAAP, the rules and regulations of the SEC and applicable banking laws and regulations, such appropriate accounting entries in its books and records and use commercially reasonable efforts to take such other actions as Old National may reasonably request and United and its subsidiaries shall deem to be appropriate or desirable in anticipation of the Merger including, without limitation, accruals or the creation of reserves for employee benefits and Merger-related expenses; and

Immediately prior to the effective time, United shall terminate its business loan agreement such that all outstanding amounts thereunder have been repaid and its subsidiary shares of stock shall be released

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from any pledge or restrictions created under the business loan agreement. Old National shall, to the extent reasonably required, provide sufficient funds to United to enable United to terminate and repay amounts outstanding under the business loan agreement.

The Merger Agreement also contains certain additional covenants relating to employee benefits and other matters pertaining to officers and directors. See The Merger Agreement Employee Benefit Matters and Interests of Certain Directors and Officers of United in the Merger.

## **Acquisition Proposals by Third Parties**

Except as described below, United has agreed that, from the time of the execution of the Merger Agreement until the earlier of the effective time of the Merger or the termination of the Merger Agreement in accordance with the terms of the Merger Agreement, it will not and will cause its subsidiaries and representatives to not:

solicit, initiate, encourage or knowingly facilitate (including by way of furnishing non public information) any inquiries regarding, or the making of any proposal or offer that constitutes or could reasonably be expected to lead to, a proposal that constitutes takeover proposal; or

engage or enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other party material nonpublic information in connection with any takeover proposal, or otherwise cooperate with or assist or participate in, or encourage or knowingly facilitate any such inquiries, proposals, discussions or negotiations or any effort or attempt to make a takeover proposal. United will, and will cause each of its subsidiaries and each of its and its subsidiaries representatives to, immediately upon execution of the Merger Agreement, cease any solicitation, encouragement, discussions or negotiations with any person that may be ongoing with respect to any takeover proposal.

Notwithstanding the restrictions described above, at any time prior to obtaining the United shareholder approval, if United receives a takeover proposal from a person, United and its representatives are permitted, subject to certain conditions, (a) to contact such person and its representatives to request that such person provide clarification of any term or condition of such takeover proposal that the United board of directors determines in good faith to be ambiguous or unclear, and (b) if the United board of directors determines in good faith, after consultation with its independent financial advisors and outside legal counsel, that such takeover proposal constitutes, or is reasonably expected to lead to, a superior proposal, and that failure to take such action would more likely than not result in a breach of the United board of directors fiduciary duties, to furnish to such person information with respect to United and participate in discussions or negotiations with such person.

A takeover proposal means any inquiry, proposal or offer from any person (other than Old National and its subsidiaries) or group, within the meaning of Section 13(d) of the Exchange Act, relating to, in a single transaction or series of related transactions, any (1) acquisition of assets of United and its subsidiaries equal to more than 20% of United s consolidated assets or to which more than 20% of United s revenues or earnings on a consolidated basis are attributable, (2) acquisition of more than 20% of the outstanding United common stock or the capital stock of any subsidiary of United, (3) tender offer or exchange offer that if consummated would result in any person beneficially owning more than 20% of the outstanding United common stock, (4) merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving United or any of its subsidiaries or (5) any combination of the foregoing types of transactions if the sum of the percentage of consolidated assets, consolidated revenues or earnings and United common stock involved is more than 20%; in each case, other than the Merger.

A superior proposal means, any bona fide written takeover proposal that the United board of directors has determined in its good faith judgment, after consultation with its independent financial advisors and outside legal counsel, is reasonably likely to result in the consummation of a transaction more favorable to United's shareholders from a financial point of view than the Merger, taking into account (A) all relevant legal, regulatory and financial aspects of the proposal (including certainty of closing) and the person making the proposal, and

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(B) any changes to the terms of the Merger Agreement proposed by Old National in response to such proposal or otherwise, provided that for purposes of the definition of superior proposal, the references to 20% in the definition of takeover proposal above shall be deemed to be references to 50%.

The Merger Agreement requires that United fully inform Old National as to the status on a current basis of any takeover proposal, including any material developments, discussions or negotiations regarding any takeover proposal.

## **Changes in United Board Recommendation**

The United board of directors has agreed, subject to certain exceptions summarized below, not to

fail to recommend the approval of the Merger Agreement,

change, qualify, withhold, withdraw or modify, or publicly propose to take such action, in a manner adverse to Old National, its recommendation to approve the Merger Agreement,

take any formal action or make any recommendation or public statement in connection with a tender offer of exchange offer other than a recommendation of rejection of such offer, taking no position with respect to such offer, or a temporary stop, look and listen communication pursuant to Rule 14d-9(f) of the Exchange Act, or

adopt, approve or recommend a takeover proposal.

Notwithstanding the restrictions described above, prior to obtaining the United shareholder approval, the United board of directors is permitted to make an adverse recommendation change if, the United board of directors, has determined in good faith, after consultation with its independent financial advisors and outside legal counsel, that a takeover proposal constitutes a superior proposal.

Prior to making an adverse recommendation change, the United board of directors must inform Old National in writing of its intention to make an adverse recommendation change and provide to Old National the material terms and conditions of the takeover proposal and identity of the person making the takeover proposal. During this notice period, United must negotiate with Old National (if it wishes to do so) to enable Old National to revise the terms of the Merger Agreement so that the superior proposal no longer constitutes a superior proposal. Following the notice period, the United board of directors must consider in good faith any changes to the Merger Agreement proposed by Old National and have determined that the superior proposal continues to constitute a superior proposal.

## **Conditions to the Merger**

The obligations of Old National and United to consummate the Merger are subject to the satisfaction or waiver, on or before the completion of the Merger, of a number of conditions, including:

the approval of the Merger Agreement by holders of at least a majority of the outstanding shares of United common stock entitled to vote;

the receipt and effectiveness of all required regulatory approvals, which shall not contain any conditions, restrictions or requirements which Old National's board of directors reasonably determines in good faith would, following the effective time of the Merger, have a material adverse effect on Old National or United;

the absence of any law making illegal or otherwise preventing the consummation of the Merger;

the absence of any temporary, preliminary or permanent restraining order preventing the consummation of the Merger;

the absence of any order of a court or agency enjoining or prohibiting the consummation of the Merger;

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the declaration of effectiveness by the SEC of this registration statement of which this proxy statement and prospectus forms a part, which registration statement must not be subject to any stop order or proceedings initiated or threatened by the SEC; and

the authorization for listing on the NASDAQ Global Select Market of the Old National common stock to be issued pursuant to the Merger, subject to official notice of issuance.

The obligations of Old National to effect the Merger are subject to satisfaction, or waiver, of the following additional conditions:

(1) the representations and warranties of United (other than certain representations related to United's organization and good standing, United's ownership of subsidiaries and organization and good standing of those subsidiaries, United's capitalization and United's authorization of the Merger Agreement) being true and correct as of the closing date as though made as of such date (or, if made as of a specific date, as of such date), except where the failure of such representations and warranties to be so true and correct does not have, and would not reasonably be expected to have, a material adverse effect with respect to United, (2) certain representations and warranties related to United's organization and good standing, United's ownership of subsidiaries and organization and good standing of those subsidiaries and United's capitalization being true and correct in all but de minimus respects as of the closing date as though made as of the closing (or, if made as of a specific date, in all but de minimus respects as of such date), and (3) the representations and warranties of United related to United's authorization of the Merger Agreement being true and correct as of the closing date as though made as of such date (or, if made as of a specific date, as of such date) in all material respects;

United having performed in all material respects all of the covenants required to be performed by it under the Merger Agreement at or prior to the closing;

the receipt by Old National of a certificate, dated as of the closing date, executed by the chief executive officer or chief financial officer of United certifying as to the satisfaction of the conditions described in the preceding two bullet points;

the absence of any change, state of facts, event, development or effect since December 31, 2012, that has had or would reasonably be expected to have a material adverse effect with respect to United;

the receipt by Old National from Krieg DeVault LLP of a written opinion, dated as of the closing date, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

Old National must have received a letter of tax advice, in a form satisfactory to Old National, from United's outside, independent certified public accountants to the effect that any amounts that are paid by United or United Bank & Trust before the effective time of the Merger, or required under United's employee benefit

plans or the Merger Agreement to be paid at or after the effective time, to persons who are disqualified individuals under Section 280G of the Internal Revenue Code with respect to United, United Bank & Trust, or their successors, and that otherwise should be allowable as deductions for federal income tax purposes, should not be disallowed as deductions for such purposes by reason of Section 280G of the Code; and

United's consolidated shareholders' equity (computed in accordance with the Merger Agreement) shall not be less than \$75,000,000 as of the end of the month prior to the effective time of the Merger.

