

SKYLINE CORP
Form PRER14A
April 04, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. 1)

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 Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

Skyline Corporation

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

PRELIMINARY PROXY STATEMENT DATED APRIL 4, 2018.

SUBJECT TO COMPLETION.

[], 2018

Dear Shareholder:

You are cordially invited to attend the Special Meeting of Shareholders (the *Special Meeting*) of Skyline Corporation (*Skyline* or the *Company*), which will be held on [], 2018 at [] [a.m./p.m.] Eastern Time at the [], located at [], Indi []. This proxy statement contains your official notice of the Special Meeting and includes information about the matters to be acted upon at the meeting. Officers and directors of Skyline will be on hand at the Special Meeting to answer questions and discuss matters that may properly arise.

On January 5, 2018, Skyline entered into a Share Contribution & Exchange Agreement (the *Exchange Agreement*) with Champion Enterprises Holdings, LLC (*Champion Holdings*), pursuant to which Champion Holdings agreed to, among other things, contribute, transfer, and convey to Skyline all of the issued and outstanding shares of common stock of Champion Holdings wholly-owned operating subsidiaries through the contribution of all of the issued and outstanding equity interests of each of Champion Home Builders, Inc., a Delaware corporation (*CHB*), and CHB International B.V., a Dutch private limited liability company (*CIBV*) (the shares of stock of CHB and CIBV to be contributed to Skyline, the *Contributed Shares*), in exchange for a number of newly issued shares of Skyline common stock, \$0.0277 par value per share (the *Exchange Shares*), calculated to be equal to (i) an exchange ratio of 5.4516129, multiplied by (ii) the total number of shares of Skyline common stock outstanding on a fully diluted basis (as determined in the Exchange Agreement) as determined immediately prior to the closing of the transactions contemplated by the Exchange Agreement (the *Shares Issuance*). The contribution of the Contributed Shares by Champion Holdings to Skyline, and the Shares Issuance by Skyline to Champion Holdings (or its members), are collectively referred to herein as the *Exchange*. Upon the closing of the Exchange, Champion Holdings (or its members) will hold 84.5%, and Skyline's current shareholders will hold 15.5%, of the outstanding common stock of the combined company on a fully-diluted basis. In addition, in connection with the closing of the Exchange, and subject to the approval by Skyline's shareholders of the matters submitted for approval at the Special Meeting, the persons serving on the Board of Directors and as the executive officers of Skyline will be changed to be those persons as designated by Champion Holdings and Skyline, as described further in this proxy statement.

In connection with the Exchange, our Board of Directors approved an amendment and restatement of our articles of incorporation to provide for, among other things, (i) the change in the name of the Company to Skyline Champion Corporation; (ii) an increase in the number of authorized shares of common stock of the Company from 15,000,000 to 115,000,000 shares; and (iii) a provision stating that the number of members of the Company's Board of Directors shall be as specified in the Company's bylaws (collectively, the *Company Charter Amendment*). In connection with the approval of the Company Charter Amendment, the Company's shareholders are being asked to approve three proposals contained in this proxy statement (collectively, the *Charter Amendment Proposals*).

A special committee of our Board of Directors (the *Special Committee*), consisting solely of directors who have been determined by our Board of Directors to be independent under the rules of the NYSE American, after thorough review and consideration, unanimously determined that the Exchange Agreement and the transactions contemplated thereby, including the Exchange, are advisable to, fair, and in the best interests of the Company and its shareholders, approved the Exchange Agreement and the transactions contemplated thereby, including the Exchange, and recommended that our Board of Directors approve the Exchange Agreement and our

shareholders approve the Shares Issuance and the Charter Amendment Proposals. Our Board of Directors, based in part on the unanimous approval and recommendation of the Special Committee, and after thorough review and consideration, unanimously determined that the Exchange Agreement and the transactions contemplated thereby, including the Exchange, are advisable to, fair, and in the best interests of the Company and its shareholders, approved the Exchange Agreement and the transactions contemplated thereby, including the Exchange, and recommended that our shareholders approve the Shares Issuance and the Charter Amendment Proposals.

The Special Committee and our Board of Directors made their determinations after consultation with their financial advisor and their respective legal advisors, and after consideration of a number of factors. **THE BOARD OF DIRECTORS OF SKYLINE UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE PROPOSAL TO APPROVE THE SHARES ISSUANCE, FOR THE APPROVAL OF EACH OF THE CHARTER AMENDMENT PROPOSALS, FOR THE APPROVAL OF THE EXCHANGE-RELATED COMPENSATION PROPOSAL, AND FOR THE APPROVAL OF THE ADJOURNMENT PROPOSAL.**

The Exchange cannot be completed unless the holders of a majority of the outstanding shares of Skyline common stock entitled to vote on such proposal on the record date vote to adopt each of the Charter Amendment Proposals, and the votes cast by Skyline's shareholders in favor of the proposal to approve the Shares Issuance exceed the votes cast opposing such proposal. None of the Charter Amendment Proposals will be adopted unless each of them is approved. The accompanying proxy statement provides you with detailed information about the Exchange, the Exchange Agreement, the Shares Issuance, the Company Charter Amendment, the two related proposals, and the Special Meeting. A copy of the Exchange Agreement is attached as Appendix A to the accompanying proxy statement. We encourage you to read the entire proxy statement and its appendices, including the Exchange Agreement, carefully. You may also obtain additional information about Skyline from documents we have filed with the Securities and Exchange Commission.

Skyline's common stock is traded on the NYSE American under the trading symbol SKY. Skyline anticipates that the common stock of the combined company will be listed on the New York Stock Exchange following the completion of the Exchange under the trading symbol SKY. On January 4, 2018, the last day prior to the public announcement of the Exchange Agreement, the closing price of a share of Skyline common stock was \$12.83. On [], 2018, the latest practicable date before the date of this document, the closing price of a share of Skyline common stock was \$[].

We urge you to read the proxy statement carefully, including the appendices to the proxy statement. If you do not plan to attend the Special Meeting, to ensure your shares are represented at the meeting, please vote as soon as possible either by completing and submitting the enclosed proxy card or by using the telephone or Internet voting procedures described in your proxy card. If your shares are held in the name of a bank, broker, or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker, or other nominee in order to vote your shares. Please note that if your shares are held in the name of a bank, broker, or other nominee and you wish to vote at the Special Meeting, you must obtain a proxy issued in your name from that record holder prior to the Special Meeting and bring the proxy to the Special Meeting. **Your vote is very important, regardless of the number of shares of Skyline common stock you own. The failure to vote your shares will have the same effect as a vote AGAINST the approval of the Company Charter Amendment Proposals.**

Sincerely Yours,

Richard W. Florea
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Exchange or the Exchange Agreement, passed upon the merits or fairness of the Exchange Agreement or the transactions contemplated thereby, or passed upon the adequacy or accuracy of the information contained in the proxy statement. Any representation to the contrary is a criminal offense.

This proxy statement is dated [], 2018, and is first being mailed to Skyline s shareholders on or about [], 2018.

AVAILABLE INFORMATION

This document makes reference to certain important business and financial information about Skyline 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:

Skyline Corporation
P.O. Box 743, 2520 By-Pass Road
Elkhart, Indiana 46515
Attention: Jon S. Pilarski, Chief Financial Officer
(574) 294-6521

In order to ensure timely delivery of these documents, you should make your request by [], 2018 to receive them before the Skyline Special Meeting. You may also read and copy any materials filed by Skyline with the Securities and Exchange Commission (*SEC*) by accessing the SEC's website at www.sec.gov, or at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Skyline's periodic filings with the SEC may also be accessed on Skyline's website at www.skylinecorp.com. See *Where You Can Find More Information* on page 176.

P.O. Box 743, 2520 By-Pass Road

Elkhart, Indiana 46515

(574) 294-6521

Notice of Special Meeting of Shareholders

To Be Held on [], 2018

To the Shareholders of Skyline Corporation:

We cordially invite you to attend the Special Meeting of Shareholders (the **Special Meeting**) of Skyline Corporation (**Skyline** or the **Company**) to be held on [], 2018, at []:[] [a.m./p.m.], Eastern Time, at [], located at []. Skyline and Champion Enterprises Holdings, LLC (**Champion Holdings**) have entered into a Share Contribution and Exchange Agreement (the **Exchange Agreement**), dated January 5, 2018 that sets forth the terms and conditions of the proposed business combination of Skyline and the operating subsidiaries of Champion Holdings. Under the Exchange Agreement, Champion Holdings will contribute all of the issued and outstanding shares (the **Contributed Shares**) of Champion Home Builders, Inc. and CHB International B.V., its direct, wholly-owned subsidiaries (together, the **Champion Companies**), in exchange for the issuance to Champion Holdings (or its members) of Skyline Common Stock (the **Exchange Shares**) (the **Exchange**). At the Special Meeting, you will be asked to vote on the following matters:

1. **Charter Amendment Proposal.** To approve and adopt three proposals (collectively, the **Charter Amendment Proposals**) which, if approved, will amend and restate the Restated Articles of Incorporation of Skyline (the **Articles**). Such proposals are as follows:

Articles Amendment Proposal 1A. A proposal to amend the Articles to change the name of the Company to Skyline Champion Corporation.

Articles Amendment Proposal 1B. A proposal to amend the Articles to increase the number of authorized shares of Skyline's common stock, par value \$0.0277 per share (**Common Stock**), from 15,000,000 to 115,000,000.

Articles Amendment Proposal 1C. A proposal to amend the Articles to provide that the number of directors to serve on the Company's board of directors shall be as specified in the Company's Amended and Restated By-Laws, as may be amended from time to time.

2. *Shares Issuance.* To approve the issuance of a number of newly issued shares of Skyline Common Stock (the **Exchange Shares**) in connection with the Exchange and pursuant to the Exchange Agreement, calculated to be equal to (i) an exchange ratio of 5.4516129, multiplied by (ii) the total number of shares of Skyline Common Stock outstanding on a fully diluted basis (as determined in the Exchange Agreement) as determined immediately prior to the closing of the transactions contemplated by the Exchange Agreement (the **Shares Issuance**) (the proposal to approve the Shares Issuance, the **Shares Issuance Proposal**). Based on the number of shares of Skyline Common Stock, calculated on a fully diluted basis (as determined in the Exchange Agreement), as of [], 2018, the number of Exchange Shares that would be issued pursuant to the foregoing calculation is 47,828,330 shares.

3. *Shareholder Advisory (Non-Binding) Vote on Exchange-Related Compensation.* A proposal to approve, on a non-binding advisory basis, the compensation payable to the named executive officers of Skyline in connection with the Exchange (the **Exchange-Related Compensation Proposal**).

4. *Adjournment.* To approve the adjournment of the Special Meeting, if necessary, to permit the solicitation of additional proxies in the event there are not sufficient votes, in person or by proxy, to approve any of the above proposals (the *Adjournment Proposal*).
5. *Other Matters.* To transact any other business as may properly come before the Special Meeting or any adjournments of the Special Meeting. The board of directors is not aware of any other business to come before the Special Meeting.

The enclosed proxy statement describes the Exchange Agreement, the Exchange, and the proposals set forth above in detail, and includes the complete text of the Exchange Agreement as Appendix A, and a copy of the form of the Amended and Restated Articles of Incorporation of the proposed Skyline Champion Corporation as Appendix B. We urge you to read these materials for a description of the Exchange Agreement, the Exchange, the Amended and Restated Articles of Incorporation, and the Shares Issuance. In particular, you should carefully read the section captioned *Risk Factors* beginning on page 25 of the enclosed proxy statement for a discussion of certain risk factors relating to the Exchange Agreement and the Exchange. The Amended and Restated Articles of Incorporation will not be filed with the Indiana Secretary of State or become effective unless all of the Charter Amendment Proposals are approved at the Special Meeting.

