

VALSPAR CORP
Form DEFA14A
March 21, 2016

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

SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under § 240.14a-12

The Valspar Corporation

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

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

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- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:

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 - (3) Filing Party:

(4) Date Filed:

Dear [Habitat for Humanity / NAME]

I am pleased to share with you some exciting news about Valspar. Today, we announced that Valspar has reached a definitive agreement to be acquired by Sherwin-Williams. By combining with Sherwin-Williams, we will become a premier global paints and coatings company with over \$15 billion in sales. This is a positive step forward for our company.

As Habitat's national paint partner, we are proud of our commitment to provide free paint for every Habitat home built or rehabilitated in the United States. Today's news has no impact on our gift-in-kind program operated through Habitat for Humanity International. Valspar will continue to provide primer, paint and stain for your projects.

We're proud of our long-serving history with Habitat for Humanity. Last year we signed a five-year \$36 million pledge to continue our work as Habitat's national paint partner through 2019. Our partnership with Humanity will not be impacted in any way as a result of this announcement. Furthermore, our gift-in-kind program will continue after the close of the transaction which is expected by the first calendar quarter of 2017.

Sherwin-Williams has a tradition of and commitment to charitable giving and recognizes their social responsibility to local communities and industry organizations. Sherwin-Williams has supported various local Habitat organizations and we look forward to becoming a part of an organization that shares our enthusiasm towards service.

We will continue to update you with additional information as this process progresses. I've attached a Q&A, which I hope will address some of your immediate questions. However, if you have any questions please don't hesitate to reach out to me directly.

Thank you for your efforts to make our local communities and neighborhoods great places to live.

Sincerely,

Kimberly A. Welch

Valspar Vice President of Communications

Additional Information and Where to Find it

Valspar intends to file with the SEC a proxy statement in connection with the contemplated transactions. The definitive proxy statement will be sent or given to Valspar stockholders and will contain important information about the contemplated transactions. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE.** Investors and security holders may obtain a free copy of the proxy statement (when it is available) and other documents filed with the SEC at the SEC's website at www.sec.gov.

Certain Information Concerning Participants

Valspar and Sherwin-Williams and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Valspar investors and security holders in connection with the contemplated transactions. Information about Valspar's directors and executive officers is set forth in its proxy statement for its 2016 Annual Meeting of Stockholders and its most recent annual report on Form 10-K. Information about Sherwin-Williams' directors and executive officers is set forth in its proxy statement for its 2016 Annual Meeting of Stockholders and its most recent annual report on Form 10-K. These documents may be obtained for free at the SEC's

website at www.sec.gov. Additional information regarding the interests of participants in the solicitation of proxies in connection with the contemplated transactions will be included in the proxy statement that Valspar intends to file with the SEC.

Cautionary Statement Regarding Forward-Looking Information

This communication contains forward-looking information about Valspar, Sherwin-Williams and the proposed transaction. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as believe, expect, may, will, should, project, could, plan, potential, pro forma, seek, intend or anticipate or the negative thereof or comparable terminology, and include discussions of strategy, financial projections, guidance and estimates (including their underlying assumptions), statements regarding plans, objectives, expectations or consequences of announced transactions, and statements about the future performance, operations, products and services of Valspar and its subsidiaries. Valspar and Sherwin-Williams caution readers not to place undue reliance on these statements. These forward-looking statements are subject to a variety of risks and uncertainties. Consequently, actual results and experience may materially differ from those contained in any forward-looking statements. Such risks and uncertainties include the following: the failure to obtain Valspar stockholder approval of the proposed transaction; the possibility that the closing conditions to the contemplated transactions may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant a necessary regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the potential for regulatory authorities to require divestitures in connection with the proposed transaction and the possibility that Valspar stockholders consequently receive \$105 per share instead of \$113 per share; the occurrence of any event that could give rise to termination of the merger agreement; the risk that stockholder litigation in connection with the contemplated transactions may affect the timing or occurrence of the contemplated transactions or result in significant costs of defense, indemnification and liability; risks inherent in the achievement of cost synergies and the timing thereof; risks related to the disruption of the transaction to Valspar and its management; the effect of announcement of the transaction on Valspar's ability to retain and hire key personnel and maintain relationships with customers, suppliers and other third parties; fluctuations in the availability and prices of raw materials; difficult global economic and capital markets conditions; risks associated with revenues from foreign markets; interruption, failure or compromise of Valspar's information systems; and changes in the legal and regulatory environment. These risks and others are described in greater detail in Valspar's Annual Report on Form 10-K for the fiscal year ended October 30, 2015, as well as in Valspar's Quarterly Reports on Form 10-Q and other documents filed by Valspar with the SEC after the date thereof. Valspar and Sherwin-Williams make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances occurring or existing after the date any forward-looking statement is made.

Habitat for Humanity FAQ

1. What was announced?

We announced that Valspar has reached a definitive agreement to be acquired by Sherwin-Williams. By combining with Sherwin-Williams, Valspar joins what will become a premier global paints and coatings company with over \$15 billion in sales.

2. Why is Valspar combining with Sherwin-Williams?

The combination of Valspar and Sherwin-Williams will create an industry leading global coatings company with an expanded international footprint, a broader offering of new and innovative products, and a greater ability to serve a diverse and increasingly global professional customer base.

3. Who is Sherwin-Williams?

Sherwin-Williams is a global leader in the paint and coatings industry, with an extensive retail presence throughout the Americas and growing service capabilities in Europe and Asia/Pacific.

Sherwin-Williams is known for being an authentic brand, exemplifying their 150-year history of American innovation and superior quality, and we look forward to capitalizing on the unique strengths of both companies.

4. What does this mean for Valspar's relationship with Habitat for Humanity?

We're proud our history with Habitat for Humanity and our five-year pledge of \$36 million in paint and funding to Habitat for Humanity will not be impacted in any way as a result of this announcement.

Furthermore, our gift-in-kind program will continue after the close of the transaction.

5. What will be the combined company's approach be the communities in which you operate?

Sherwin-Williams has a tradition of and commitment to charitable giving and recognizes their social responsibility to local communities and industry organizations.

We are honored to have had the opportunity to support a number of philanthropic organizations for many years, including Habitat for Humanity, and look forward to becoming a part of an organization that shares our enthusiasm towards service.

6. What are the next steps? When will the transaction close?

Until the transaction closes, which we expect by the first calendar quarter of 2017, Valspar and Sherwin-Williams will continue to operate as separate, independent companies.

7. Where can I find out more information about the announcement?

You can refer to the investor section of www.valspar.com for more information.

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