The obligations of United to effect the Merger are subject to satisfaction, or waiver, of the following additional conditions:

(1) the representations and warranties of Old National (other than certain representations related to Old National's organization and good standing, Old National's ownership of subsidiaries and good standing and organization of those subsidiaries, Old National's capitalization and Old National's authorization of the Merger Agreement) being true and correct as of the closing date as though made as of such date (or, if made

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as of a specific date, as of such date), except where the failure of such representations and warranties to be so true and correct does not have, and would not reasonably be expected to have, a material adverse effect with respect to Old National, (2) certain representations and warranties related to Old National's organization and good standing, Old National's ownership of subsidiaries and good standing and organization of those subsidiaries and Old National's capitalization being true and correct in all but de minimus respects as of the closing date as though made as of the closing (or, if made as of a specific date, in all but de minimus respects as of such date), and (3) the representations and warranties of Old National related to Old National's authorization of the Merger Agreement being true and correct as of the closing date as though made as of such date (or, if made as of a specific date, as of such date) in all material respects;

Old National having performed in all material respects all of the covenants required to be performed by it under the Merger Agreement at or prior to the closing;

the receipt by United of a certificate, dated as of the closing date, executed by the chief executive officer or chief financial officer of Old National certifying as to the satisfaction of the conditions described in the preceding two bullet points;

the absence of any change, state of facts, event, development or effect since December 31, 2012, that has had or would reasonably be expected to have a material adverse effect with respect to Old National; and

the receipt by United from Warner Norcross & Judd LLP of a written opinion, dated as of the closing date, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

Under the Merger Agreement, a material adverse effect means with respect to United and Old National, any event, occurrence, fact, condition or change that (a) is materially adverse to the business, results of operations, financial condition, business, or assets of United or Old National and their respective subsidiaries, taken as a whole, or (b) prohibits or materially impairs the ability of United or Old National, to consummate the transactions contemplated by the Merger Agreement on a timely basis;

*provided, however*, that, for the purposes of clause (a), a material adverse effect shall not include events, occurrences, facts, conditions or changes arising out of, relating to or resulting from (either alone or in combination):

conditions or changes generally affecting the economy, financial or securities markets;

any outbreak or escalation of hostilities, war (whether or not declared) or military action or any act of terrorism, the occurrence of any natural disaster, or occurrence of any man-made disaster;

general conditions in or changes generally affecting the banking industry or geographic regions in which United or Old National and their respective subsidiaries operate;



changes in laws (or interpretations thereof);

changes in GAAP or accounting standards (or interpretations thereof);

compliance with the terms of, or the taking of any action required by, the Merger Agreement;

the announcement or pendency of the Merger or any other transaction contemplated by the Merger Agreement; and

acts or omissions of

United prior to the effective time of the Merger taken at the written request of Old National or with the prior written consent of Old National or

Old National prior to the effective time of the Merger taken at the written request of United or with the prior written consent of United, in each case, in connection with the transactions contemplated by the Merger Agreement or applicable law;

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*provided further* that any event, occurrence, fact, condition or change referred to in the first five bullet points shall be taken into account in determining whether a material adverse effect has occurred or would reasonably be expected to occur to the extent that such event, change or effect has a disproportionate effect on United or Old National and their respective subsidiaries, taken as a whole, compared to other participants in the industries or geographic regions in which United or Old National and their respective subsidiaries conduct their businesses.

## **Expenses**

Except as otherwise provided in the Merger Agreement, United and Old National will be responsible for their respective expenses incidental to the Merger.

## **Employee Benefit Matters**

The Merger Agreement requires Old National to make available to the officers and employees of United and United Bank & Trust who continue as employees of Old National or any subsidiary substantially the same employee benefits, including severance, on substantially the same terms and conditions as Old National offers to similarly situated officers and employees. United and United Bank & Trust employees will receive full credit, after the Merger, for all prior service with United, United Bank & Trust, or their predecessors for purposes of any applicable eligibility and vesting service requirements under any of Old National's employee benefit plans. United and United Bank & Trust employees who become employees of Old National or any of its subsidiaries will become eligible to participate in Old National's employee benefit plans as soon as reasonably practicable after the effective time of the Merger, or if later, as of the termination of the corresponding United benefit plan.

## **Termination**

The Merger Agreement may be terminated at any time prior to the effective time of the Merger, and, except as described below, whether before or after the receipt of the required United shareholder approval, under the following circumstances:

by mutual written consent of Old National and United;

by either Old National or United:

if any governmental entity has issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger and such order or other action is final and nonappealable;

if the Merger does not occur before October 31, 2014, except that the right to terminate the Merger Agreement shall not be available to any party whose breach of any provision of the Merger Agreement causes the failure of the effective time of the Merger to occur on or before October 31, 2014; or

if the United shareholder meeting (including any postponements or adjournments thereof) has concluded and been finally adjourned and the United shareholder approval has not been obtained;

by United, if Old National has breached the Merger Agreement, such that the conditions to United's obligations to complete the Merger are not satisfied, and which either (A) cannot be cured by October 31, 2014 or (B) if capable of being cured by October 31, 2014, has not been cured within thirty business days following receipt of written notice from United of such breach, except in the event that United is then in breach of the Merger Agreement, such that the conditions to Old National's obligations to complete the Merger are not satisfied;

by Old National, if United has breached the Merger Agreement, such that the conditions to Old National's obligations to complete the Merger are not satisfied, and which either (A) cannot be cured by October 31, 2014, or (B) if capable of being cured by October 31, 2014, has not been cured within

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thirty business days following receipt of written notice from Old National of such breach, except in the event that Old National is then in breach of the Merger Agreement, such that the conditions to United's obligations to complete the Merger are not satisfied;

by Old National prior to the receipt of the United shareholder approval if the United board of directors changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal, if United enters into an agreement relating to a takeover proposal, or in the absence of a takeover proposal and only during the period which is ten days before the mailing date of the proxy statement and prospectus and the date of the United special meeting, the United board of directors fails to publicly reaffirm its recommendation within five business days of a written request by Old National;

by United prior to receipt of the United shareholder approval, in order to enter into a definitive agreement that constitutes a superior proposal, provided that (A) such agreement has not resulted from United's breach of its obligations with respect to acquisition proposals by third parties, and (B) United pays the termination fee described below prior to or simultaneously with such termination; or

by Old National if the after-tax cost of all remedial or other corrective actions and measures required by applicable law to be taken with respect to United's real property is estimated to exceed, in the aggregate, \$2,500,000, or if the cost of such actions and measures cannot be so reasonably estimated.

## **Termination Fee**

United is required to pay Old National a \$6,000,000 termination fee if the Merger Agreement is terminated in the following circumstances:

if Old National terminates the Merger Agreement because, prior to the receipt of the United shareholder approval, the United board of directors changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal, if United enters into an agreement relating to a takeover proposal, or in the absence of a takeover proposal and only during the period which is ten days before the mailing date of the proxy statement and prospectus and the date of the United special meeting, the United board of directors fails to publicly reaffirm its recommendation within five business days of a written request by Old National;

if Old National terminates the Merger Agreement because United has breached the Merger Agreement, such that the conditions to Old National's obligations to complete the Merger are not satisfied, and which either (A) cannot be cured by October 31, 2014 or (B) if capable of being cured by October 31, 2014, has not been cured within thirty business days following receipt of written notice from Old National of such breach, provided that Old National is not then in breach of the Merger Agreement, such that the conditions to United's obligations to complete the Merger are not satisfied, and (1) any person has made (whether or not subsequently withdrawn) a takeover proposal to United on or after the date of the Merger Agreement but prior to the date that the Merger Agreement is terminated, and (2) within twelve months after the date of termination, United consummates a takeover proposal or enters into a definitive agreement with respect to a

takeover proposal within twelve months after the date of termination (except that the references to more than 20% in the definition of takeover proposal will be deemed to be references to more than 50% );

if (A) the Merger Agreement is terminated by Old National or United because the Merger does not occur on or before October 31, 2014 or the Merger Agreement is terminated by Old National or United because the United shareholder meeting has concluded and been finally adjourned and the United shareholder approval has not been obtained; (B) any person has made (whether or not subsequently withdrawn) a takeover proposal to United on or after the date of the Merger Agreement but prior to (1) the date that the Merger Agreement is terminated, in the event the Merger Agreement is terminated by United because the Merger does not occur on or before October 31, 2014, or (2) the United shareholder meeting, in the case of a termination because the United shareholder meeting has concluded and been finally adjourned and

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the United shareholder approval has not been obtained; and (C) United consummates a takeover proposal or enters into a definitive agreement with respect to a takeover proposal within twelve months after the date of termination (except that the references to more than 20% in the definition of takeover proposal will be deemed to be references to more than 50% ;

if United terminates the Merger Agreement prior to receipt of the United shareholder approval to enter into a definitive agreement that constitutes a superior proposal.

Old National is required to pay United a \$6,000,000 termination fee if the Merger Agreement is terminated in the following circumstances:

if either party terminates the Merger Agreement because (A) any governmental entity has issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger and such order or other action is final and nonappealable or (B) the Merger does not occur before October 31, 2014, except that the right to terminate the Merger Agreement shall not be available to United if its breach of the Merger Agreement causes the failure of the effective time of the Merger to occur on or before October 31, 2014; if at the time of such termination, the condition requiring receipt of regulatory approvals has not been satisfied for reasons substantially attributable to the anti-competitive effect of the Merger or Old National's failure to comply with its best efforts obligations to obtain regulatory approval.

Upon the termination of the Merger Agreement in accordance with its terms and payment of a termination fee, if applicable, neither United nor Old National will have any continuing liability to the other, except for damages arising from a willful or intentional breach of the Merger Agreement.

In the event that a termination fee is in fact paid to the other party when and as required by the Merger Agreement, such payment will be the sole and exclusive remedy of the receiving party against the paying party for any loss relating to the Merger Agreement, except that neither party will be relieved from any liability or damages arising from fraud.

## **Management and Operations After the Merger**

Old National's officers and directors serving at the effective time of the Merger shall continue to serve as Old National's officers and directors until such time as their successors have been duly elected and qualified or until their earlier resignation, death, or removal from office. Old National's Articles of Incorporation and By-laws in existence as of the effective time of the Merger shall remain Old National's Articles of Incorporation and By-laws following the effective time, until such Articles of Incorporation and By-laws are further amended as provided by applicable law.

## **Environmental Inspections**

Under the Merger Agreement, Old National has the right to terminate the Merger Agreement and not consummate the transaction if any of the real estate owned by United or United Bank & Trust is determined, after proper investigation, to be contaminated and the after tax cost to remediate such contamination would be estimated in good faith to exceed \$2.5 million or cannot reasonably be estimated.

## **Effective Time of Merger**

Unless otherwise mutually agreed to by the parties, the effective time of the Merger is expected to occur on the last business day of the month in which the closing of the Merger occurs. The parties currently anticipate closing the Merger late in the second quarter of 2014.

**Regulatory Approvals for the Merger**

Under the terms of the Merger Agreement, the Merger cannot be completed until Old National receives necessary regulatory approvals, which include the approval of the Office of the Comptroller of the Currency and

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the Federal Reserve Board. [Old National has filed applications with each regulatory authority to obtain the approvals]. Old National cannot be certain when such approvals will be obtained or if they will be obtained.