Skyline's board of directors has fixed [], 2018 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting and any adjournment or postponement thereof. Only holders of record of shares of Skyline's Common Stock at the close of business on the record date are entitled to notice of, and to vote at, the Special Meeting. At the close of business on the record date, there were 8,391,244 shares of Skyline Common Stock outstanding and entitled to vote. The proxy statement accompanying this notice is deemed to be incorporated into and forms part of this notice. The accompanying proxy statement dated [], 2018 and proxy card for the Special Meeting are first being mailed to Skyline's shareholders on or about [], 2018.

Upon the recommendation of the Special Committee of Skyline's board of directors, Skyline's board of directors has unanimously approved the adoption of the Amended and Restated Articles of Incorporation and the Shares Issuance. **The board of directors of Skyline recommends that Skyline's shareholders vote (1) FOR the approval of each of Charter Amendment Proposals 1A, 1B, and 1C, (2) FOR the approval of the Shares Issuance Proposal, (3) FOR the approval of the Exchange-Related Compensation Proposal, and (4) FOR the approval of the Adjournment Proposal.**

YOUR VOTE IS VERY IMPORTANT. Each of the Charter Amendment Proposals must be approved by the holders of a majority of the outstanding shares of Skyline Common Stock, and in order for the Shares Issuance Proposal to be approved the votes cast by Skyline's shareholders in favor of the proposal must exceed the votes cast opposing such proposal. **IF YOU DO NOT RETURN YOUR PROXY CARD, VOTE BY TELEPHONE OR BY INTERNET, OR DO NOT VOTE IN PERSON AT THE SPECIAL MEETING, THE EFFECT WILL BE THE SAME AS A VOTE AGAINST EACH OF THE CHARTER AMENDMENT PROPOSALS.**

Whether or not you plan to attend the Special Meeting in person, we urge you to date, sign, and return promptly the enclosed proxy card in the accompanying envelope or vote by telephone or by Internet. You may revoke your proxy at any time before the Special Meeting by following the directions on the proxy card or by attending the Special Meeting and voting in person. If you hold your shares in street name with a bank, broker, or other nominee, and you wish to vote at the Special Meeting, you will need to obtain a proxy issued in your name from your bank, broker, or other nominee and bring the proxy to the Special Meeting.

Only shareholders and persons holding proxies from shareholders may attend the Special Meeting. If your shares are registered in your name, you should bring a form of photo identification to the Special Meeting. If your shares are held in the name of a broker, bank, or other nominee, you should bring a proxy or letter from that broker, bank, or other nominee that confirms you are the beneficial owner of those shares, together with a form of photo identification. Cameras, recording devices, and other electronic devices will not be permitted at the Special Meeting. All Skyline shareholders are cordially invited to attend the Special Meeting.

By Order of the Board of Directors,

Martin R. Fransted
Corporate Controller and Secretary

Elkhart, Indiana
[], 2018

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE AND THE SKYLINE SPECIAL MEETING

Following are questions and related answers that address some of the questions you may have regarding the Exchange, the Special Meeting, and related matters. These questions and answers may not contain all of the information relevant to you, do not purport to summarize all material information relating to the Exchange, the Amended and Restated Articles of Incorporation of Skyline (the subject of the Charter Amendment Proposals), and related matters, or any of the other matters discussed in this proxy statement, and are subject to, and are qualified in their entirety by, the more detailed information contained in or attached to this proxy statement. Therefore, you should carefully read this entire proxy statement, including the attached appendices and materials to which we refer you in order to fully understand Amended and Restated Articles of Incorporation of Skyline, the Exchange Agreement, and the transactions contemplated thereby.

Q: What is the Exchange?

A: Skyline and Champion Holdings have entered into the Exchange Agreement, which sets forth the terms and conditions of the proposed business combination of Skyline and the operating subsidiaries of Champion Holdings. Under the Exchange Agreement, Champion Holdings will contribute the Contributed Shares of the Champion Companies, in exchange for the Exchange Shares. A complete copy of the Exchange Agreement is attached to this proxy statement as Appendix A.

Q: Why are Skyline and Champion Holdings proposing to effect the Exchange?

A: The board of directors of Skyline, or the **Board**, and the Board of Managers of Champion Holdings have unanimously approved the Exchange Agreement and the Exchange. The Board believes that the Exchange is in the best interests of Skyline, its shareholders, and other important constituents. See *The Exchange Skyline's Reasons for the Exchange; Recommendation of Skyline's Board of Directors* beginning on page 67.

Q: Why am I receiving these materials?

A: The Board is furnishing this proxy statement in connection with the solicitation of proxies to be voted at the special meeting of shareholders (the **Special Meeting**), or any adjournments or postponements of the Special Meeting. You should read this document carefully as it contains important information about the Exchange, the Exchange Agreement, and the matters to be voted upon by Skyline's shareholders at the Special Meeting.

Q: Where and when will the Special Meeting take place?

A: The Special Meeting will be held on [], 2018 at [], Eastern Time, at [].

Q: Will Skyline's shareholders receive any consideration in the Exchange?

A: No, Skyline's shareholders will retain all of their shares of Common Stock and will not receive any consideration in the Exchange. Champion Holdings (or its members) will receive Common Stock issued by Skyline. Following the closing of the Exchange, Skyline's shareholders as of immediately prior to the completion of the Exchange will own 15.5% of the outstanding shares of Common Stock of the combined company calculated on a fully diluted basis (as determined in the Exchange Agreement). Champion Holdings (or its members) will own the remaining 84.5% of the outstanding Common Stock of the combined company. Further, the Exchange Agreement provides that, prior to the closing of the Exchange, Skyline may declare and pay a special cash dividend (the ***Pre-Closing Skyline Special Dividend***) to its shareholders in the aggregate amount of Skyline's net cash (generally defined in the Exchange Agreement as Skyline's aggregate cash and cash equivalents, less the aggregate amount of Skyline's indebtedness and debt-like items, and less Skyline's aggregate transaction expenses incurred in connection with the Exchange, each as determined as of the close of business on the last business day immediately prior to the date Skyline

gives notice of the special dividend to the NYSE American), if any. If declared, Skyline must pay the Pre-Closing Skyline Special Dividend at least one business day prior to the closing date. Based on the assumptions and calculations set forth on page 164 under the section *Unaudited Pro Forma Condensed Combined Financial Information of Skyline Champion Corporation*, the estimate of the aggregate Pre-Closing Skyline Special Dividend is approximately \$5.4 million. The actual amount of the Pre-Closing Skyline Special Dividend may be different than the foregoing amount depending on the final values of the variables composing Skyline's net cash, as summarized above, at the time such dividend is declared.

Q: How will Skyline's shareholders be affected by the Exchange?

A: The Exchange will have no effect on the number of shares of Skyline Common Stock held by a current Skyline shareholder immediately prior to the completion of the Exchange. However, upon completion of the Exchange, Champion Holdings (or its members) will hold an aggregate of 84.5% of the outstanding shares of Common Stock of the combined company calculated on a fully diluted basis (as determined in the Exchange Agreement). As a result, upon the closing of the Exchange, each Skyline shareholder's respective percentage ownership of shares of Common Stock in the combined company will be diluted by virtue of the issuance of the Exchange Shares by Skyline in the Exchange.

For example, if you are a Skyline shareholder and hold 5% of the outstanding shares of Skyline Common Stock calculated on a fully diluted basis (as determined in the Exchange Agreement) immediately prior to the completion of the Exchange, and assuming you do not also hold units of Champion Holdings, then upon completion of the Exchange you will hold an aggregate of approximately 0.775% of the outstanding shares of Common Stock of the combined company calculated on a fully diluted basis (as determined in the Exchange Agreement).

Q: How will the Exchange affect Skyline's business?

A: Following the Exchange, Champion Holdings (or its members) will possess majority control of the combined company, the Board will consist of eleven directors, nine of whom shall be Champion Holdings appointees and two of whom shall be Skyline appointees, and members of the management of Champion Holdings immediately prior to the closing of the Exchange, along with certain members of Skyline management, will be responsible for the management of the combined company.

The combined company will remain focused on manufactured housing but will be substantially larger than Skyline alone. For a more complete discussion of the existing business of Skyline, please refer to the periodic reports and other documents Skyline files with the SEC and which are incorporated by reference into this proxy statement. See *Where You Can Find More Information* on page 176. For a more complete discussion of the existing business of Champion Holdings, see the sections entitled *Information About Champion Holdings Business* and *Management's Discussion and Analysis of Financial Condition and Results of Operations of Champion Holdings*, beginning on pages 117 and 124, respectively. In addition, you should carefully review the section entitled *Risk Factors* beginning on page 25, which present risks and uncertainties related to the businesses and operations of Skyline and Champion Holdings, and risks and uncertainties related to the Exchange.

Q: Will the Exchange Shares be subject to any transfer restrictions?

- A: Yes. The offering and issuance of the Exchange Shares to Champion Holdings will not be registered pursuant to the Securities Act of 1933, as amended (the *Securities Act*), in reliance on Section 4(a)(2) of the Securities Act and the Exchange Shares may not be offered or sold by the holders of those Exchange Shares absent registration or an applicable exemption from registration requirement. The Exchange Shares will carry a restrictive legend and may be resold only pursuant to Rule 144 under the Securities Act, or another exemption from registration, until such time as the restricted Exchange Shares are registered. Following the completion of the Exchange, the combined company may, in accordance with the provisions

of the Registration Rights Agreement (as defined below), be required to register the Exchange Shares with the SEC following the Exchange for public re-sale by Champion Holdings (or its members). These restrictions on Exchange Shares issued to Champion Holdings (or its members) in the Exchange will not affect the transferability of shares already held by Skyline's existing shareholders. Other than the shareholders who executed the Voting Agreement (defined below) and shareholders who may be affiliates of Skyline under the Securities Act, or otherwise hold restricted shares of Skyline Common Stock, no restrictions will be imposed by virtue of the Exchange on the shares of Skyline Common Stock currently held by Skyline's existing shareholders.

Q: What matters will Skyline's shareholders vote upon at the Special Meeting?

A: At the Special Meeting, Skyline's shareholders will be asked to vote upon the following proposals (collectively, the *Skyline Exchange Proposals*):

To approve and adopt three proposals (collectively, the *Charter Amendment Proposals*) which, if approved, will amend and restate the Restated Articles of Incorporation of Skyline (the *Articles*). Such proposals are as follows:

- o A proposal to amend the Articles to change the name of the Company to Skyline Champion Corporation;
- o A proposal to amend the Articles to increase the number of authorized shares of Skyline's Common Stock;
- o A proposal to amend the Articles to provide that the number of directors to serve on the Company's board of directors shall be as specified in the Company's Amended and Restated By-Laws, as may be amended from time to time;

To approve the Shares Issuance Proposal;

A proposal to approve, on a non-binding advisory basis, the compensation payable to the named executive officers of Skyline in connection with the Exchange (the *Exchange-Related Compensation Proposal*); and

To approve the adjournment of the Special Meeting, if necessary, to permit the solicitation of additional proxies in the event there are not sufficient votes, in person or by proxy, to approve any of the above proposals (the *Adjournment Proposal*).

In connection with the execution of the Exchange Agreement, the holders of approximately 18.8% of the total outstanding voting power of Skyline, as of January 5, 2018, entered into a Voting Agreement with Champion Holdings, which provide that, among other things, such shareholders will vote in favor of the above proposals and grant Champion Holdings an irrevocable proxy to vote all of their shares of Skyline Common Stock in favor of such proposals.

Q: Am I voting to approve the Exchange itself?

A: The Exchange itself is not subject to a vote of Skyline's shareholders, and approval of the transaction is not among the proposals being put forth in this proxy statement. However, approval of the Charter Amendment Proposals and the Shares Issuance Proposal are conditions to the consummation of the transactions contemplated by the Exchange Agreement, and the Exchange cannot be consummated unless each Charter Amendment Proposal and the Shares Issuance Proposal is approved.