## **Voting Agreements**

As of the record date, the directors of United beneficially owned    shares or approximately    % of the outstanding shares of United common stock, excluding shares subject to options currently exercisable but not exercised. In connection with the execution of the Merger Agreement, the directors of United each executed a voting agreement pursuant to which the directors agreed to vote their shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director    s spouse to be voted, in favor of the Merger.

## **Accounting Treatment of the Merger**

Old National will account for the Merger under the    acquisition    method of accounting in accordance with United States generally accepted accounting principles. Using the purchase method of accounting, the assets (including identified intangible assets) and liabilities of United will be recorded by Old National at their respective fair values at the time of the completion of the Merger. The excess of Old National    s purchase price over the net fair value of the tangible and identified intangible assets acquired less liabilities assumed, will be recorded as goodwill.

## **NASDAQ Global Select Market Listing**

Old National common stock currently is listed on the NASDAQ Global Select Market under the symbol    ONB.    The shares to be issued to the United shareholders in the Merger will be eligible for trading on the NASDAQ Global Select Market.

## **No Dissenters    Rights**

Dissenters    rights are statutory rights that, if available under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters    rights are not available in all circumstances, and exceptions to these rights are provided in the Michigan Business Corporation Act. Because shares of Old National common stock are listed on a national securities exchange, holders of United common stock will not have dissenters    rights in connection with the Merger.



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**INTERESTS OF CERTAIN DIRECTORS AND EXECUTIVE OFFICERS OF UNITED IN THE MERGER**

When considering the recommendation of the United board of directors, you should be aware that some of the executive officers and directors of United and United Bank & Trust have interests that are different from, or in conflict with, your interests. The board of directors was aware of these interests when it adopted the Merger Agreement. Except as described below, to the knowledge of United, the executive officers and directors of United do not have any material interest in the Merger apart from their interests as shareholders of United.

**Treatment of United's Stock-Based Awards**

At the effective time of the Merger, each right of any kind to receive United common stock or benefits measured by the value of a number of shares of United common stock granted under the United stock plans will be converted into an award with respect to a number of shares of Old National common stock equal to the product of (1) the aggregate number of shares of United common stock subject to such award, multiplied by (2) the sum of (A) the Exchange Ratio and (B) \$2.66 divided by the average of the per share closing prices of a share of Old National common stock as quoted on the NASDAQ Global Select Market during the ten trading days preceding the fifth calendar day preceding the effective time (the **Converted Stock-Based Award Ratio**). Such converted awards shall otherwise continue to have, and be subject to, the same terms and conditions set forth in the applicable United stock plan (or any other agreement to which such converted award was subject immediately prior to the effective time of the merger). The exercise or strike price (if any) per share of Old National common stock applicable to any converted stock-based award shall be equal to (a) the per share exercise price of such award immediately prior to the effective time divided by (b) the **Converted Stock-Based Award Ratio**. All United stock awards will fully vest as of the effective time of the Merger.

**Deferred Compensation Plans**

The Director Retainer Stock Plan and the Senior Management Bonus Deferral Stock Plan will be terminated and at the effective time of the Merger, each phantom share credited to a participant's account under each of these plans will be converted into the right to receive a number of Old National common shares equal to the **Converted Stock-Based Award Ratio**. Accrued benefits under such plans will be distributed following the effective time of the Merger.

Old National will assume the Supplemental Executive Retirement Plan covering David S. Hickman and accrued benefits will continue to be paid pursuant to its terms.

**Existing Employment Agreements with United Executive Officers**

United has entered into employment agreements with the following executives officers: Robert K. Chapman, Randal J. Rabe, Todd C. Clark, Raymond J. Webb, Gary D. Haapala and Joseph R. Williams. Pursuant to the Merger Agreement, at the effective time of the Merger, Old National will assume all obligations under the employment agreements with these executives, except Mr. Clark's agreement will be superseded by the terms of the offer of employment and severance/change of control agreement with Old National described below. United has agreed to amend the employment agreements of Messrs. Webb, Haapala and Williams to provide that following the effective time, (1) the term shall end three years from the effective time (rather than on March 31, 2014 with one-year automatic renewals), (2) the definition of **change in control** shall only include completion of the Merger, and (3) completion of the Merger shall constitute **good reason**.

Following the completion of the Merger, Messrs. Chapman and Rabe will be entitled to receive a lump sum severance payment equal to two years of salary and 24 months of healthcare continuation payments if, within 12 months after

the effective time, his employment is terminated other than for cause (as defined in the employment agreement) or he resigns for good reason (as defined in the employment agreement). Messrs. Webb, Haapala and

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Williams will be entitled to receive a lump sum severance payment equal to one year of salary and 12 months of healthcare continuation payments if, within 12 months after the effective time, his employment is terminated other than for cause (as defined in the employment agreement) or he resigns for good reason (as defined in the employment agreement) within 120 days after the effective time.

In all cases, the amount of the lump sum severance payment is subject to reduction to the maximum amount that may be paid under Section 280G of the Code without triggering excise taxes, if applicable. In addition, payment of the severance benefits is conditioned on the executive's compliance with certain covenants, including the following: execution of a general release; responsibilities to cooperate; confidentiality obligations; and for 24 months (in the case of Messrs. Chapman and Rabe) or 12 months (in the case of Messrs. Webb, Haapala and Williams) following termination, non-solicitation of employees and customers and non-competition.

### **Retention Bonuses to Certain Executive Officers**

Messrs. Webb, Haapala and Williams will be entitled to receive cash retention bonuses in the amount of \$27,000 each, \$9,000 of which is payable as soon as administratively feasible following the closing date of the Merger and \$18,000 of which is payable following the first anniversary of the closing date of the Merger if each executive remains employed on such payment dates. An executive will not be entitled to receive any unpaid portion of the retention bonus if he terminates his employment voluntarily or his employment is terminated by United or Old National for cause prior to the applicable payment date. A termination of the executive's employment for any other reason will result in the unpaid bonus amounts being included with any other compensation owed to the executive upon his termination of employment.

### **Offer of Employment and Severance/Change of Control Agreement**

On January 6, 2014, Old National presented a written offer of employment to Todd C. Clark, which Mr. Clark accepted. Pursuant to the offer of employment, Mr. Clark will be employed by Old National Bank following the effective time of the Merger as Regional President for the region encompassing the market area currently served by United and will receive an annual base salary of \$234,000. Mr. Clark also will be paid a \$75,000 cash retention bonus, \$25,000 of which is payable following the closing of the Merger and \$50,000 one year later. In addition, Mr. Clark will be granted 4,500 shares of Old National restricted common stock following the closing of the Merger that will vest over a three-year period. Mr. Clark will be eligible for a merit increase in 2014 and eligible to participate in a regional cash incentive plan with an annual target of 30% of annual salary and to participate in the Old National Bancorp Executive Deferred Compensation Plan. Mr. Clark also will be eligible to receive equity award grants comparable to those awarded to other similarly situated executives as approved by the Old National board of directors.

Old National and Mr. Clark have also entered into a severance/change of control agreement effective at the effective time of the Merger which shall supersede Mr. Clark's existing employment agreement with United. As a result, Mr. Clark will not be entitled to any severance payments under his existing employment agreement with United upon completion of the Merger. The severance/change of control agreement has a one year term beginning on the effective time of the Merger and is automatically renewable for additional one year terms unless either party provides 60 days notice before the end of the term of the intent not to renew the agreement.

Pursuant to the severance/change of control agreement, upon the termination of Mr. Clark's employment for any reason (including by Mr. Clark for good reason, as defined in the agreement), Mr. Clark shall be entitled to receive (1) any earned but unpaid base salary through his termination date plus any accrued vacation pay due, (2) any reimbursements to which he is entitled under Old National's established reimbursement procedures (to the extent

Mr. Clark applies for reimbursement in accordance with such procedures), and (3) benefits (other than severance) payable to Mr. Clark under Old National's incentive compensation or employee benefit plans or programs. To the extent Mr. Clark resigns for good reason or is terminated without cause before payment in full of his \$75,000 cash retention bonus provided under his written offer of employment, Mr. Clark shall be paid the unpaid balance of that cash retention bonus.

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In the event Mr. Clark's employment is terminated prior to a change of control (as defined in the agreement) by Old National for any reason other than unacceptable performance, disability or death (as such terms are defined in the agreement), or by Mr. Clark for good reason, Old National shall pay Mr. Clark a lump sum severance payment equal to his weekly pay (base salary plus targeted cash incentive) multiplied by the greater of (1) 52 during a renewal term or 104 during the initial term, or (2) two times the number of years Mr. Clark has worked for Old National. In addition, in the event of such termination, Old National shall pay the cost of continuation of group medical premiums for twelve months (if during the renewal term) or provide group medical coverage for 24 months (if during the initial term) and pay life insurance premiums and provide outplacement services (limited to \$15,000) for twelve months.

In the event Mr. Clark's employment is terminated concurrent with or within two years after a change of control for any reason other than unacceptable performance, disability or death or by Mr. Clark for good reason, Mr. Clark shall be paid a lump sum severance payment equal to two times the sum of (1) his annual base salary plus (2) the greater of his target bonus for the year of the change of control or the prior year. In addition, in the event of such termination, Mr. Clark shall receive group medical coverage and life insurance premiums for 24 months and outplacement services (limited to \$15,000) for twelve months. All outstanding Old National stock options, to the extent not previously vested and exercisable, shall become vested and exercisable upon termination of employment.

However, if Mr. Clark's employment is terminated for unacceptable performance, disability, or death, Mr. Clark will not be entitled to any severance benefits or payments under the severance/change of control agreement.

For purposes of Section 280G of the Code and the related excise tax imposed on change of control payments that are excess parachute payments, the severance/change of control agreement includes a best after-tax provision whereby Mr. Clark may receive the full payments with the responsibility for any excise tax, or his payments would be reduced to a safe harbor amount, whichever will provide Mr. Clark the largest total after-tax benefit.

Mr. Clark is subject to confidentiality provisions and, during the term of the severance/change of control agreement and for a period of two years following the termination of his employment, Mr. Clark is subject to restrictions on the solicitation of customers and employees and noncompetition covenants.

## **Cash Incentive Payments and Profit Sharing Contributions**

In connection with the completion of the Merger, cash payments will be made to Messrs. Chapman, Clark, Rabe, Webb, Haapala and Williams under the Management Committee Incentive Compensation Plan on a pro-rated basis on the portion of the plan year completed before the effective time of the Merger, assuming any individual performance goals are satisfied and the company performance goals are satisfied at the target level of performance. In addition, discretionary profit-sharing contributions to the United Bank & Trust Tax-Deferred Savings Plan (including the accounts of Messrs. Chapman, Clark, Rabe, Webb, Haapala and Williams) will be made on the basis of pro-rating company performance for the portion of the plan year completed before the effective time of the merger and excluding Merger-related expenses.

## **Indemnification and Insurance of Directors and Officers**

Old National has agreed that all rights to indemnification and exculpation from liabilities for acts or omissions occurring prior to the effective time of the Merger existing in favor of current or former directors and officers of United and United Bank & Trust as provided in the articles of incorporation or bylaws of United and United Bank & Trust and any existing indemnification agreements or arrangements disclosed to Old National shall survive the Merger and shall continue in full force and effect in accordance with their terms to the extent permitted by law, and shall not be amended, repealed or otherwise modified for a period of six years after the



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effective time of the Merger in any manner that would adversely affect the rights thereunder of such individuals for acts or omissions occurring or alleged to occur at or prior to the effective time of the Merger.

In addition, Old National has agreed to cause United's and United Bank & Trust's directors and officers to be covered for a period of six years after the effective time of the Merger by United's existing directors' and officers' liability insurance policy and fiduciary liability policy (or a substitute policy obtained by Old National having the same coverages and amounts and terms and conditions that are not less advantageous to such directors and officers) with respect to acts or omissions occurring before the effective time of the Merger; provided that Old National shall not be required to spend more than 300% of the last annual premium paid by United for such insurance. If the cost of insurance exceeds such limit, Old National will use its reasonable efforts to obtain as much comparable coverage as possible.

**Golden Parachute Compensation**

The following table sets forth the estimated aggregate dollar value of the various elements of the compensation that may be paid or become payable to the named executive officers of United that is based on or otherwise relates to completion of the Merger based on multiple assumptions that may or may not actually occur or be accurate on the relevant date including the following:

completion of the Merger and a subsequent qualifying termination both occurring on June 30, 2014; and

shares of United common stock are valued at \$12.27 per share, the average closing price of United's shares of common stock over the first five business days following the public announcement of the Merger.

As a result of the foregoing assumptions, the actual amounts to be received by a named executive officer may materially differ from the amounts set forth below. The amounts set forth below do not include amounts payable by Old National to Mr. Clark pursuant to the terms of the offer of employment and severance/change of control agreement with Old National effective at the effective time of the Merger, which shall supersede Mr. Clark's existing employment agreement with United upon the completion of the Merger.

**Golden Parachute Compensation**

Name	Cash (\$) <sup>(1)</sup>	Equity (\$) <sup>(2)</sup>	Pension/ Perquisites/ NQDC		Tax		Total (\$)
			Benefits (\$) <sup>(3)</sup>	Reimbursement (\$)	Other (\$)		
Robert K. Chapman	640,682	266,046			18,028		924,756
Randal J. Rabe	465,249	133,023			17,994		616,266
Todd C. Clark	56,745	133,023					189,768

- (1) For Messrs. Chapman and Rabe, represents the value of a lump sum payment of two years of base salary of \$571,400 and \$424,400, respectively, under their employment agreements if their employment is terminated other than for cause or if the executive resigns for good reason within twelve months after a change in control (double trigger), subject to reduction to the maximum amount that may be paid under Section 280G of the Code without

triggering excise taxes, if applicable. For Messrs. Chapman and Rabe, their employment agreements provide that payment of the foregoing amounts is conditioned on the executive's compliance with certain covenants, including the following: execution of a general release; responsibilities to cooperate; confidentiality obligations; and for 24 months following termination, non-solicitation of employees and customers and non-competition. Any such payments to Messrs. Chapman and Rabe shall be made within 15 days of the effective date of the general release. Because Mr. Clark's employment agreement with United will be superseded by the terms of the offer of employment and severance/change of control agreement with Old National, Mr. Clark will not be entitled to receive severance payments upon



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- completion of the Merger. Also represents incentive cash payments under United's Management Committee Incentive Compensation Plan, and profit sharing contributions to the United Bank & Trust Tax-Deferred Savings Plan (single trigger) for Messrs. Chapman, Rabe and Clark aggregating \$69,282, \$40,849 and \$56,745, respectively.
- (2) Represents the value of acceleration of vesting of United stock-based awards as of the effective time of the Merger (single trigger) based on the value of \$12.27 per share, the average closing price of United's shares of common stock over the first five business days following the public announcement of the Merger.
  - (3) Represents the value of cash payments for continuing healthcare benefits for 24 months after the effective time of the Merger upon a qualifying termination of employment (double trigger).

**Table of Contents****COMPARISON OF THE RIGHTS OF SHAREHOLDERS**

Under the Merger Agreement, United shareholders will exchange their shares of United common stock for shares of Old National common stock and cash. United is organized under the laws of the State of Michigan, and the rights of United shareholders are governed by the applicable laws of the State of Michigan, including the Michigan Business Corporation Act (the "MBCA"), and United's restated articles of incorporation (the "United Articles") and amended and restated by-laws, as amended (the "United Bylaws"). Old National is organized under the laws of the State of Indiana, and the rights of Old National's shareholders are governed by the applicable laws of the State of Indiana, including the Indiana Business Corporation Law (the "IBCL"), and Old National's third amended and restated articles of incorporation (the "Old National Articles") and amended and restated by-laws (the "Old National By-Laws"). In addition, as Old National common stock is listed on the NASDAQ Global Select Market, Old National's corporate governance is subject to compliance with the Nasdaq Corporate Governance Rules. Upon consummation of the Merger, United's shareholders will become Old National shareholders, and the Old National Articles, the Old National By-Laws, the IBCL and the rules and regulations applying to public companies will govern their rights as Old National shareholders.

The following discussion is a summary of the material differences between the current rights of Old National shareholders and the current rights of United shareholders, but does not purport to be a complete description of those differences. These differences may be determined in full by reference to the IBCL, the MBCA, the Old National Articles, the United Articles, the Old National By-Laws, the United Bylaws and such other governing documents referenced in this summary of shareholder rights. Old National and United have filed with the SEC and/or made available on their corporate websites their respective governing documents referenced in this summary of shareholder rights and will send copies of these documents to you, without charge, upon your request. See "Where You Can Find More Information" beginning on page .

**Old National****United****Authorized Capital Stock**

Old National currently is authorized to issue up to 150,000,000 shares of common stock, no par value, of which 99,863,894 shares were outstanding as of January 6, 2014. Old National is also authorized to issue up to 2,000,000 shares of preferred stock, no par value. As of the date of this proxy statement and prospectus, there are no shares of preferred stock outstanding.

United currently is authorized to issue up to 32,000,000 shares, consisting of 30,000,000 shares of common stock, no par value, of which 12,718,080 shares were outstanding as of January 6, 2014. United is also authorized to issue up to 2,000,000 shares of preferred stock, no par value. As of the date of this proxy statement and prospectus, there are no shares of preferred stock outstanding.

**Issuance of Additional Shares**

Old National's board of directors may authorize the issuance of additional shares of common stock up to the amounts authorized in the Old National Articles, without shareholder approval, subject only to the restrictions of the IBCL, the Old National Articles and the NASDAQ Global Select Market. Old National's board of directors may also authorize the issuance of preferred stock up to the amounts authorized

United's board of directors may authorize the issuance of additional shares of common stock up to the amounts authorized in the United Articles, without shareholder approval, subject only to the restrictions of the MBCA and the United Articles. United's board of directors may also authorize the issuance of preferred stock up to the amounts authorized in the United

in the Old National Articles, without shareholder approval, possessing voting and conversion rights that could adversely affect the voting power of Old National's common shareholders, subject to any restrictions imposed on the issuance of such shares by the IBCL, the Old National Articles and the NASDAQ Global Select

Articles, without shareholder approval, in one or more series, each having the designations and relative voting, distribution, dividend, liquidation and other rights, preferences and limitations, consistent with the MBCA, as shall be stated in the resolution or resolutions providing for the issue thereof adopted by

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Market. Any preferred shares issued may also rank senior to Old National's common stock as to rights upon liquidation, winding-up or dissolution.

**United**

the board of directors, and as are not stated in the United Articles or any amendments thereto.

**Number, Classification and Qualifications of Directors**

The Old National By-Laws provide that the board of directors shall be comprised of twelve (12) members. All directors of Old National are elected for terms expiring at the next annual meeting of the shareholders and until their respective successors have been duly elected and qualified or such director's earlier resignation, death or removal. Any vacancy occurring on the board of directors, whether resulting from an increase in the number of directors or otherwise, may be filled by the affirmative vote of not less than a majority of the remaining directors then in office, even though such directors remaining in office may constitute less than a quorum of the board of directors.

The Old National Articles provide that directors need not be shareholders of Old National. The Old National By-Laws provide that a director shall not qualify to serve as such effective as of the end of the term during which he or she becomes 72 years of age. The Old National By-Laws further provide that the board of directors may establish other qualifications for directors in its Corporate Governance Guidelines in effect from time to time.