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

A: The rules of the Securities and Exchange Commission (*SEC*) require Skyline to seek an advisory (non-binding) vote with respect to certain payments to be made to Skyline's named executive officers in connection with the Exchange.

Q: What will happen if Skyline's shareholders do not approve the Exchange-Related Compensation Proposal at the Special Meeting?

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

Q: Why is Skyline seeking to amend the Articles to increase the number of authorized shares of its Common Stock?

A: In addition to the shares needed to complete the Exchange, the Board desires to have additional shares of Common Stock available to provide the combined company with the flexibility to use its Common Stock for business, financial, and compensatory purposes in the future.

Q: Why is Skyline seeking to amend the Articles to change the name of the Company to Skyline Champion Corporation?

A: Both Skyline and Champion Holdings believe that the name change will allow for recognition of the combined company to preserve the brand and market awareness of each of Skyline and the Champion Companies following the completion of the Exchange.

Q: What constitutes a quorum for purposes of the Special Meeting?

A: As of [], 2018, the record date for the Special Meeting, there were 8,391,244 shares of Skyline Common Stock issued and outstanding. Shareholders who hold a majority of the outstanding shares of Skyline Common Stock as of the close of business on the record date for the Special Meeting must be present, either in person or by proxy, in order to constitute a quorum to conduct business at the Special Meeting.

Q: What are the vote requirements to approve the matters that will be considered at the Special Meeting?

A: At the Special Meeting, approval of each of the Charter Amendment Proposals requires the affirmative vote of the holders of a majority of the outstanding shares of Skyline Common Stock. If you fail to vote, either in person or by proxy, or you attend the Special Meeting or deliver a proxy but abstain from voting, or you do not instruct your broker or other nominee how to vote your shares, the resulting non-attendance, abstention, or broker non-vote will have the same effect as a vote AGAINST the approval of these proposals. None of the Charter Amendment Proposals will be adopted unless each of them is approved.

In order for each of the Shares Issuance Proposal, the advisory vote on the Exchange-Related Compensation Proposal, and the Adjournment Proposal to be approved at the Special Meeting, the votes cast by Skyline's shareholders in favor of each such proposal must exceed the votes cast opposing such proposal. Abstentions and broker non-votes will have

no impact on the outcome of the votes on these proposals.

Q: What other conditions must be satisfied or waived to complete the Exchange?

A: In addition to obtaining the approval by Skyline's shareholders of the Charter Amendment Proposals and Share Issuance Proposals to be voted on at the Special Meeting, each of the other closing conditions contained in the Exchange Agreement must be either satisfied or waived in order for the Exchange to be completed. Such additional closing conditions include, without limitation, (i) the receipt of all required regulatory approvals (without the imposition of any burdensome divestiture condition on the parties, as described in the Exchange Agreement); (ii) the absence of any law, order, or legal injunction which prohibits the consummation of the Exchange and the absence of certain other litigation matters; (iii) the NYSE American listing application for the Exchange Shares shall have been conditionally approved;

(iv) the accuracy of the parties' respective representations and warranties and the performance of their respective obligations; (v) the absence of the occurrence of a material adverse effect with respect to each of Skyline and Champion Holdings, and their subsidiaries, each taken as a whole, between the date of the Exchange Agreement and closing; and (vi) certain other customary conditions.

For a more complete discussion regarding the conditions to the completion of the Exchange under the Exchange Agreement, see *The Exchange Agreement - Conditions to the Completion of the Exchange* beginning on page 111.

Q: When do Skyline and Champion Holdings currently expect to complete the Exchange?

A: Skyline and Champion Holdings expect to complete the Exchange as soon as possible following the approval of the Skyline Exchange Proposals, assuming the satisfaction or waiver of all other closing conditions contained in the Exchange Agreement, which we currently expect to occur in the first half of 2018. It is possible, however, that factors outside of each company's control could require them to complete the Exchange at a later time or not complete it at all.

Q: What risks should I consider in deciding whether to vote in favor of the Skyline Exchange Proposals?

A: You should read and carefully consider the risk factors set forth in the section entitled *Risk Factors* beginning on page 25 of this proxy statement. You should also read and carefully consider the risk factors of Skyline contained in the documents that are incorporated by reference into this proxy statement. See the section entitled *Where You Can Find More Information* beginning on page 176 of this proxy statement.

Q: What are the material U.S. federal income tax consequences of the Exchange to Skyline's shareholders?

A: Because Skyline's shareholders will continue to own and hold their existing shares of Skyline Common Stock following the Exchange, the Exchange generally will not result in U.S. federal income tax consequences to current Skyline shareholders.

Q: What are the material U.S. federal income tax consequences of the Pre-Closing Skyline Special Dividend to Skyline's shareholders?

A: The Pre-Closing Skyline Special Dividend will be characterized as a dividend for U.S. federal income tax purposes to the extent paid out of Skyline's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. The Pre-Closing Skyline Special Dividend will generally be taxed at ordinary income tax rates, but for a non-corporate U.S. shareholder, the amount of the Pre-Closing Skyline Special Dividend that is treated as a dividend for U.S. federal income tax purposes generally will be eligible under current law for a reduced tax rate if certain holding period and other requirements are satisfied. For a corporate U.S. shareholder, the amount of the Pre-Closing Skyline Special Dividend that is treated as a dividend for U.S. federal income tax purposes will be eligible for the dividends-received deduction if such shareholder meets certain holding period and other applicable requirements. Skyline does not expect that the Pre-Closing Skyline Special Dividend will exceed Skyline's current and accumulated earnings and profits. To the extent the

Pre-Closing Skyline Special Dividend exceeds Skyline's current and accumulated earnings and profits, the excess will first reduce the U.S. shareholder's basis in the Skyline Common Stock, but not below zero, and then will be treated as gain from the sale of the shareholder's Common Stock. Payment of the Pre-Closing Skyline Special Dividend may be subject to information reporting and backup withholding at the applicable rate (currently 24%) if certain requirements are not met. See *Material U.S. Federal Income Tax Consequences of the Pre-Closing Special Dividend to Holders of Skyline Common Stock* beginning on page 91.

Your tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the Pre-Closing Skyline Special Dividend to you.

Q: Do I have dissenters' rights with respect to the Skyline Exchange Proposals?

A: No. Dissenters' rights of appraisal do not apply to the Exchange under the Indiana Business Corporation Law.

Q: Who can attend and vote at the Special Meeting?

A: All Skyline shareholders of record as of the close of business on [], 2018, the record date for the Special Meeting, are entitled to receive notice of, and to vote at, the Special Meeting, or any postponement of adjournment of the Special Meeting scheduled in accordance with Indiana law.

Q: What do I need to do now, and how do I vote?

A: After you have carefully read this proxy statement and have decided how you wish to vote your shares, please vote your shares promptly. You may vote your shares in one of four ways:

By Mail. You may vote by mailing your signed Skyline proxy card in the enclosed return envelope. Please provide your proxy instructions as soon as possible so that your shares can be voted at the Special Meeting.

By Internet or Telephone. Follow the instructions on the Skyline proxy card to vote by Internet or telephone.

In Person at the Special Meeting. If you attend the Special Meeting, you may deliver your completed Skyline proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

If you hold your stock through a bank or broker (commonly referred to as held in street name), you may direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Voting by proxy or directing your bank or broker to vote your shares will ensure that your shares of Common Stock are represented and voted at the Special Meeting.

Q: If my shares of Skyline Common Stock are held in street name by my broker or other nominee, will my broker or nominee vote my shares for me?

A: If your Skyline shares are held in street name in a brokerage account or by another nominee, your broker or nominee will not be able to vote your shares without instructions from you. Please follow the voting instructions provided by your broker or other nominee. If you hold your Skyline shares in street name with a broker or nominee and you do not provide instructions to your broker or nominee on how to vote, your broker or nominee will not be able to vote your shares, and this will have the same practical effect as a vote AGAINST the Charter Amendment Proposals, but will have no impact on the Shares Issuance Proposal, the Exchange-Related

Compensation Proposal, or the Adjournment Proposal. Please note that you may not vote shares held in street name by returning a proxy card directly to Skyline or by voting in person at the Special Meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee. Obtaining a proxy from your broker or other nominee can take several days, so you are encouraged to plan accordingly.

Q: Should I send in my Skyline stock certificates?

A: No. Skyline shareholders are not required to tender or exchange their stock certificates in connection with the Exchange.

Q: Can I attend the Special Meeting and vote my shares in person?

A: Yes. All Skyline shareholders are invited to attend the Special Meeting. If your shares of Skyline Common Stock are registered directly in your name with Skyline's transfer agent, you are considered, with respect to

those shares, the shareholder of record, and the proxy materials and proxy card are being sent directly to you by Skyline. If you are a Skyline shareholder of record, you may attend the Special Meeting and vote your shares in person, rather than signing and returning your proxy card. If your shares of Skyline Common Stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the Special Meeting. However, because a beneficial owner is not the shareholder of record, you may not vote your shares in person at the Special Meeting unless you obtain a legal proxy from the broker or other nominee that holds your shares giving you the right to vote the shares in person at the Special Meeting. Skyline reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: What happens if I do not vote?

A: Because the required vote of Skyline's shareholders to approve each of the Charter Amendment Proposals is based upon the number of issued and outstanding shares of Skyline Common Stock, rather than upon the number of shares actually voted, abstentions from voting and broker non-votes will have the same practical effect as a vote AGAINST the approval and adoption of each respective Charter Amendment Proposal. However, abstentions and broker non-votes will have no effect on the Shares Issuance Proposal, the Exchange-Related Compensation Proposal, or the Adjournment Proposal. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR the approval and adoption of each of the Skyline Exchange Proposals.

Q: Can I change my vote before the Special Meeting?

A: Yes. If you are a Skyline shareholder of record, there are three ways for you to revoke your proxy and change your vote. First, you may send written notice to Skyline's Corporate Secretary before the Special Meeting stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card before the Special Meeting that is dated later than the date of your prior proxy card. If you submitted your proxy by Internet or by telephone, you can change your vote by voting over the Internet or by telephone. Third, you may vote in person at the Special Meeting. Merely being present at the Special Meeting, without voting at the meeting, will not constitute a revocation of a previously given proxy. If you hold your shares in street name with a bank, broker, or other nominee, you must follow the directions you receive from your bank, broker, or nominee to change your vote.

Q: What happens if I sell my Skyline shares after the record date but before the Special Meeting?

A: If you sell or otherwise transfer your Skyline Common Stock after the record date but before the date of the Special Meeting, you will retain your right to vote at the Special Meeting (provided that such shares remain outstanding on the date of the Special Meeting).

Q: Who is paying for this proxy solicitation?

- A: Skyline will bear the cost and expense of preparing, assembling, printing, and mailing this proxy statement, any amendments thereto, the proxy card, and any additional information furnished to the Skyline shareholders, including any fees paid to the SEC. Skyline may also reimburse brokers and other custodians, nominees, and fiduciaries for their costs of soliciting and obtaining proxies from beneficial owners, including the costs of reimbursing brokers and other custodians, nominees, and fiduciaries for their costs of forwarding this proxy statement and other solicitation materials to beneficial owners. In addition, proxies may be solicited without extra compensation by directors, officers, and employees of Skyline by mail, telephone, fax, or other methods of communication. Skyline has retained Georgeson Inc. (**Georgeson**) to assist Skyline in the solicitation of proxies from Skyline shareholders in connection with the Special Meeting. Skyline has agreed to pay Georgeson \$12,500, plus out-of-pocket expenses, for these proxy solicitation services.

Q: What should I do if I receive more than one proxy statement or set of voting instructions?

A: If you hold your Skyline shares directly as a record holder and also in street name or otherwise through a bank, broker, or nominee, you may receive more than one proxy statement and/or set of voting instructions relating to the Special Meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: Who should I contact if I have other questions about the Exchange Agreement or the Exchange?