The United Articles provide that the board of directors shall be comprised of not less than five (5) nor more than twenty (20) directors, the exact number of directors to be determined from time to time by resolution adopted by the affirmative vote of a majority of the entire board of directors. United's board of directors currently consists of nine (9) members. The United Articles further provide that United's board of directors shall be divided into three classes, with directors in each class elected to staggered three-year terms. Holders of common stock are entitled to elect one class of directors constituting approximately one-third of the board of directors for a three-year term at each annual meeting of shareholders. Consequently, it could take two annual elections to replace a majority of United's board of directors. Any vacancy occurring on the board of directors, whether resulting from an increase in the number of directors or otherwise, may be filled by a majority vote of the directors then in office, although less than a quorum, or by a sole remaining director. This provision of the United Articles may only be amended by the affirmative vote of at least 75% of the holders of all shares of common stock entitled to vote; provided, however, that this increased voting requirement is not applicable if the proposed amendment, change or repeal is recommended to shareholders by the affirmative vote of not less than three-fourths (3/4) of the members of United's board of directors.

**Election of Directors**

Old National's directors are elected by a plurality of the votes cast by the shares entitled to vote at a meeting at which a quorum is present. Old National's board of directors has adopted a corporate governance policy regarding director elections that is contained in Old National's Corporate Governance Guidelines. The policy provides that in any uncontested election, any nominee for director who receives a greater number of votes withheld for his or her election than votes for such election will tender his or her resignation as a director promptly following the certification

United's directors are elected by a plurality of the votes cast at an election.

of the shareholder vote. Old National's Corporate  
Governance and Nominating Committee of its board of  
directors, without participation by any director so tendering  
his or

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her resignation, will consider the resignation offer and recommend to the board of directors whether to accept it. The board of directors, without participation by any director so tendering his or her resignation, will act on the Corporate Governance and Nominating Committee's recommendation no later than 90 days following the date of the annual meeting of shareholders at which the election occurred. If the board of directors decides to accept the director's resignation, the Corporate Governance and Nominating Committee will recommend to the board of directors whether to fill the resulting vacancy or to reduce the size of the board. Old National will promptly disclose the decision of its board of directors and the reasons for the decision in a broadly disseminated press release that will also be filed with the SEC on a Form 8-K.

**Removal of Directors**

Under the IBCL, directors may be removed in any manner provided in the corporation's articles of incorporation. In addition, the shareholders or directors may remove one or more directors with or without cause, unless the articles of incorporation provide otherwise. The Old National By-Laws provide that any director or the entire board of directors (exclusive of directors who may be elected by the holders of one or more series of preferred stock) may be removed, with or without cause, only by (i) the affirmative vote of the holders of not less than two-thirds (2/3) of the outstanding shares of Old National common stock at a meeting of shareholders called expressly for the purpose of removing one or more directors, or (ii) the affirmative vote of not less than two-thirds (2/3) of the actual number of directors elected and qualified and then in office.

Under the United Articles, subject to the rights of any series of preferred stock then outstanding, any director may be removed only for cause and only upon the affirmative vote of the holders of not less than 75% of the outstanding shares of capital stock entitled to vote, voting together as a single class. This provision of the United Articles may only be amended by the affirmative vote of at least 75% of the holders of all shares of common stock entitled to vote; provided, however, that this increased voting requirement is not applicable if the proposed amendment, change or repeal is recommended to shareholders by the affirmative vote of not less than three-fourths (3/4) of the members of United's board of directors.

**Transactions Involving Directors**

The Old National Articles allow directors to have an interest in a contract or transaction with Old National, if the interest is disclosed to or known by the board of directors, and the board authorizes, approves or ratifies the contract or transaction by a majority vote of those present, with the interested director to be counted in determining the existence of a quorum, but not in calculating a majority to approve the transaction. In addition, the IBCL allows a director to have a direct or indirect interest in a transaction with Old National if any of the following circumstances have been established: (i) the transaction was fair to Old

The MBCA allows a director to have a direct or indirect interest in a transaction with United if any of the following circumstances have been established: (i) the transaction was fair to United at the time it was entered into; (ii) the material facts of the transaction and the director's interest were disclosed or known to the board of directors, a committee of the board or the independent director or directors, and the board of directors, committee or independent director or directors authorized, approved or ratified the transaction; or (iii) the material facts of the transaction

National; (ii) the material facts of the transaction and the director's interest were disclosed or known to the board of

and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved or ratified the transaction. A

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directors or a committee of the board and the board of directors or committee authorized, approved or ratified the transaction; or (iii) the material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved or ratified the transaction. A transaction is authorized, approved or ratified under clause (ii) above if it received the affirmative vote of the majority of the directors on the board or the committee who had no interest in the transaction, but a transaction may not be authorized, approved or ratified by a single director. For purposes of the shareholder vote to authorize, approve or ratify a transaction under clause (iii) above, shares owned by or voted under the control of the interested director may be counted in the vote.

**United**

transaction is authorized, approved or ratified under clause (ii) above if it received the affirmative vote of the majority of the directors on the board or the committee who had no interest in the transaction, though less than a quorum, or all independent directors who had no interest in the transaction. A transaction is authorized, approved or ratified under clause (iii) above if it received the majority of votes cast by the holders of shares who did not have an interest in the transaction.

**Director Liability**

Pursuant to the IBCL, an Old National director will not be liable to Old National shareholders for any action or failure to act in his or her capacity as director, unless the director has breached or failed to perform his or her duties as a director in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the director reasonably believes to be in the best interests of the corporation, and the breach or failure to perform these duties constitutes willful misconduct or recklessness.

The MBCA provides that a corporation's articles of incorporation may provide that a director will not be personally liable to the corporation or its shareholders for any action taken or any failure to take any action as a director, with the exception of liability for certain actions. In addition, the MBCA sets forth circumstances under which directors, officers, employees or agents of a corporation may be indemnified or insured against any liabilities that they incur in such capacities.

United's articles of incorporation provide that a director of United will not be personally liable to United or its shareholders for monetary damages for a breach of the director's fiduciary duty, except in the event of any of the following:

A breach of the director's duty of loyalty to United or its shareholders;

Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;



Certain declarations or distributions in violation of the articles of incorporation or the MBCA;

A transaction from which the director derived an improper personal benefit; or

Acts or omissions occurring before the date that the United Articles containing this provision became effective.

**Table of Contents****Old National****United****Indemnification of Directors, Officers and Employees**

Under the IBCL, an Indiana corporation may indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if (i) the individual's conduct was in good faith, (ii) the individual reasonably believed, in the case of conduct in the individual's official capacity with the corporation, that the individual's conduct was in the best interests of the corporation, and in all other cases, that the individual's conduct was at least not opposed to the corporation's best interests, and (iii) in the case of any criminal proceeding, the individual either had reasonable cause to believe that the individual's conduct was lawful, or the individual had no reasonable cause to believe that the individual's conduct was unlawful.

Unless limited by its articles of incorporation, a corporation must indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the corporation against reasonable expenses incurred by the director in defense of the proceeding. In addition, unless limited by its articles of incorporation, an officer of a corporation, whether or not a director, is entitled to mandatory indemnification to the same extent as a director, and a corporation may also indemnify and advance expenses to an officer, employee or agent to the same extent as to a director.

The Old National Articles and Old National By-Laws provide that every person who is or was a director, officer or employee of Old National or any other corporation for which he or she is or was serving in any capacity at the request of Old National shall be indemnified by Old National against any and all liability and expense that may be incurred by him or her in connection with, resulting from, or arising out of any claim, action, suit or proceeding, provided that the person is wholly successful with respect to the claim, action, suit or proceeding, or acted in good faith in what he reasonably believed to be in or not opposed to the best interests of Old National or any other corporation

The United Bylaws require it to indemnify any director or officer of United and any director or officer of any bank subsidiary of United, and permit United to indemnify any employee, agent or other person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (other than an action by or in the right of United), whether civil, criminal, administrative, or investigative, and whether formal or informal, by reason of the fact that the person is or was a director, officer, employee, or agent of United or any bank subsidiary of United or is or was serving at the request of United as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses (including attorneys' fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of United or its shareholders or any bank subsidiary of United, as applicable, and, with respect to a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The United Bylaws require United to indemnify any director or officer of United and any director or officer of any bank subsidiary of United, and permit United to indemnify any employee, agent or other person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of United to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, or agent of United or any bank subsidiary of United or is or was serving at the request of United as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses (including attorneys' fees) and amounts paid

for which he or she is or was serving in any capacity at the request of Old National. Old National will also indemnify each director, officer and employee acting in such capacity in connection with criminal proceedings provided the director, officer or employee had no reasonable cause to believe that his or her conduct was unlawful. The indemnification by Old National extends

in settlement actually and reasonably incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of United or its shareholders or any

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to attorney fees, disbursements, judgments, fines, penalties or settlements. Old National may also advance expenses or undertake the defense of a director, officer or employee upon receipt of an undertaking by such person to repay such expenses if it should ultimately be determined that he or she is not entitled to indemnification.

In order for a director, officer or employee to be entitled to indemnification, the person must be wholly successful with respect to such claim or either the board of directors of Old National acting by a quorum consisting of directors who are not parties to, or who have been wholly successful with respect to such claim, action, suit or proceeding, or independent legal counsel must determine that the director, officer or employee has met the standards of conduct required by the Old National Articles.

The IBCL permits Old National to purchase insurance on behalf of its directors, officers, employees and agents against liabilities arising out of their positions with Old National, whether or not such liabilities would be within the above indemnification provisions. Pursuant to this authority, Old National maintains such insurance for the directors, officers and employees of Old National and any subsidiary of Old National.

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bank subsidiary of United, as applicable. However, indemnification is not permitted for any such claim, issue, or matter in which the person has been found liable to United or any bank subsidiary of United, as applicable, except to the extent authorized by statute.

In addition, United's ability to indemnify its directors and officers or other persons is determined, to an extent, by the MBCA. The following is a summary of the applicable provisions of the MBCA.

Sections 561 through 571 of the MBCA contain provisions governing the indemnification of directors and officers by Michigan corporations. The MBCA provides that a corporation has the power to indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best

interests of the corporation or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Indemnification of expenses (including attorneys' fees) and amounts paid in settlement is permitted in actions by or in the right of the corporation, except that indemnification is not allowed for any claim, issue or matter in which such person has been found

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liable to the corporation unless and to the extent that a court decides indemnification is proper. To the extent that a director or officer has been successful on the merits or otherwise in defense of an action, suit or proceeding, or in defense of a claim, issue or matter in the action, suit or proceeding, the corporation shall indemnify him or her against actual and reasonable expenses (including attorneys' fees) incurred by him or her in connection with the action, suit or proceeding, and an action, suit or proceeding brought to enforce the mandatory indemnification provided under the MBCA. The MBCA permits partial indemnification for a portion of expenses (including reasonable attorneys' fees), judgments, penalties, fines and amounts paid in settlement to the extent the person is entitled to indemnification for less than the total amount.

A determination that the person to be indemnified meets the applicable standard of conduct and an evaluation of the reasonableness of the expenses incurred and amounts paid in settlement shall be made: (i) by a majority vote of a quorum of the board of directors who were not parties or threatened to be made parties to the action, suit or proceeding; (ii) if a quorum cannot be so obtained, by a majority vote of a committee of not less than two disinterested directors; (iii) by independent legal counsel; (iv) by all independent directors not parties or threatened to be made parties to the action, suit or proceeding; or (v) by the shareholders (excluding shares held by interested directors, officers, employees or agents). An authorization for payment of indemnification may be made in any of the following ways: (a) if there are 2 or more directors who are not parties or threatened to be made parties to the action, suit, or proceeding, by a majority vote of all directors who are not parties or threatened to be made parties, a majority of whom shall constitute a quorum for this purpose; (b) by a majority of the members of a committee of 2 or more directors who are not parties or threatened to be made parties to the action, suit, or proceeding; (c) if the corporation has 1 or more independent directors who are not parties or threatened to be made parties to the action, suit, or proceeding, by a majority vote of all independent

directors who are not parties or are threatened to be made parties, a majority of whom shall constitute a quorum for this purpose; (d) if there are no independent directors and less than 2 directors who are not parties or threatened to be made parties to the action, suit, or proceeding, by the vote

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necessary for action by the board in accordance with Section 523 of the MBCA, in which authorization all directors may participate; or (e) by the shareholders, but shares held by directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding may not be voted on the authorization. Under the MBCA, a corporation may indemnify a director without a determination that the director has met the applicable standard of conduct unless the director received a financial benefit to which he or she was not entitled, intentionally inflicted harm on the corporation or its shareholders, violated Section 551 of the MBCA (which prohibits certain dividends, distributions and loans to insiders of the corporation), or intentionally committed a criminal act. A director may file for a court determination of the propriety of indemnification in any of the situations set forth in the preceding sentence.

In certain circumstances, the MBCA further permits advances to cover such expenses before a final disposition of the proceeding, upon receipt of an undertaking, which need not be secured and which may be accepted without reference to the financial ability of the person to make repayment, by or on behalf of the director, officer, employee or agent to repay such amounts if it shall ultimately be determined that he or she has not met the applicable standard of conduct. If a provision in the articles of incorporation or by-laws, a resolution of the board or shareholders, or an agreement makes indemnification mandatory, then the advancement of expenses is also mandatory, unless the provision, resolution or agreement specifically provides otherwise.

The indemnification provisions of the MBCA are not exclusive of the rights to indemnification under a corporation's articles of incorporation or by-laws or by agreement. However, the total amount of expenses advanced or indemnified from all sources combined may not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement



of expenses. The indemnification provided for under the MBCA continues as to a person who ceases to be a director, officer, employee or agent.

The MBCA permits United to purchase insurance on behalf of its directors, officers, employees and agents against liabilities arising out of their positions with United, whether or not such liabilities would be

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within the above indemnification provisions. Pursuant to this authority, United maintains such insurance for the directors, officers, employees, and agents of United and any bank subsidiary of United.

**Advance Notice Requirements for Presentation of Business and Nominations of Directors at Annual Meetings of Shareholders**

The Old National By-Laws provide that nominations for the election of directors may be made only by the board of directors following the recommendation of the Old National Corporate Governance and Nominating Committee. The Committee will consider candidates for election suggested by shareholders, subject to the suggestions having been made in compliance with the requirements set forth in Article IV, Section 9 of the Old National By-Laws.

Shareholder proposals and shareholder nominations of directors must be submitted by a shareholder of record who must give timely, written notice of the proposal or nomination to United. The notice must include certain information. The timing and content requirements of the required notice for shareholder proposals are detailed in Article I, Section 10(b) of the United Bylaws. Shareholders may also submit proposals for business to be considered at United's annual meeting of shareholders, and include those proposals in Old National's proxy statement and form of proxy delivered to shareholders, in accordance with the requirements of Rule 14a-8 of Regulation 14A promulgated under the Securities Exchange Act of 1934. The timing and content requirements of the required notice for shareholder nominations of directors are detailed in Article III, Section 7(c) of the United Bylaws. A failure to comply with the timing and content requirements of the required notice will result in a shareholder's proposal or nomination for director not being considered at the relevant meeting of shareholders.

Additionally, shareholders may submit proposals for business to be considered at Old National's annual meeting of shareholders, and include those proposals in Old National's proxy statement and form of proxy delivered to shareholders, in accordance with the requirements of Rule 14a-8 of Regulation 14A promulgated under the Securities Exchange Act of 1934.

**Special Meetings of Shareholders**

The Old National By-Laws provide that special meetings of shareholders may be called by the board of directors, the Chairman of the Board, the Chief Executive Officer or the President of Old National, and shall be called by the Chairman of the Board, the Chief Executive Officer, the President or the Secretary at the written request of a majority of the members of the board of directors or upon delivery to Old National's Secretary of a signed and dated written demand for a special meeting from the holders of at least 25% of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting.

The United Bylaws provide that special meetings of shareholders may be called only by the Chairman of the Board, the President or by a majority of the board of directors. Shareholders have no ability to call a special meeting of shareholders.

**Shareholder Action Without a Meeting**

The Old National Articles provide that any action required or permitted to be taken at any meeting of the shareholders

The MBCA provides that any action required or permitted to be taken at an annual or special meeting of

may be taken without a meeting if a consent in writing  
setting forth the action is signed by

shareholders of a Michigan corporation may be taken  
without a meeting, without prior notice, and

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**Old National**

all the shareholders entitled to vote with respect to it, and the consent is filed with the minutes of the proceedings of the shareholders.

**United**

without a vote, if before or after the action all the shareholders entitled to vote consent in writing.

**Amendment of Articles of Incorporation and By-laws**

The IBCL generally requires the approval of at least a majority of a quorum of shareholders present at a shareholders meeting (and, in certain cases, a majority of all shares held by any voting group entitled to vote) for amendments to an Indiana corporation's articles of incorporation. However, the IBCL permits a corporation in its articles of incorporation to specify a higher shareholder vote requirement for certain amendments. Certain provisions of the Old National Articles may only be altered, amended or repealed by the affirmative vote of the holders of not less than 80% of the outstanding shares of Old National common stock, given at a meeting of shareholders duly called for that purpose, upon a proposal adopted and recommended by the vote of two-thirds (2/3) of the entire board of directors of Old National. These provisions include Article VIII, Section 11 (relating to the approval of certain business combinations), Article VIII, Section 12 (relating to the board's consideration of certain non-financial factors in the evaluation of business combinations) and Article VIII, Section 13 (relating to limitations on further purchases of shares by shareholders who own 15% or more of Old National's outstanding shares).

Amendments to the United Articles generally must be approved by a majority vote of the outstanding shares of United's voting stock entitled to vote on the matter. Certain provisions of the United Articles may only be amended by the affirmative vote of at least 75% of the holders of all shares of common stock entitled to vote. These provisions include Article VI (relating to the classification of United's board of directors and removal of directors), Article VII (relating to shareholder proposed amendments to the United Bylaws) and Article VIII (relating to certain transactions with a related person; with the additional requirement of the affirmative vote of a majority of the outstanding shares of capital stock of United entitled to vote of which the related person is not a beneficial owner). These increased voting requirements are not applicable if the proposed amendment, change or repeal is recommended to shareholders by the affirmative vote of not less than three-fourths (3/4) of the members of United's board of directors.

The Old National Articles and the Old National By-Laws provide that the Old National By-Laws may only be altered, amended or repealed by a majority vote of the total number of directors of Old National.

The United Bylaws may be amended or new by-laws may be adopted by United's board of directors. Shareholder-proposed amendments to the United Bylaws may only be approved by the affirmative vote of at least 75% of the holders of all shares of common stock entitled to vote on the matter.

**Business Combination Restrictions and Other Shareholder Limitations**

*Business Combinations*

The Old National Articles require the affirmative vote of not less than 80% of the outstanding shares of Old National common stock to approve certain business combinations, including a merger or consolidation of Old National with or into any other corporation, which are not approved and

*Business Combinations*

The United Articles provide that the affirmative vote of (i) the holders of not less than 75% of the outstanding shares of capital stock entitled to vote; and (ii) the holders of not less than a majority of the outstanding shares of capital stock entitled to vote excluding all

recommended by the vote of two-thirds (2/3) of the entire board of directors of Old National. All other business combinations require the affirmative vote of a majority of the outstanding shares of Old National common stock. This provision of the Old National Articles may not be altered, amended or repealed except by the affirmative vote of the holders of not less than 80% of the outstanding shares of Old National common stock, given at a meeting of

such shares of which a related person (as defined in Article VIII of the United Articles) is a beneficial owner (as defined in Article VIII of the United Articles) is required to approve any business combination (as defined in Article VIII of the United Articles) involving a related person. These increased voting requirements are not applicable if certain conditions are satisfied. Any amendment, change or repeal of this provision of the United

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shareholders duly called for that purpose, upon a proposal adopted and recommended by the vote of two-thirds (2/3) of the entire board of directors of Old National.