A: If you have more questions about the Exchange Agreement or the Exchange, you should contact:
Skyline Corporation

P.O. Box 743, 2520 By-Pass Road

Elkhart, Indiana 46515

(574) 294-6521

Attention: Jon S. Pilarski, Chief Financial Officer

You may also contact:

Georgeson, Inc.

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Toll Free: (866) 391-7007

SUMMARY

*The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, to better understand the Exchange and the proposals to be considered at the Special Meeting, we encourage you to carefully read this entire proxy statement, its appendices, and the documents referred to in this proxy statement, including the Exchange Agreement attached as Appendix A and the opinion of Jefferies LLC (**Jefferies**) attached as Appendix C, before you decide how to vote. You may obtain the information referred to in this proxy statement without charge by following the instructions under *Where You Can Find More Information* beginning on page 176.*

The Companies

Skyline Corporation

P.O. Box 743, 2520 By-Pass Road

Elkhart, Indiana 46515

(574) 294-6521

Skyline Corporation was originally incorporated in Indiana in 1959, as successor to a business founded in 1951. Skyline and its consolidated subsidiaries designs, produces, and markets manufactured housing, modular housing, and park models to independent dealers and manufactured housing communities located throughout the United States and Canada. Manufactured housing is built to standards established by the U.S. Department of Housing and Urban Development (**HUD**), modular homes are built according to state, provincial, or local building codes, and park models are built according to specifications established by the American National Standards Institute. Skyline sold 3,679 manufactured homes, 313 modular homes, and 447 park models in fiscal 2017.

Skyline's housing products are marketed under a number of trademarks. They are available in lengths ranging from 30 to 76' and in singlewide widths from 12' to 18', doublewide widths from 18' to 32', and triplewide widths from 36' to 46'. The area of a singlewide ranges from approximately 400 to 1,200 square feet, a doublewide from approximately 700 to 2,400 square feet, and a triplewide from approximately 1,600 to 2,900 square feet.

Skyline's Common Stock is traded on the NYSE American under the trading symbol **SKY**. At December 3, 2017, Skyline had total assets of \$59.04 million and total shareholder's equity of \$30.02 million. For the year ended May 31, 2017, Skyline had net sales of \$236.50 million and net income of \$5 thousand, and for the three- and six-months ended December 3, 2017 Skyline had net sales of \$57.77 million and \$116.23 million, respectively, and net income of \$2.96 million and \$4.57 million, respectively.

Skyline's website address is www.skylinecorp.com. Information contained in, or accessible through, Skyline's website does not constitute a part of this proxy statement. Additional information about Skyline 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 176.

Champion Enterprises Holdings, LLC

755 West Big Beaver Road, Suite 1000

Troy, Michigan 48084

(248) 614-8200

Champion Enterprises Holdings, LLC was formed in 2010 as the parent company of Champion Home Builders, Inc. (**CHB**) which was founded in 1953. CHB specializes in a wide variety of manufactured and

modular homes, park-model RVs, and modular buildings for the multi-family, hospitality, senior, and workforce housing sectors. The company operates 28 manufacturing facilities throughout North America. Additionally, Champion Holdings operates a factory-direct retail business, Titan Factory Direct (*Titan*), with 21 retail locations spanning the southern U.S., and Star Fleet Trucking (*Star Fleet*) which provides transportation services to the manufactured housing industry from ten dispatch locations across the United States. Champion Holdings is majority owned by funds affiliated with Bain Capital Credit, Centerbridge Partners, L.P., and MAK Capital (collectively referred to as the *Sponsors*).

Special Meeting of Skyline s Shareholders; Required Vote (page 44)

The Special Meeting is scheduled to be held on [], [], 2018, at [] [a.m./p.m.], Eastern Time, at [], located at [], [], Indiana. At the Special Meeting, Skyline s shareholders will be asked to vote to approve each of the Company Charter Amendment Proposals and the Shares Issuance Proposal, as contemplated by the Exchange Agreement. You also will be asked to approve the Exchange-Related Compensation Proposal and the Adjournment Proposal. Only Skyline shareholders of record as of the close of business on [], 2018 are entitled to notice of, and to vote at, the Special Meeting and any adjournments or postponements of the Special Meeting.

As of [], 2018, the directors and executive officers of Skyline, and their affiliates, owned and were collectively entitled to vote 1,445,864 shares or approximately 17.2% of the 8,391,244 outstanding shares of Skyline Common Stock. In connection with the execution of the Exchange Agreement, all of the directors and certain executive officers of Skyline executed a Voting Agreement pursuant to which they agreed to vote all of their shares of Common Stock in favor of the Company Charter Amendment Proposals and the Shares Issuance Proposal. A copy of that Voting Agreement is attached as Appendix D to this proxy statement.

Approval of each of the Charter Amendment Proposals requires the affirmative vote of the holders of a majority of the outstanding shares of Skyline Common Stock. None of the Charter Amendment Proposals will be adopted unless each of them is approved. Approval of the Shares Issuance Proposal, Exchange-Related Compensation Proposal, and the Adjournment Proposal each require more votes to be cast in favor of the proposal than are cast against it.

The Exchange (page 54)

Skyline and Champion Holdings have entered into the Exchange Agreement, which provides that, subject to the terms and conditions contained therein, at the completion of the Exchange, Champion Holdings will contribute all of the issued and outstanding shares of the Champion Companies in exchange for the issuance to Champion Holdings (or its members) of Skyline Common Stock. The Board of Skyline and the board of managers of Champion Holdings have each unanimously approved the Exchange.

Recommendation of the Board of Directors of Skyline; Reasons for the Exchange (page 67)

The Board, after considering the factors described in the section entitled *The Exchange Skyline s Reasons for the Exchange; Recommendation of Skyline s Board of Directors* beginning on page 67, has approved the Exchange Agreement and the transactions contemplated thereby, including the Exchange. The Board, acting upon the unanimous recommendation of the Special Committee of the Board, has determined that the Exchange Agreement and the transactions contemplated thereby, including the Exchange, are advisable, fair to, and in the best interests of, Skyline and its shareholders, and therefore recommends that the Skyline shareholders vote **FOR** each of Charter Amendment Proposals 1A, 1B, and 1C, **FOR** the Shares Issuance Proposal, **FOR** the approval of the Exchange-Related Compensation Proposal, and **FOR** the Adjournment Proposal as described in this proxy statement. For a more complete discussion of the recommendations of the Board and its reasons for the Exchange, see the section entitled *The Exchange Skyline s Reasons for the Exchange; Recommendation of Skyline s Board of Directors* beginning on page 67.

Opinion of Skyline's Financial Advisor (page 71)

Skyline retained Jefferies as its financial advisor in connection with a possible sale or other strategic transaction involving Skyline. In connection with this engagement, the Board requested that Jefferies evaluate the fairness, from a financial point of view, to Skyline of the aggregate number of Exchange Shares to be issued by Skyline (the *Exchange Consideration*) in connection with the Exchange. On January 4, 2018, Jefferies rendered its opinion to the Board to the effect that, as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of the review undertaken by Jefferies, as described more fully in the section of this proxy statement entitled *Opinion of the Financial Advisor to the Skyline Board of Directors*, the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement was fair, from a financial point of view, to Skyline.

The full text of Jefferies' written opinion, dated January 4, 2018, is attached to this proxy statement as Appendix C. Jefferies' opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Jefferies in rendering its opinion. Skyline encourages you to read Jefferies' opinion carefully and in its entirety. Jefferies' opinion was directed to the Board and addresses only the fairness, from a financial point of view, as of the date of the opinion of the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement. It does not address any other aspect of the Exchange or constitute a recommendation as to how any shareholder should vote or act with respect to the Exchange or any matter related thereto.

Overview of the Exchange Agreement

The Exchange (page 54)

Following the completion of the Exchange, Champion Holdings (or its members) is expected to receive shares of Skyline Common Stock representing 84.5% of the outstanding shares of Skyline Common Stock calculated on a fully diluted basis (as determined in the Exchange Agreement) and current shareholders of Skyline as of immediately prior to the completion of the Exchange are expected to own 15.5% of the outstanding shares of Skyline Common Stock calculated on a fully diluted basis (as determined in the Exchange Agreement). Skyline shareholders will not receive any consideration in the Exchange.

Conditions to Completion of the Exchange (page 111)

To complete the Exchange, the Skyline shareholders must approve the issuance of shares of Skyline Common Stock to Champion Holdings (or its members) in connection with the Exchange and approve amendments to the restated articles of incorporation of Skyline to provide for, among other things, the change in the name of Skyline to Skyline Champion Corporation and an increase in the number of authorized shares of Skyline Common Stock. In addition to obtaining such shareholder approvals, each of the other completion conditions set forth in the Exchange Agreement must be satisfied or waived.

No Solicitation (page 107)

The Exchange Agreement contains provisions requiring Skyline to cease all existing discussions or negotiations with any third parties in respect of any acquisition proposal, as defined in the Exchange Agreement, and prohibiting Skyline from seeking an acquisition proposal subject to specified exceptions described in the Exchange Agreement. Under these no-shop provisions, Skyline has agreed, subject to specified exceptions, that neither it nor its subsidiaries, if applicable, nor any of its or their respective officers, directors, employees, agents, or other representatives will, directly or indirectly:

solicit, initiate, cooperate with, knowingly encourage, induce, or facilitate any other inquiries or the making, submission or announcement of an acquisition proposal or take any action that could reasonably be expected to lead to an acquisition proposal;

furnish any nonpublic information regarding Skyline or any of its subsidiaries to any person in connection with or in response to an acquisition proposal or an inquiry or indication of interest that could reasonably be expected to lead to an acquisition proposal;

engage in discussions or negotiations with any person with respect to an acquisition proposal;

approve, endorse, or recommend any acquisition proposal;

enter into any letter of intent, memorandum of understanding, acquisition agreement, merger agreement or similar document or any agreement providing for or otherwise relating to, or that is intended to or could reasonably be expected to lead to, any acquisition transaction (other than entry into certain confidentiality agreements, as described in the Exchange Agreement); or

grant any waiver, amendment, or release under, or fail to use commercially reasonable efforts to enforce, any standstill or confidentiality agreement concerning an acquisition proposal.

Termination of the Exchange Agreement (page 113)

Either Skyline or Champion Holdings can terminate the Exchange Agreement under certain circumstances, which would prevent the Exchange from being completed.

Termination Fees and Expenses (page 114)

Upon the termination of the Exchange Agreement under specified circumstances, and upon Skyline entering into or completing another acquisition transaction within 12 months after termination of the Exchange Agreement, Skyline may be required to pay Champion Holdings a termination fee of \$10 million. Upon the termination of the Exchange Agreement under certain specified circumstances, Skyline may be required to pay Champion Holdings up to \$2 million as reimbursement for fees and expenses incurred by Champion in connection with the Exchange Agreement.

Voting Agreement (page 89)

In connection with the execution of the Exchange Agreement, all of the members of the Board and certain executive officers of Skyline, in their capacities as Skyline shareholders, entered into a voting agreement (the ***Voting Agreement***) with Champion Holdings pursuant to which each shareholder agreed, among other things, to vote his shares of Skyline Common Stock in favor of the proposals that relate to the Exchange described elsewhere in this proxy statement and not, directly or indirectly, take any action in his capacity as a shareholder

to, among other things, solicit, initiate, cooperate with, knowingly encourage, induce or facilitate any inquiries or the making, submission or announcement of any alternative acquisition proposal, or approving, endorsing or recommending any agreement, transaction or action that would reasonably be expected to impede, interfere with, delay, discourage or affect the consummation of the Exchange or result in a breach of the Exchange Agreement or the Voting Agreement. The Voting Agreement grants Champion Holdings irrevocable proxies to vote any shares of Skyline Common Stock over which such shareholder has voting power in favor of each of the proposals described elsewhere in this proxy statement and against any alternative acquisition proposal, agreement, transaction or action. The Voting Agreement does not constitute an agreement to exercise or direct the exercise of the voting power of Skyline in the election of directors of Skyline.

Under the Voting Agreement, each shareholder has made representations and warranties to Champion Holdings regarding ownership and unencumbered title to the shares thereto, such shareholder's power and authority to execute the voting agreement, and due execution and enforceability of the Voting Agreement. Unless otherwise waived, until the earlier of the completion of the Exchange or the termination of the Exchange Agreement, the Voting Agreement prohibits the sale, assignment, transfer or other disposition by each shareholder of his respective shares of Skyline Common Stock or the entrance into an agreement or commitment to do any of the foregoing, except for transfers to family members or by will or for charitable purposes, in which case the Voting Agreement will bind the transferee. The Voting Agreement restricts the ability of Arthur J. Decio from directly or indirectly acquiring, by purchase or otherwise, any additional shares of Skyline prior to the expiration of the Voting Agreement.

The Voting Agreement will terminate at the earlier of (i) the completion of the Exchange, (ii) if the Skyline Board, in accordance with the Exchange Agreement, changes its recommendation that Skyline shareholders vote in favor of the Exchange Proposals, upon such change of recommendation, (iii) termination of the Exchange Agreement in accordance with its terms, or (iv) upon mutual written consent, in respect of any shareholder, of such shareholder and Champion Holdings.

Ancillary Agreements to be Entered into in Connection with the Exchange (page 116)

Registration Rights Agreement (page 116)

In connection with the closing, Skyline, Champion Holdings, the Sponsors, and Arthur J. Decio, Skyline's founder and a member of Skyline's Board of Directors, will enter into a registration rights agreement (the ***Registration Rights Agreement***) providing for, among other things, customary demand and piggyback registration rights in favor of Champion Holdings and the Sponsors in connection with the shares of Skyline's Common Stock received (or which they may receive) in the Exchange. Under the Registration Rights Agreement, Mr. Decio also will have piggyback registration rights with respect to the shares he holds in the combined company after the closing. See *Ancillary Agreements to be Entered into in Connection with the Exchange - Registration Rights Agreement* beginning on page 116.

Investor Rights Agreement (page 116)

In connection with the closing, Skyline, Champion Holdings, and the Sponsors will enter into an investor rights agreement (the ***Investor Rights Agreement***) providing for, among other things, certain agreements between the parties to the agreement relating to the composition of the board of directors of the post-closing combined company, and certain rights to information regarding the post-closing combined company in favor of the Sponsors. See *Ancillary Agreements to be Entered into in Connection with the Exchange - Investor Rights Agreement* beginning on page 116.

Transition Services Agreement (page 116)

In connection with the closing, Skyline and Champion Holdings will enter into a transition services agreement governing, among other things, the provision of certain administrative, accounting, professional, and similar services by the combined company to Champion Holdings during a transition period commencing on the closing date of the Exchange. See *Ancillary Agreements to be Entered into in Connection with the Exchange Transition Services Agreement* beginning on page 116.

Management Following the Exchange (page 171)

The board of directors of the combined company following the Exchange will comprise 11 members, nine of whom will be directors designated by Champion Holdings and two of whom will be designated by the current Board. Members of the management of Champion Holdings immediately prior to the completion of the Exchange, along with any newly appointed members of management, will be responsible for the management of the combined company.

Interests of Certain Directors, Officers, and Affiliates of Skyline (page 79)

In considering the recommendation of the Board with respect to issuing shares of Skyline Common Stock pursuant to the Exchange Agreement and the other matters to be acted upon by Skyline's shareholders at the Special Meeting, Skyline's shareholders should be aware that the named executive officers of Skyline have interests in the Exchange that may be different from, or in addition to, interests they have as Skyline shareholders. The Board was aware of these interests and considered them, among other matters, in its decision to approve the Exchange Agreement. For example, as a result of the Exchange, Richard W. Florea, the Chief Executive Officer of Skyline, will be entitled to receive certain severance benefits, including a cash severance payment currently estimated to be \$556,200, and the accelerated vesting (immediately prior to the closing of the Exchange) of 181,400 outstanding and unvested stock options and 42,000 shares of unvested restricted stock. In addition, in connection with the closing of the Exchange, 19,800 outstanding and unvested stock options and 3,000 shares of unvested restricted stock held by Jeffrey A. Newport, the Chief Operating Officer of Skyline, will vest immediately prior to the closing of the Exchange.

The Exchange Agreement also provides that, at or prior to the closing of the Exchange, Skyline will take all actions under its 1989 Deferred Compensation Plan such that, upon the closing of the Exchange, all benefits payable under the plan to Jon S. Pilarski, the Vice President, Finance & Treasurer, Chief Financial Officer of Skyline will become fully vested. Under the terms of the plan, Mr. Pilarski is entitled to an annual retirement payment amount of \$60,000, and an annual death benefit amount of \$40,000, which will become fully vested upon the closing of the Exchange. Terrence M. Decio, Skyline's Vice President, Marketing and Sales, and Martin R. Fransted, Skyline's Corporate Controller and Secretary, are also entitled to vested annual death benefit payments and deferred compensation payments of \$75,000 each, and Mr. Fransted is entitled to an annual death benefit payment of \$30,000 and an annual deferred compensation payment of \$40,000 pursuant to the terms of the plan. Skyline's Board has approved an amendment to the 1989 Deferred Compensation Plan to prevent a termination of the plan prior to the date upon which the final payment under the plan is scheduled to occur, and preventing the amendment provision itself from being further amended without the prior consent of all the plan's participants.

Also under the Exchange Agreement, if either of Mr. Newport or Mr. Pilarski is still employed by Skyline as of the closing of the Exchange, and if the employment of either of them is terminated by the combined company, other than for cause, within 12 months after the closing of the Exchange, then the individual whose employment is terminated will be entitled to receive severance payments. Mr. Newport would be entitled to receive severance pay equal to 26 weeks of pay, at his base rate of pay in effect at the time of his termination of

employment (which is currently estimated to result in a payment of \$125,000), and Mr. Pilarski would be entitled to receive severance pay equal to 52 weeks of pay, at his base rate of pay in effect at the time of his termination of employment (which is currently estimated to result in a payment of \$229,500).

The Exchange Agreement also provides that salaried employees of Skyline or any of its subsidiaries as of the closing who are still employed by Skyline or a subsidiary as of the closing of the Exchange and whose employment with Skyline or the combined company is terminated by the combined company, other than for cause, within 12 months after closing, and who sign and deliver a termination and release agreement, would be entitled to severance pay equal to one week of pay, at their base rate of pay in effect at the time of termination, for each full year of continuous service with Skyline and the surviving company, with a minimum of four weeks and a maximum of 26 weeks. Under these provisions, Mr. Decio, Mr. Fransted, and Robert C. Davis, Skyline's Vice President, Manufacturing, would receive cash severance payments currently estimated to be \$122,400, \$77,520, and \$52,177, respectively.

Indemnification of Skyline's Directors and Officers (page 110)

Following the completion of the Exchange, the directors and executive officers of Skyline will have the right to continued indemnification to the same extent that Skyline is currently bound to indemnify such persons against certain losses pertaining to matters existing or occurring prior to the completion of the Exchange.

Material U.S. Federal Income Tax Consequences of the Exchange and Pre-Closing Skyline Special Dividend (pages 90 and 91)

Each of Skyline and Champion Holdings intends the Exchange to qualify as a transaction described in Section 351 of the Internal Revenue Code of 1986, as amended (the *Code*), existing and proposed regulations thereunder, and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Because the current Skyline shareholders will continue to own and hold their existing shares of Skyline Common Stock following the Exchange, the Exchange generally will not result in U.S. federal income tax consequences to current Skyline shareholders. Current Skyline shareholders who are also owners of Champion Holdings, if any, should consult their tax advisor as to the tax consequences to them of participating in the Exchange as an owner of Champion Holdings.

The Pre-Closing Skyline Special Dividend will be characterized as a dividend for U.S. federal income tax purposes to the extent paid out of Skyline's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. The Pre-Closing Skyline Special Dividend will generally be taxed at ordinary income tax rates, but for a non-corporate U.S. shareholder, the amount of the Pre-Closing Skyline Special Dividend that is treated as a dividend for U.S. federal income tax purposes generally will be eligible under current law for a reduced tax rate if certain holding period and other requirements are satisfied. For a corporate U.S. shareholder, the amount of the Pre-Closing Skyline Special Dividend that is treated as a dividend for U.S. federal income tax purposes will be eligible for the dividends-received deduction if such shareholder meets certain holding period and other applicable requirements. Skyline does not expect that the Pre-Closing Skyline Special Dividend will exceed Skyline's current and accumulated earnings and profits. To the extent the Pre-Closing Skyline Special Dividend exceeds Skyline's current and accumulated earnings and profits, the excess will first reduce the U.S. shareholder's basis in the Skyline Common Stock, but not below zero, and then will be treated as gain from the sale of the shareholder's Common Stock. Payment of the Pre-Closing Skyline Special Dividend may be subject to information reporting and backup withholding at the applicable rate (currently 24%) if certain requirements are not met.

Risk Factors (page 25)

In evaluating the Exchange and the Exchange Agreement, you should read this proxy statement carefully, including the appendices attached hereto, and especially consider certain factors, risks, and uncertainties discussed in the section entitled *Risk Factors*.

Regulatory Approvals (page 88)

Under the Exchange Agreement and the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the *HSR Act*), the Exchange may not be consummated until notification and report forms have been filed with the Federal Trade Commission (*FTC*) and Antitrust Division of the U.S. Department of Justice (*DOJ*) by Skyline and Champion Holdings, and the applicable waiting period has expired or been terminated without the imposition of a burdensome condition. The DOJ also may review the impact of the Exchange on competition and challenge it. Skyline and Champion Holdings filed their respective HSR Act notifications on January 19 and 22, 2018, respectively. Because the shares of Skyline Common Stock to be issued in the Exchange may be issued directly to the members of Champion Holdings, each of the members of Champion Holdings who would be required to file an HSR Act notification filed their respective HSR Act notifications on January 22, 2018. Subsequently, Skyline, Champion Holdings, and the members of Champion Holdings elected to voluntarily withdraw and re-file each of their Premerger Notification and Report Forms, in order to restart the initial waiting period under the HSR Act and thereby provide the FTC additional time to review the proposed transaction. Accordingly, Skyline, Champion Holdings, and certain of the members of Champion Holdings each withdrew its initial filing effective February 21, 2018 and re-filed on February 23, 2018. The applicable waiting period under the HSR Act expired on March 26, 2018 at 11:59 p.m., Eastern Time. Skyline must also comply with applicable federal and state securities laws and the rules and regulations of the NYSE American in connection with the issuance of shares of Skyline Common Stock and the filing of this proxy statement with the SEC.

Stock Market Listing (page 90)

Skyline Common Stock currently is listed on the NYSE American. Under the Exchange Agreement, Skyline has agreed to use its reasonable best efforts to cause the shares of Skyline Common Stock issuable in the Exchange to be approved, at or prior to the completion of the Exchange, for listing (subject only to notice of issuance) on the NYSE American at and following the completion of the Exchange. The conditional approval of the listing application in respect of the shares of Skyline Common Stock issuable in the Exchange by the NYSE American is a condition to Skyline's and Champion Holdings' obligation to complete the Exchange. However, Skyline and Champion Holdings anticipate that the common stock of the combined company will be listed on the New York Stock Exchange (*NYSE*) following the completion of the Exchange under the trading symbol *SKY*.

In this regard, Skyline will be filing an initial listing application and listing agreement as required by the NYSE in anticipation of the closing of the Exchange.

Anticipated Accounting Treatment (page 90)

This transaction will be treated as a reverse acquisition under the purchase method of accounting for business combinations in accordance with accounting principles generally accepted in the United States of America (*GAAP*). For accounting purposes, Champion Holdings is considered to be the accounting acquiror, despite Skyline issuing shares of its Common Stock in the Exchange, and Skyline is considered the acquiror for legal purposes.