In taking or declining to take any action or in making any recommendation to a corporation's shareholders with respect to any matter, the IBCL provides that directors of Indiana corporations, in their discretion, may consider both the short-term and long-term interests of the corporation, taking into account and weighing, as the directors deem appropriate, the effects of such action or inaction on the corporation's shareholders and other constituencies as well as certain interests described in the IBCL and any other factors the directors consider relevant. The Old National Articles require the board of directors, in connection with exercising its business judgment in determining what is in the best interests of Old National and its shareholders when evaluating a business combination or a tender or exchange offer, consider factors in addition to the adequacy of the financial consideration, such as the following factors and any other factors it deems relevant: the social and economic effects of the transaction on Old National and its subsidiaries, depositors, loan and other customers, creditors and other elements of the communities in which Old National and its subsidiaries operate or are located; the business and financial condition and earning prospects of the acquiring person or entity, including, but not limited to, debt service and other existing or likely financial obligations of the acquiring person or entity, and the possible effect of such conditions upon Old National and its subsidiaries and the other elements of the communities in which Old National and its subsidiaries operate or are located; and the competence, experience and integrity of the acquiring person or entity and its management. This provision of the Old National Articles may not be altered, amended or repealed except by the affirmative vote of the holders of not less than 80% of the outstanding shares of Old National common stock, given at a meeting of shareholders duly called for that purpose, on a proposal adopted and recommended by the vote of two-thirds (2/3) of the entire board of directors of Old National.

**United**

Articles requires the affirmative vote of at least 75% of the then outstanding shares of capital stock of United entitled to vote and a majority of the outstanding shares of capital stock of United entitled to vote of which the related person is not a beneficial owner; provided, however, that this increased voting requirement is not applicable if the proposed amendment, change or repeal is recommended to shareholders by the affirmative vote of not less than three-fourths (3/4) of the continuing directors (as defined in Article VIII of the United Articles).

*Michigan Fair Price Act*

Michigan's Fair Price Act applies to United. The Fair Price Act requires a vote of the holders of 90% of outstanding shares and a vote of the holders of at least two-thirds of disinterested shares to approve a business combination. The Fair Price Act defines a business combination to include any merger, consolidation, share exchange, sale of assets, stock issue, liquidation or reclassification of securities involving an interested shareholder or certain affiliates. An interested shareholder is generally any person who owns 10% or more of the outstanding voting shares of the corporation. An affiliate is a person who directly or indirectly controls, is controlled by, or is under the common control of a specified person.

The supermajority vote required by the Fair Price Act does not apply to business combinations that satisfy certain conditions. These conditions include, among others:

the purchase price to be paid for the shares of the corporation in the business combination must be at least equal to the highest of either (1) the market value of the shares or (2) the highest per share price paid by

The inclusion of the foregoing requirement in the Old National Articles, as well as the flexibility provided to directors under the IBCL to consider non-financial factors and other interests in connection with the evaluation of a business combination transaction, may

an interested shareholder within the preceding two-year period or in the transaction in which the shareholder became an interested shareholder, whichever is higher; and

once becoming an interested shareholder, the person may not become the beneficial owner of any additional shares of the corporation except as part of the transaction that resulted in the interested shareholder becoming an interested shareholder or by virtue of proportionate stock splits or stock dividends.

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place the Old National board of directors in a stronger position to oppose a business combination transaction if the board concludes that the transaction would not be in the best interests of Old National and its shareholders, even if the price offered in connection with the proposed business combination is significantly greater than the then market price of Old National's common stock. Accordingly, it may be more difficult for an acquirer to gain control of Old National in a transaction not approved by its boards of directors.

Under the business combinations provision of the IBCL, any shareholder who acquires a 10%-or-greater ownership position in an Indiana corporation with a class of voting shares registered under Section 12 of the Securities Exchange Act of 1934 (and that has not opted-out of this provision) is prohibited for a period of five years from completing a business combination (generally a merger, significant asset sale or disposition or significant issuance of additional shares) with the corporation unless, prior to the acquisition of such 10% interest, the board of directors of the corporation approved either the acquisition of such interest or the proposed business combination. If such board approval is not obtained, then five years after a 10% shareholder has become such, a business combination with the 10% shareholder is permitted if all provisions of the articles of incorporation of the corporation are complied with and either a majority of disinterested shareholders approves the transaction or all shareholders receive a price per share determined in accordance with the fair price criteria of the business combinations provision of the IBCL. An Indiana corporation may elect to remove itself from the protection provided by the Indiana business combinations provision, but such an election remains ineffective for 18 months and does not apply to a combination with a shareholder who acquired a 10% ownership position prior to the election. Old National has not elected to remove itself from the protections of this provision.

*Control Share Acquisitions***United**

The requirements of the Fair Price Act do not apply to business combinations with an interested shareholder that the board of directors has approved or exempted from the requirements of the Fair Price Act by resolution adopted before the interested shareholders first became an interested shareholder.



The IBCL includes a control share acquisition provision. Under the control share acquisition provision, unless otherwise provided in the corporation's articles of incorporation or by-laws, if a shareholder acquires shares of the corporation's voting stock (referred to as control shares) within one of several specified ranges (one-fifth or more but less than one-third, one-third or more but less than a majority, or a majority or more), approval of a majority of the disinterested shareholders

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must be obtained before the acquiring shareholder may vote the control shares. Under certain circumstances, including in the event that shareholder approval is not obtained, the shares held by the acquirer may be redeemed by the corporation at the fair value of the shares as determined by the control share acquisition provision. Old National is subject to the control share acquisition provision. The control share acquisition provision does not apply to a plan of merger or share exchange, if the corporation complies with the applicable merger provisions and is a party to the plan of merger or plan of share exchange.

*Limitations on Significant Shareholders*

The Old National Articles provide that shareholders who acquire 15% of the outstanding Old National common stock and who seek to acquire, directly or indirectly, additional shares of common stock in connection with a tender or exchange offer, open market purchase or business combination must offer and pay for such additional shares a consideration that is at least equal to the highest percent over market value paid to acquire Old National common stock then held by such person. Any purchases of shares in violation of this provision are null and void. This provision of the Old National Articles may not be altered, amended or repealed except by the affirmative vote of the holders of not less than 80% of the outstanding shares of Old National common stock, given at a meeting of shareholders duly called for that purpose, upon a proposal adopted and recommended by the vote of two-thirds (2/3) of the entire board of directors of Old National.

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**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**

**General.** The following is a summary of the material anticipated United States federal income tax consequences generally applicable to a U.S. Holder (as defined below) of United common stock with respect to the exchange of United common stock for Old National common stock and cash pursuant to the Merger. This discussion assumes that U.S. Holders hold their United common stock as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended ( Code ). This summary is based on the Code, Treasury Regulations, judicial decisions and administrative pronouncements, each as in effect as of the date of this proxy statement and prospectus. All of the foregoing are subject to change at any time, possibly with retroactive effect, and all are subject to differing interpretation. No advance ruling has been sought or obtained from the Internal Revenue Service regarding the United States federal income tax consequences of the Merger. As a result, no assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

This summary does not address any tax consequences arising under United States federal tax laws other than United States federal income tax laws, nor does it address the laws of any state, local, foreign or other taxing jurisdiction, nor does it address any aspect of income tax that may be applicable to non-U.S. Holders of United common stock. In addition, this summary does not address all aspects of United States federal income taxation that may apply to U.S. Holders of United common stock in light of their particular circumstances or U.S. Holders that are subject to special rules under the Code, such as holders of United common stock that are partnerships or other pass-through entities (and persons holding their United common stock through a partnership or other pass-through entity), persons who acquired shares of United common stock as a result of the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan, persons subject to the alternative minimum tax, tax-exempt organizations, financial institutions, broker-dealers, traders in securities that have elected to apply a mark to market method of accounting, insurance companies, persons having a functional currency other than the U.S. dollar and persons holding their United common stock as part of a straddle, hedging, constructive sale or conversion transaction.

For purposes of this summary, a U.S. Holder is a beneficial owner of United common stock that is for United States federal income tax purposes:

a United States citizen or resident alien;

a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any state therein or the District of Columbia;

a trust if (1) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) it was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury Regulations to be treated as a United States person; and

an estate, the income of which is subject to United States federal income taxation regardless of its source. If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds United common stock, the tax treatment of a partner in the partnership will generally depend on the status of such

partner and the activities of the partnership.

Old National and United have structured the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. The obligations of Old National and United to consummate the Merger are conditioned upon the receipt of an opinion from Krieg DeVault LLP for its client, Old National, and an opinion from Warner Norcross & Judd LLP for its client, United, to the effect that the Merger will for federal income tax purposes qualify as a reorganization based upon customary representations made by Old National and United.

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Old National and United have not requested and do not intend to request any ruling from the Internal Revenue Service. Old National urges each United shareholder to consult such shareholder's own tax advisors as to the specific tax consequences resulting from the Merger, including tax return reporting requirements, the applicability and effect of federal, state, local and other applicable tax laws and the effect of any proposed changes in the tax laws. The Merger will constitute a reorganization within the meaning of Section 368(a) of the Code and therefore, the material United States federal income tax consequences of the Merger are as follows:

no gain or loss will be recognized by Old National, its subsidiaries or United or United Bank & Trust by reason of the Merger;

you will not recognize gain if you exchange your United common stock for Old National common stock, except to the extent of any cash received (see discussion below);

you will not recognize any loss if you exchange your United common stock for Old National common stock, even if you might otherwise recognize a loss in a sale to a third party;

your aggregate tax basis in the Old National common stock that you receive in the Merger will equal your aggregate tax basis in the United common stock you surrendered, decreased by the amount of cash received and increased by the amount of any gain recognized; and

your holding period for the Old National common stock that you receive in the Merger will include your holding period for the shares of United common stock that you surrender in the Merger.

**Exchange of United Common Stock for Cash and Old National Common Stock.** United shareholders will exchange all of their United common stock for a combination of Old National common stock and cash in the Merger. Accordingly, shareholders will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received in the Merger; and (ii) the excess, if any, of (a) the sum of the amount of cash and the fair market value of the Old National common stock received in the Merger over (b) the United shareholder's aggregate tax basis in its United common stock surrendered in exchange therefor.