No Dissenters Rights (page 92)

Holders of Skyline Common Stock are not entitled to dissenters rights of appraisal in connection with the Exchange.

Additional Information (page 176)

You can find more information about Skyline in the periodic reports and other information we file with the SEC. The information is available at the SEC's public reference facilities and at the website maintained by the SEC at www.sec.gov. For a more detailed description of the additional information available, see *Where You Can Find More Information* beginning on page 176.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SKYLINE

The following selected historical financial data of Skyline as of and for the six months ended December 3, 2017 and November 30, 2016 have been derived from the unaudited consolidated financial statements of Skyline that are incorporated by reference into this proxy statement. Skyline's management believes that the unaudited financial statements reflect all normal and recurring adjustments necessary for a fair presentation of the results as of and for the interim periods presented. The financial data as of and for the fiscal years ended May 31, 2017, 2016, and 2015 is derived from Skyline's audited consolidated financial statements that are incorporated by reference into this proxy statement. The financial data as of and for the fiscal years ended May 31, 2014 and 2013 is derived from Skyline's audited consolidated financial statements that are not included in or incorporated by reference into this proxy statement. This information is only a summary and 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 of Skyline incorporated by reference into this proxy statement. Results for past periods are not necessarily indicative of results that may be expected for any future period.

| (in thousands, except per share data) | At or for the Six Months Ended, | | At or for the year ended May 31, | | | | |
|-----------------------------------------------------------------------------|--------------------------------------------|------------------------------|-----------------------------------------|-------------|-------------|--------------|--------------|
| | December 3, 2017 | November 30, 2016 | 2017 | 2016 | 2015 | 2014* | 2013* |
| | (unaudited) | (unaudited) | | | | | |
| Summary of Operations: | | | | | | | |
| Net sales | \$ 116,227 | \$ 125,402 | \$ 236,504 | \$ 211,774 | \$ 186,985 | \$ 153,080 | \$ 177,574 |
| Income (loss) from continuing operations before income taxes | 4,571 | 149 | 5 | 1,873 | (4,188) | (7,307) | (10,513) |
| Income (loss) from discontinued operations, net of taxes | | | | (195) | (6,226) | (4,557) | |
| Net income (loss) | 4,571 | 149 | 5 | 1,678 | (10,414) | (11,864) | (10,513) |
| | 800 | 787 | 1,355 | 1,132 | 473 | 753 | 75 |

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| | | | | | | | | |
|----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Capital expenditures | | | | | | | | |
| Depreciation | 417 | 511 | 1,026 | 1,057 | 1,320 | 1,716 | 2,002 | |
| Basic weighted average common shares outstanding | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 |
| Diluted weighted average common shares outstanding | 8,531,191 | 8,512,903 | 8,512,374 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 | 8,391,244 |

Period-End Balances:

| | | | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| Working capital | \$ 22,677 | \$ 17,794 | \$ 18,917 | \$ 17,787 | \$ 16,464 | \$ 23,423 | \$ 27,430 | |
| Property, plant and equipment, net | 10,411 | 11,922 | 10,976 | 11,645 | 11,569 | 15,953 | 18,342 | |
| Total assets | 59,037 | 57,727 | 55,644 | 54,978 | 50,439 | 65,754 | 67,927 | |
| Total liabilities | 29,022 | 32,383 | 30,345 | 29,845 | 27,066 | 31,967 | 22,276 | |
| Shareholders equity | 30,015 | 25,344 | 25,299 | 25,133 | 23,373 | 33,787 | 45,651 | |

Per Share Data:

| | | | | | | | | |
|--------------------------------------------------------------|---------|---------|----|-----------|-----------|-----------|-----------|--|
| Basic and diluted income (loss) from continuing operations | \$ 0.54 | \$ 0.02 | \$ | \$ 0.22 | \$ (0.50) | \$ (0.87) | \$ (1.25) | |
| Basic and diluted income (loss) from discontinued operations | \$ | \$ | \$ | \$ (0.02) | \$ (0.74) | \$ (0.54) | \$ | |
| Basic and diluted income (loss) | \$ 0.54 | \$ 0.02 | \$ | \$ 0.20 | \$ (1.24) | \$ (1.41) | \$ (1.25) | |

- * In fiscal 2015, Skyline exited the recreational vehicle industry. Skyline's Form 10-K for the fiscal year ended May 31, 2015 disclosed fiscal 2014 financial results between continuing and discontinued operations for purposes of comparability. In fiscal 2013, both housing and recreational vehicle segments were reported as continuing operations.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CHAMPION HOLDINGS

The following selected historical financial data of Champion Holdings as of and for the nine months ended December 30, 2017 and for the nine months ended December 31, 2016 have been derived from the unaudited consolidated financial statements of Champion Holdings included in this proxy statement and are not necessarily indicative of the results or the financial condition to be expected for the remainder of the year or any future date or period. The management of Champion Holdings believes that the unaudited financial statements reflect all normal and recurring adjustments necessary for a fair presentation of the results as of and for the interim periods presented. The financial data as of and for the years ended April 1, 2017 and April 2, 2016 and for the year ended March 28, 2015 have been derived from the audited consolidated financial statements of Champion Holdings included in this proxy statement. The financial data as of March 28, 2015 and as of and for the years ended March 29, 2014 and March 30, 2013 have been derived from the audited consolidated financial statements of Champion Holdings not included in this proxy statement. This information is only a summary and should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations of Champion Holdings* beginning on page 124 and the consolidated financial statements of Champion Holdings and the notes thereto included in this proxy statement.

Champion Holdings' historical financial information does not reflect changes that Skyline Champion Corporation expects to experience in the future as a result of the Exchange, including changes in the financing, operations, cost structure, and personnel needs of its business.

| (Dollars in thousands) | As of and for the Nine Months Ended | | | As of and for the Year Ended | | | |
|--------------------------------------------------------------------|----------------------------------------|----------------------|------------------|------------------------------|-------------------|----------------------------------|----------------------------------|
| | December 30, 2017 | December 31, 2016 | April 1, 2017 | April 2, 2016 | March 28, 2015 | March 29, 2014 ⁽¹⁾ | March 30, 2013 ⁽¹⁾ |
| | (unaudited) | | | | | | |
| Summary of Operations | | | | | | | |
| Net sales | \$ 798,443 | \$ 615,926 | \$ 861,319 | \$ 751,703 | \$ 737,230 | \$ 800,271 | \$ 773,788 |
| Income (loss) from continuing operations before income taxes | 40,153 | 17,348 | 28,006 | 12,868 | (11,708) | 422 | 5,002 |
| (Loss) gain from discontinued operations, net of taxes | - | (3,781) | 583 | (10,248) | (641) | - | - |
| Net income (loss) | 18,064 | 11,158 | 51,910 | (20) | (17,367) | (1,860) | (800) |
| Capital expenditures | 7,867 | 5,356 | 6,955 | 3,712 | 3,882 | 7,100 | 6,366 |
| Depreciation | 5,761 | 4,713 | 6,803 | 5,851 | 6,509 | 6,703 | 6,754 |
| Period-End Balances | | | | | | | |
| Working Capital | \$ 91,470 | \$ 52,374 | \$ 64,000 | \$ 54,583 | \$ 48,399 | \$ 46,356 | \$ 87,952 |
| Property, plant and equipment, net | 68,950 | 68,012 | 66,577 | 58,915 | 61,455 | 79,895 | 81,711 |

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| | | | | | | | |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| Total assets | 359,598 | 291,883 | 328,021 | 260,913 | 284,348 | 294,894 | 320,071 |
| Total liabilities | 202,246 | 193,453 | 191,132 | 171,097 | 189,792 | 183,034 | 199,935 |
| Total members equity | 157,352 | 98,430 | 136,889 | 89,816 | 94,556 | 111,860 | 120,136 |

(1) During fiscal 2016, Champion Holdings classified its operations in the U.K. as discontinued. The results of operations for fiscal 2015 were restated to reflect that presentation. Fiscal 2014 and 2013 were not restated to reflect the U.K. operations as discontinued. If they had been presented as discontinued, sales would have been lower by \$74.5 million and \$85.2 million for fiscal 2014 and 2013, respectively. Income from continuing operations before income taxes would have been lower by \$1.2 million and \$1.6 million for fiscal 2014 and 2013, respectively.

**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA
OF SKYLINE AND CHAMPION HOLDINGS**

The following selected unaudited pro forma condensed combined financial information of Skyline and Champion Holdings is being presented for illustrative purposes only, and this information should not be relied upon for purposes of making any investment or other decisions. The data assume that Champion Holdings had been owned by Skyline for all periods and at the date presented and reflect the changes that the companies expect to experience as a result of the Exchange. The unaudited pro forma condensed combined balance sheet presented reflects the pro forma effects of the Exchange as if it had occurred on December 3, 2017. The unaudited pro forma condensed combined income statements presented reflect the pro forma effects of the Exchange as if it had occurred on June 1, 2016. Skyline and Champion Holdings may have performed differently had they been combined for all periods or on the date presented. You should also not rely on the following data as being indicative of the results or financial condition that would have been achieved or existed had Champion Holdings and Skyline been combined other than during the periods or on the date presented or of the actual future results or financial condition of Skyline to be achieved following the consummation of the Exchange.

Skyline and Champion Holdings have different fiscal year ends. Skyline's most recent fiscal year end is May 31, 2017 and its most recent interim fiscal period end is the six months ended December 3, 2017. Champion Holdings' most recent fiscal year end is April 1, 2017 and its most recent interim fiscal period end is the nine months ended December 30, 2017. Regulation S-X, Rule 11-02(c)(3) allows the combination of financial information for companies if their fiscal years end within 93 days of each other. As such, the unaudited pro forma condensed combined annual financial statements have been compiled using the financial information for Skyline for the year ended May 31, 2017 and the financial information for Champion Holdings for the year ended April 1, 2017.

The interim unaudited pro forma condensed combined financial data have been compiled using the financial information for Skyline for the six months ended December 3, 2017. Since Champion Holdings' most recent interim fiscal period end is the nine months ended December 30, 2017, Champion Holdings derived the six-month fiscal period ended December 30, 2017 from internal financial information in order to combine with Skyline in the unaudited pro forma condensed combined financial statements. The unaudited results of operations for Champion Holdings for the three months ended July 1, 2017 have been excluded from the pro forma analysis. For that period, Champion Holdings had net sales of \$244.1 million, gross profit of \$36.0 million, selling, general and administrative expenses of \$26.8 million and net income of \$5.3 million. The interim unaudited pro forma condensed combined financial data for the six months ended November 30, 2016 were compiled using the financial information for Champion Holdings for the six-month fiscal period ended December 31, 2016.

Skyline will be the legal acquirer per the terms of the Exchange, however, Champion Holdings will qualify as the accounting acquirer in accordance with Accounting Standards Codification 805, *Business Combinations*. As such, the unaudited pro forma condensed combined financial data have been prepared assuming the assets and liabilities of Skyline will be adjusted to fair market value as of the date of the Exchange. No fair value adjustments to the historical financial information for Champion Holdings, as a result of the Exchange, are expected.

This information is only a summary and should be read in conjunction with the section entitled *Unaudited Pro Forma Condensed Combined Financial Information of Skyline Champion Corporation* beginning on page 153 below.

Unaudited Pro Forma Condensed Combined Income Statements and Balance Sheet

| (Dollars in thousands) | As of and for the Six Months Ended December 3, 2017 | Pro Forma Six Months Ended November 30, 2016 | Year Ended May 31, 2017 |
|-------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|----------------------------|
| Statement of Operations Data | | | |
| Net sales | \$ 670,567 | \$ 543,354 | \$ 1,097,823 |
| Cost of sales | 557,328 | 461,691 | 933,080 |
| Gross profit | 113,239 | 81,663 | 164,743 |
| Selling, general and administrative expenses | 73,531 | 63,126 | 128,679 |
| Operating income | 39,708 | 18,537 | 36,064 |
| Interest expense, net | 2,063 | 2,121 | 4,264 |
| Other expense | 47 | 1,400 | 2,380 |
| Income before income taxes | 37,598 | 15,016 | 29,420 |
| Income tax expense (benefit) | 19,624 | 1,778 | (22,828) |
| Net income | \$ 17,974 | \$ 13,238 | \$ 52,248 |
| Balance Sheet Data | | | |
| Cash and cash equivalents | \$ 59,433 | | |
| Trade accounts receivable, net | 73,477 | | |
| Inventories, net | 98,173 | | |
| Other current assets | 10,412 | | |
| Total current assets | 241,495 | | |
| Property, plant and equipment, net | 112,950 | | |
| Goodwill | 83,817 | | |
| Amortizable intangible assets, net | 33,671 | | |
| Deferred tax assets | 68,928 | | |
| Other noncurrent assets | 9,689 | | |
| Total assets | \$ 550,550 | | |
| Floor plan payable | \$ 24,004 | | |
| Short-term portion of debt | 406 | | |
| Accounts payable | 30,325 | | |
| | 21,532 | | |

| | |
|------------------------------------------------------|-------------------|
| Customer deposits and receipts in excess of revenues | |
| Accrued volume rebates | 20,007 |
| Accrued warranty obligations | 16,325 |
| Accrued compensation and payroll taxes | 22,000 |
| Other current liabilities | 24,188 |
| Total current liabilities | 158,787 |
| Long-term debt | 59,027 |
| Deferred tax liabilities | 22,956 |
| Other | 10,776 |
| Total long-term liabilities | 92,759 |
| Total equity | 299,004 |
| Total liabilities and equity | \$ 550,550 |

COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

The following tables set forth certain historical and pro forma per share data for Skyline and Champion Holdings. The Skyline historical data have been derived from and should be read together with the unaudited consolidated financial statements of Skyline and related notes thereto contained in Skyline's Quarterly Report on Form 10-Q for the six months ended December 3, 2017, and the audited consolidated financial statements of Skyline and related notes thereto contained in Skyline's Annual Report on Form 10-K for the year ended May 31, 2017, each of which is incorporated by reference in this proxy statement. See *Information Incorporated by Reference* beginning on page 177. The Champion Holdings historical data have been derived from and should be read together with Champion Holdings unaudited and audited consolidated financial statements and related notes thereto included in this proxy statement. The pro forma data have been derived from the unaudited pro forma condensed combined financial statements of Skyline Champion Corporation included in this proxy statement.

These comparative historical and pro forma per share/unit data are being provided for illustrative purposes only. Skyline and Champion Holdings may have performed differently had the Exchange occurred prior to the period presented. You should not rely on the pro forma per share data presented as being indicative of the results that would have been achieved had Skyline and Champion Holdings been combined during the periods or at the dates presented or of the future results or financial condition of Skyline or Champion Holdings to be achieved following the completion of the Exchange. The summary pro forma information is preliminary, based on initial estimates of the fair value of assets acquired (including intangible assets) and liabilities assumed, and is subject to change as more information regarding the fair values are obtained, which changes could be materially different from the initial estimates.

| | As of and for the Six Months Ended December 3, 2017 | | | As of and for the Six Months Ended November 30, 2016 | | |
|-------------------------------------------------------|--------------------------------------------------------|--------------------------|------------------|---------------------------------------------------------|--------------------------|------------------|
| | Historical | | Pro Forma (2) | Historical | | Pro Forma (2) |
| | Historical Skyline | Champion Holdings (1) | | Historical Skyline | Champion Holdings (1) | |
| Basic earnings per share | \$ 0.54 | \$ 0.09 | \$ 0.32 | \$ 0.02 | \$ 0.09 | \$ 0.24 |
| Diluted earnings per share | \$ 0.54 | \$ 0.09 | \$ 0.32 | \$ 0.02 | \$ 0.09 | \$ 0.23 |
| Weighted average common shares outstanding basic | 8,391,244 | 135,612,157 | 56,270,574 | 8,391,244 | 135,612,157 | 56,270,574 |
| Weighted average common shares outstanding diluted | 8,531,191 | 135,612,157 | 56,601,574 | 8,512,903 | 135,612,157 | 56,601,574 |
| Book value per share of common stock | \$ 3.58 | \$ 1.16 | | \$ 3.02 | \$ 0.73 | |
| Dividends declared per share of common stock | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

- (1) Historical per share figures for Champion Holdings are based on the number of membership units of Champion Holdings outstanding at December 30, 2017 and December 31, 2016, respectively.
- (2) Pro forma per share figures include the number of shares of Skyline Common Stock expected to be issued to Champion Holdings (or its members) in the Exchange and the Skyline stock-based compensation shares expected to vest at the time of the Exchange. For more information, refer to Adjustments to Unaudited Pro Forma Condensed Combined Income Statements.

| | As of and for the Year Ended | | |
|-------------------------------------------------------|-------------------------------------|---------------------|------------------|
| | May 31, 2017 | | |
| | Historical | Historical | Pro |
| | Skyline | Champion | Forma (2) |
| | | Holdings (1) | |
| Basic earnings per share | \$ 0.00 | \$ 0.38 | \$ 0.93 |
| Diluted earnings per share | \$ 0.00 | \$ 0.38 | \$ 0.92 |
| Weighted average common shares outstanding basic | 8,391,244 | 135,612,157 | 56,270,574 |
| Weighted average common shares outstanding diluted | 8,512,374 | 135,612,157 | 56,601,574 |
| Book value per share of common stock | \$ 3.01 | \$ 1.01 | |
| Dividends declared per share of common stock | \$ 0.00 | \$ 0.00 | \$ 0.00 |

- (1) Historical per share figures for Champion Holdings are based on the number of membership units of Champion Holdings outstanding at April 1, 2017.
- (2) Pro forma per share figures include the number of shares of Skyline Common Stock expected to be issued to Champion Holdings (or its members) in the Exchange and the Skyline stock-based compensation shares expected to vest at the time of the Exchange. For more information, refer to Adjustments to Unaudited Pro Forma Condensed Combined Income Statements.

Champion Holdings is currently a private company and there is no established trading market in Champion Holdings membership units.

MARKET PRICE AND SHARE INFORMATION

Skyline's Common Stock is traded on the NYSE American under the symbol SKY. Champion Holdings' limited liability company membership units do not publicly trade, and no established trading market for Champion Holdings membership units is expected to develop prior to the completion of the Exchange. Upon the completion of the Exchange, Skyline will change its name to Skyline Champion Corporation. Skyline and Champion Holdings anticipate that the common stock of the combined company will be listed on the NYSE under the trading symbol SKY. The last reported sale price per share of Skyline Common Stock on (i) January 4, 2018, the business day preceding the public announcement of the signing of the Exchange Agreement, was \$12.83, and (ii) [], 2018, the last practicable date prior to the mailing of this document, was \$[].

The following table lists the high and low sales prices per share for Skyline Common Stock and the cash dividends declared by Skyline for the periods indicated.

| | High | Low | Dividends |
|-------------------------------------------------------------------|-------------|------------|------------------|
| Fiscal Year 2018: | | | |
| 4 th quarter ended May 31, 2018 (through [], 2018) | \$ | \$ | \$0.00 |
| 3 rd quarter ended March 4, 2018 | \$24.94 | \$12.04 | \$0.00 |
| 2 nd quarter ended December 3, 2017 | \$13.85 | \$10.31 | \$0.00 |
| 1 st quarter ended September 3, 2017 | \$12.05 | \$5.28 | \$0.00 |
| Fiscal Year 2017: | | | |
| 4 th quarter ended May 31, 2017 | \$13.03 | \$5.07 | \$0.00 |
| 3 rd quarter ended February 28, 2017 | \$17.31 | \$10.19 | \$0.00 |
| 2 nd quarter ended November 30, 2016 | \$13.89 | \$10.34 | \$0.00 |
| 1 st quarter ended August 31, 2016 | \$12.29 | \$7.92 | \$0.00 |
| Fiscal Year 2016: | | | |
| 4 th quarter ended May 31, 2016 | \$11.86 | \$4.04 | \$0.00 |
| 3 rd quarter ended February 28, 2016 | \$5.00 | \$2.52 | \$0.00 |
| 2 nd quarter ended November 30, 2015 | \$3.82 | \$2.17 | \$0.00 |
| 1 st quarter ended August 31, 2015 | \$3.43 | \$2.90 | \$0.00 |

As of [], 2018, the outstanding shares of Skyline's Common Stock were held by approximately 551 shareholders of record, and the limited liability company membership units of Champion Holdings were held by 22 Class A and 43 Class C members of record.

In the last two fiscal years, neither Skyline nor Champion Holdings has declared or paid any cash dividends or distributions to its shareholders or members, as applicable. Skyline and Champion Holdings have previously retained their earnings to support operations and to finance the growth and development of their respective businesses. Payment of any future dividends or distributions to Skyline's shareholders or Champion Holdings' members, as applicable, will be at the discretion of Skyline's Board and Champion Holdings' board of managers, as applicable.

Following the completion of the Exchange, the declaration of dividends will be at the discretion of the combined company's board of directors and will be determined after consideration of various factors, including earnings, cash requirements, the financial condition of the combined company, applicable state law and government regulations, and other factors deemed relevant by the combined company's board of directors.

RISK FACTORS

*In addition to the other information contained in or incorporated by reference into this proxy statement (see *Where You Can Find More Information* on page 176), including the risk factors included in Skyline's Annual Report on Form 10-K for the year ended May 31, 2017 and subsequent Quarterly Reports on Form 10-Q, 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 titled *Cautionary Statements Concerning Forward-Looking Information* on page 42.*

Risks Relating to the Exchange

The number of shares of Skyline Common Stock issuable in connection with the Exchange is not adjustable based on the market price of Skyline Common Stock, so the Exchange consideration at the closing may have a greater or lesser value than at the time the Exchange Agreement was signed.

The Exchange Agreement establishes an exchange ratio to fix the number of shares of Skyline Common Stock that will be issued in exchange for the Contributed Shares in the Exchange. Any changes in the market price of Skyline Common Stock before the completion of the Exchange will not affect the number of shares Champion Holdings (or its members) will be entitled to receive pursuant to the Exchange Agreement. Therefore, if before the completion of the Exchange the market price of Skyline Common Stock declines from the market price on the date of the Exchange Agreement, then Champion Holdings could receive Exchange consideration with substantially lower value than the value that would have been represented by the Exchange Shares had they been issued on the date of the Exchange Agreement. Similarly, if before the completion of the Exchange the market price of Skyline Common Stock increases from the market price on the date of the Exchange Agreement, then Champion Holdings could receive Exchange consideration with substantially more value than the value that would have been represented by the Exchange Shares had they been issued on the date of signing the Exchange Agreement. The Exchange Agreement does not include a price-based termination right. Because the exchange ratio does not adjust as a result of changes in the market value of Skyline Common Stock, for each percentage point that the market value of Skyline Common Stock rises or declines from the date of the Exchange Agreement, there is a corresponding one percentage point rise or decline in the value of the shares issued to Champion Holdings (or its members). The number of shares of Skyline Common Stock held by current Skyline shareholders, as well as their fixed percent of the total shares outstanding after the Exchange, will not vary as a result of the Exchange.

Failure to complete the Exchange may result in Skyline paying a termination fee or reimbursing fees and expenses incurred by Champion Holdings and could harm the Common Stock price of Skyline and future business and operations of Skyline.