The gain recognized upon receipt of a combination of stock and cash will be capital gain unless the United shareholder's receipt of cash has the effect of a distribution of a dividend, in which case the gain will be treated as ordinary income to the extent of the holder's ratable share of United's accumulated earnings and profits, as calculated for U.S. federal income tax purposes. For purposes of determining whether a United shareholder's receipt of cash has the effect of a distribution of a dividend, the United shareholder will be treated as if he, she or it first exchanged all of his, her or its United common stock solely in exchange for Old National common stock and then Old National immediately redeemed a portion of that stock for the cash that the holder actually received in the Merger (referred to herein as the "deemed redemption"). Receipt of cash will generally not have the effect of a dividend to the United shareholder if such receipt is, with respect to the United shareholder, not essentially equivalent to a dividend or substantially disproportionate, each within the meaning of Section 302(b) of the Code. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in the shareholder's deemed percentage stock ownership of Old National following the Merger. The determination generally requires a comparison of the percentage of the outstanding stock of Old National the

shareholder is considered to have owned immediately before the deemed redemption to the percentage of the outstanding stock of Old National the shareholder owns immediately after the deemed redemption. The Internal Revenue Service has indicated in rulings that any reduction in the interest of a minority shareholder that owns a small number of shares in a publicly and widely held corporation and that exercises no control over corporate affairs would result in capital gain (as opposed to dividend) treatment.

For purposes of applying the foregoing tests, a shareholder will be deemed to own the stock the shareholder actually owns and the stock the shareholder constructively owns under the attribution rules of Section 318 of the Code. Under Section 318 of the Code, a shareholder will be deemed to own the shares of stock owned by certain family members, by certain estates and trusts of which the shareholder is a beneficiary, and by certain affiliated entities, as well as shares of stock subject to an option actually or constructively owned by the shareholder or

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such other persons. If, after applying these tests, the deemed redemption results in a capital gain, the capital gain will be long-term if the United shareholder's holding period for its United common stock is more than one year as of the date of the exchange. If, after applying these tests, the deemed redemption results in the gain recognized by a United shareholder being classified as a dividend, such dividend will be treated as either ordinary income or qualified dividend income.

Any gain treated as qualified dividend income will be taxable to individual United shareholders at the long-term capital gains rate, provided that the shareholder held the shares giving rise to such income for more than 60 days during the 121 day period beginning 60 days before the closing date. The determination as to whether a United shareholder will recognize a capital gain or dividend income as a result of its exchange of United common stock for a combination of Old National common stock and cash in the Merger is complex and is determined on a shareholder-by-shareholder basis. Accordingly, each United shareholder is urged to consult such shareholder's own tax advisor with respect to this determination.

A United shareholder's aggregate tax basis in the Old National common stock received in the Merger will be equal to the shareholder's aggregate tax basis in such shareholder's United common stock surrendered, decreased by the amount of any cash received and increased by the amount of any gain recognized. A United shareholder's holding period for Old National common stock received in the Merger will include the holding period of the United common stock surrendered in the Merger.

**Backup Withholding and Information Reporting.** Payments of cash to a holder of United common stock may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28% of the cash payable to the holder, unless the holder provides proof of an applicable exemption or furnishes his, her or its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

The preceding discussion is intended only as a summary of material United States federal income tax consequences of the Merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, United urges United shareholders to consult their own tax advisors as to the specific tax consequences to them resulting from the Merger, including tax return reporting requirements, the applicability and effect of federal, state, local, and other applicable tax laws and the effect of any proposed changes in the tax laws.

## **PROPOSAL 2 NON-BINDING ADVISORY VOTE ON MERGER-RELATED COMPENSATION**

As required by Section 14A of the Exchange Act and Rule 14a-21(c) promulgated thereunder, which were enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, United is required to submit a proposal to its shareholders for a non-binding advisory vote to approve the compensation that may be paid or become payable to the named executive officers of United that is based on or otherwise relates to completion of the Merger (the Merger-Related Compensation).

The Merger-Related Compensation is disclosed in the table entitled Golden Parachute Compensation, along with a narrative description of such compensation, in Interests of Certain Directors and Officers of United in the Merger, beginning on page .





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As required by Rule 14a-21(c) of the Exchange Act, United is asking its shareholders to adopt the following resolution:

RESOLVED, that the compensation that may be paid or become payable to the named executive officers of United Bancorp, Inc. that is based on or otherwise relates to completion of the merger of United Bancorp, Inc. with and into Old National Bancorp, and the agreements and understandings concerning such compensation, as disclosed pursuant to Item 402(t) of Regulation S-K, are hereby APPROVED.

Because this proposal is advisory in nature only, a vote for or against approval will not be binding on either United or Old National. Accordingly, as the Merger-Related Compensation is contractual, regardless of the outcome of the vote on this proposal, such compensation will be payable, subject only to the conditions applicable thereto, if the Merger is completed.

**The United board of directors unanimously recommends that United shareholders vote FOR approval of the Merger-Related Compensation Proposal.**

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**PROPOSAL 3 ADJOURNMENT OF THE SPECIAL MEETING**

The shareholders of United are being asked to approve a proposal to adjourn or postpone the special meeting to permit further solicitation of proxies in the event that an insufficient number of shares is present in person or by proxy to approve the Merger Agreement.

Under the Michigan Business Corporation Act (the "MBCA") and the Articles of Incorporation of United, the holders of at least a majority of the outstanding shares of common stock of United entitled to vote are required to approve the Merger Agreement. It is rare for a company to achieve 100% (or even 90%) shareholder participation at an annual or special meeting of shareholders, and only a majority of the holders of the outstanding shares of common stock of United are required to be represented at the special meeting, in person or by proxy, for a quorum to be present. In the event that shareholder participation at the special meeting is lower than expected, United would like the flexibility to postpone or adjourn the meeting in order to attempt to secure broader shareholder participation. If United desires to adjourn the special meeting, United will request a motion that the special meeting be adjourned, and delay the vote on the proposal to approve the Merger Agreement until the special meeting is reconvened. If United adjourns the special meeting for 30 days or less, United will not set a new record date nor will it announce prior to adjournment the date, time and location at which the special meeting will be reconvened; no other notice will be provided.

Any adjournment will permit United to solicit additional proxies and will permit a greater expression of the views of United shareholders with respect to the Merger. Such an adjournment would be disadvantageous to shareholders who are against the proposal to approve the Merger Agreement because an adjournment will give United additional time to solicit favorable votes and increase the chances of approving that proposal. United has no reason to believe that an adjournment of the special meeting will be necessary at this time.

**The United board of directors unanimously recommends that United shareholders vote FOR approval of the Adjournment Proposal.**

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**EXPERTS**

The consolidated financial statements of Old National and management's assessment of the effectiveness of internal control over financial reporting incorporated herein by reference to Old National's Annual Report on Form 10-K for the year ended December 31, 2012, have been audited by Crowe Horwath LLP, independent registered public accounting firm ( Crowe ), as set forth in their reports thereon incorporated by reference in this proxy statement and prospectus in reliance upon such report given on the authority of Crowe as experts in accounting and auditing.

The consolidated financial statements of United incorporated herein by reference to United's Annual Report on Form 10-K for the year ended December 31, 2012 have been audited by BKD LLP, independent registered public accounting firm ( BKD ), as set forth in their report thereon in reliance upon such report given on the authority of BKD as experts in accounting and auditing.

**LEGAL MATTERS**

Certain matters pertaining to the validity of the Old National common stock to be issued in connection with the Merger will be passed upon by Krieg DeVault LLP, Indianapolis, Indiana. Certain matters pertaining to the federal income tax consequences of the Merger will be passed upon for Old National by Krieg DeVault LLP and for United by Warner Norcross & Judd LLP, Grand Rapids, Michigan.

**SHAREHOLDER PROPOSALS FOR NEXT YEAR**

**Old National**

If the Merger is completed, United shareholders will become shareholders of Old National following Old National's 2014 annual meeting. To be included in Old National's proxy statement and voted on at Old National's regularly scheduled 2015 annual meeting of shareholders, shareholder proposals must have been submitted in writing by February 11, 2015, to Old National's Secretary, P.O. Box 718, Evansville, Indiana 47705-0718, which date is 120 calendar days before the date of the release of Old National's proxy statement for 2015. If notice of any other shareholder proposal intended to be presented at the annual meeting is not received by Old National on or before February 11, 2015, the proxy solicited by the Old National board of directors for use in connection with that meeting may confer authority on the proxies to vote in their discretion on such proposal, without any discussion in the Old National proxy statement for that meeting of either the proposal or how such proxies intend to exercise their voting discretion. Any such proposals will be subject to the requirements of the proxy rules and regulations adopted under the Exchange Act. If the date of the 2015 annual meeting is changed, the dates set forth above may change.

Pursuant to Old National's By-laws, any shareholder wishing to nominate a candidate for director or propose other business at an annual meeting must give Old National written notice not less 120 days before the meeting, and the notice must provide certain other information as described in the By-laws. Copies of the By-laws are available to shareholders free of charge upon request to Old National's Secretary.

**United**

If the Merger occurs, there will be no United annual meeting of shareholders for 2014. In that case, shareholder proposals must be submitted to Old National in accordance with the procedures described above.

If the Merger is not completed, then United will hold an annual meeting in 2014. The deadline for submitting a shareholder proposal to be included in United's proxy statement and voted on at United's annual meeting will be not

more than seven days after the earlier of the date of the notice of the annual meeting or public disclosure of the date of the annual meeting. Such date will be disclosed in a quarterly report on Form 10-Q or current report on Form 8-K.

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**WHERE YOU CAN FIND MORE INFORMATION**

Old National and United file annual, quarterly, and current reports, proxy statements, and other information with the Securities and Exchange Commission. You may read and copy any reports, statements, or other information that the companies file at the Securities and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at