If the Exchange is not completed, Skyline is subject to the following risks:

if the Exchange Agreement is terminated under certain circumstances, Skyline will be required to pay Champion Holdings a termination fee of up to \$10 million (for example, if the Board adversely changes its favorable recommendation of the Exchange-related proposals set forth in this proxy statement to Skyline's shareholders and Champion Holdings terminates the Exchange Agreement as a result of such change in recommendation, a termination fee of \$3 million in cash will be immediately due and payable by Skyline to Champion Holdings upon such termination, and if Skyline subsequently enters into or closes another acquisition transaction within 12 months following termination, an additional \$7 million cash termination fee would accrue and would become payable two business days after the date that the other acquisition

closes or is terminated);

if the Exchange Agreement is terminated by either Skyline or Champion Holdings because Skyline's shareholders do not approve the Exchange-related proposals set forth in this proxy statement, then

Skyline will be required to reimburse certain transaction fees and expenses incurred by Champion Holdings in connection with the Exchange Agreement, up to a maximum of \$2 million (which would be credited against, and thereby reduce, any termination fee that may become due and payable);

the market price of Skyline Common Stock might decline to the extent that Skyline's market price following the announcement of the Exchange reflects a market assumption that the Exchange will be completed; and

Skyline would be required to pay its own costs and expenses related to the Exchange, such as legal and accounting fees, many of which would be substantial, even if the Exchange is not completed.

If the conditions to the Exchange are not met, the Exchange will not occur.

Even if matters presented to the Skyline shareholders in this proxy statement are approved by the Skyline shareholders, specified conditions must be satisfied or waived to complete the Exchange. These conditions are set forth in the Exchange Agreement and described in the section entitled *The Exchange Agreement - Conditions to the Completion of the Exchange* beginning on page 111 of this proxy statement. Neither Skyline nor Champion Holdings can assure you that all of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the Exchange will not occur or will be delayed, the market price of Skyline Common Stock may decline, and Skyline and Champion Holdings each may lose some or all of the intended benefits of the Exchange.

The Exchange may be completed even though material adverse changes may result from the announcement of the Exchange, industry-wide changes or other causes.

In general, either Skyline or Champion Holdings can refuse to complete the Exchange if there is a material adverse change affecting the other party between January 5, 2018, the date of the Exchange Agreement, and the closing of the Exchange. However, certain types of changes do not permit either party to refuse to complete the Exchange, even if such change could be said to have a material adverse effect on Skyline or Champion Holdings, including:

any effect resulting from the execution, delivery, announcement, or performance of the obligations under the Exchange Agreement or the announcement, pendency, or anticipated closing of the Exchange;

any natural disaster or any acts of terrorism, sabotage, military action, or war or any escalation or worsening thereof;

any changes in U.S. GAAP or applicable legal requirements to the extent that such conditions do not have a disproportionate impact on Skyline and its subsidiaries or the Champion Companies and their subsidiaries relative to other companies in the same industry;

any effect resulting from conditions generally affecting the industries in which Skyline and its subsidiaries or the Champion Companies and their subsidiaries participate or the United States or global economy or capital markets as a whole, to the extent that such conditions do not have a disproportionate impact relative to other companies in the industries in which they operate;

any failure by the Champion Companies or any subsidiary to meet any estimates or expectations of its internal projections or forecasts or revenue or earnings predictions for any period (excluding any underlying effect that may have caused such failure);

general conditions in financial markets, and any changes therein (including any changes arising out of acts of terrorism, war, weather conditions, or other force majeure event), to the extent that such

conditions do not have a disproportionate impact on the Champion Companies or Skyline, taken as a whole, relative to other companies in the industry in which the Champion Companies or Skyline operate;

any failure by Skyline to meet any estimates or expectations of its internal projections or forecasts or revenue or earnings predictions for any period (excluding any underlying effect that may have caused such failure); and

with respect to Skyline, any change in the trading price or trading volume of Skyline Common Stock (excluding any underlying effect that may have caused such change).

If adverse changes occur and Skyline and Champion Holdings still complete the Exchange, the combined company's stock price may suffer. This in turn may reduce the value of the Exchange to the shareholders of Skyline, Champion Holdings, or both.

There can be no assurance that Skyline has identified every matter that could have a material adverse effect on Champion Holdings.

Although Skyline has conducted business, financial, and legal due diligence on Champion Holdings in connection with the Exchange, there can be no assurance that due diligence has identified every matter that could have a material adverse effect on Champion Holdings. Accordingly, there may be matters involving Champion Holdings and its operations that were not identified during Skyline's due diligence. Any of these issues could materially and adversely affect the financial condition and results of operations of the combined company after giving effect to the Exchange.

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

Certain of Skyline's directors and executive officers have interests in the Exchange that are different from, or in addition to, the interests of Skyline's shareholders generally that may present actual or apparent conflicts of interest. Skyline's directors were aware of these interests and took them into account in approving the Exchange Agreement. For example, as a result of the Exchange, Richard W. Florea, the Chief Executive Officer of Skyline, will be entitled to receive certain severance benefits, including a cash severance payment currently estimated to be \$556,200, and the accelerated vesting (immediately prior to the closing of the Exchange) of 181,400 outstanding and unvested stock options and 42,000 shares of unvested restricted stock. In addition, in connection with the closing of the Exchange, 19,800 outstanding and unvested stock options and 3,000 shares of unvested restricted stock held by Jeffrey A. Newport, the Chief Operating Officer of Skyline, will vest immediately prior to the closing of the Exchange.

The Exchange Agreement also provides that, at or prior to the closing of the Exchange, Skyline will take all actions under its 1989 Deferred Compensation Plan such that, upon the closing of the Exchange, all benefits payable under the plan to Jon S. Pilarski, the Vice President, Finance & Treasurer, Chief Financial Officer of Skyline will become fully vested. Under the terms of the plan, Mr. Pilarski is entitled to an annual retirement payment amount of \$60,000, and an annual death benefit amount of \$40,000, which will become fully vested upon the closing of the Exchange. Terrence M. Decio, Skyline's Vice President, Marketing and Sales, and Martin R. Fransted, Skyline's Corporate Controller and Secretary, are also entitled to vested annual death benefit payments and deferred compensation payments of \$75,000 each, and Mr. Fransted is entitled to an annual death benefit payment of \$30,000 and an annual deferred compensation payment of \$40,000 pursuant to the terms of the plan. Skyline's Board has approved an amendment to the 1989 Deferred Compensation Plan to prevent a termination of the plan prior to the date upon which the final payment under the plan is scheduled to occur, and preventing the amendment provision itself from being further amended without the prior consent of all the plan's participants.

Also under the Exchange Agreement, if either of Mr. Newport or Mr. Pilarski is still employed by Skyline as of the closing of the Exchange, and if the employment of either of them is terminated by the combined company, other than for cause, within 12 months after the closing of the Exchange, then the individual whose employment is terminated will be entitled to receive severance payments. Mr. Newport would be entitled to receive severance pay equal to 26 weeks of pay, at his base rate of pay in effect at the time of his termination of employment (which is currently estimated to result in a payment of \$125,000), and Mr. Pilarski would be entitled to receive severance pay equal to 52 weeks of pay, at his base rate of pay in effect at the time of his termination of employment (which is currently estimated to result in a payment of \$229,500).

The Exchange Agreement also provides that salaried employees of Skyline or any of its subsidiaries as of the closing who are still employed by Skyline or a subsidiary as of the closing of the Exchange and whose employment with Skyline or the combined company is terminated by the combined company, other than for cause, within 12 months after closing, and who sign and deliver a termination and release agreement, would be entitled to severance pay equal to one week of pay, at their base rate of pay in effect at the time of termination, for each full year of continuous service with Skyline and the surviving company, with a minimum of four weeks and a maximum of 26 weeks. Under these provisions, Mr. Decio, Mr. Fransted, and Robert C. Davis, Skyline's Vice President, Manufacturing, would receive cash severance payments currently estimated to be \$122,400, \$77,520, and \$52,177, respectively.

In addition, John C. Firth, the current Chairman of the Skyline Board, and Richard W. Florea, the current Chief Executive Officer of Skyline and a current member of the Skyline Board, will be appointed to the combined company's board of directors shortly after the closing, and Arthur J. Decio, the founder of Skyline and a current member of the Skyline Board, will serve as a non-voting board observer on the combined company's post-closing board. Finally, the present and former officers and directors of Skyline will have the benefit of the continuation of indemnification and liability insurance protection for six years following the closing. See *Interests of the Skyline Directors and Executive Officers in the Exchange* beginning on page 79.

The market price of the combined company's common stock may decline as a result of the Exchange.

The market price of the combined company's common stock may decline as a result of the Exchange for a number of reasons including if:

investors react negatively to the prospects of the combined company's business and prospects from the Exchange;

the effect of the Exchange on the combined company's business and prospects is not consistent with the expectations of financial or industry analysts; or

the combined company does not achieve the perceived benefits of the Exchange as rapidly or to the extent anticipated by financial or industry analysts.

The issuance of Skyline's Common Stock to Champion Holdings under the Exchange Agreement will substantially dilute the percentage ownership interests of Skyline's current shareholders and will give Champion Holdings (or its members) the ability to assume control of a majority of the outstanding shares of Skyline's Common Stock.

If the Exchange is completed, Skyline will issue to Champion Holdings 47,828,330 shares of Skyline's Common Stock (based on an estimated closing date of May 1, 2018 and based on the exchange ratio of 5.4516129 as set forth in the Exchange Agreement, multiplied by 8,773,244, which is the aggregate number of shares of Skyline Common Stock,

on a fully diluted basis (as determined in the Exchange Agreement), estimated to be issued and outstanding immediately prior to the closing), and Champion Holdings (or its members) will own 84.5% of the combined company's outstanding Common Stock. The issuance of Skyline's Common Stock

to Champion Holdings will cause a significant reduction in the relative percentage interests of Skyline's current shareholders in Skyline's earnings and voting power. Because of this, Skyline's shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of Skyline. Furthermore, under Skyline's current Restated Articles of Incorporation, Skyline's shareholders do not have preemptive or similar rights, and it is not expected that shareholders of the combined company will have such rights after the closing. Therefore, the combined company will continue to have the ability to sell additional voting securities in the future without offering them to the combined company's shareholders, which would further reduce their ownership percentage in, and voting power over, the combined company.

Skyline shareholders may not realize a benefit from the Exchange commensurate with the ownership dilution they will experience in connection with the Exchange.

If the combined company is unable to realize the full strategic and financial benefits currently anticipated from the Exchange, Skyline shareholders will have experienced substantial dilution of their ownership interests in Skyline without receiving a fully commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined company is able to realize only part of the strategic and financial benefits currently anticipated from the Exchange.

Certain provisions of the Exchange Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Exchange Agreement.

The terms of the Exchange Agreement prohibit Skyline from soliciting alternative takeover proposals or cooperating with persons making unsolicited takeover proposals, except in limited circumstances when the Board determines in good faith that an unsolicited alternative takeover proposal is or is reasonably expected to result in a superior proposal and that failure to cooperate with the proponent of the proposal could reasonably be considered a breach of the board's fiduciary duties. In addition, if Skyline or Champion Holdings terminate the Exchange Agreement under certain circumstances, including Champion Holdings terminating the Exchange Agreement because of a change in the Board's recommendation in favor of the Exchange, Skyline would be required to pay a termination fee of up to \$10 million, plus certain transaction fees and expenses in certain cases, to Champion Holdings. This termination fee may discourage third parties from submitting alternative takeover proposals to Skyline or its shareholders and may cause the Board to be less inclined to recommend an alternative proposal.

Because the lack of a public market for the Contributed Shares makes it difficult to evaluate the fairness of the Exchange, the members of Champion Holdings may receive consideration in the Exchange that is more or less than the fair market value of the Contributed Shares.

The outstanding Contributed Shares are privately held and are not traded in any public market. The lack of a public market makes it difficult to determine the fair market value of the Contributed Shares. Because the percentage of Skyline Common Stock to be issued to Champion Holdings (or its members) was determined based on negotiations between the parties, it is possible that the value of the Skyline Common Stock to be received by Champion Holdings will be more or less than the actual fair market value of the Contributed Shares.

The combined company may become involved in securities class action litigation that could divert management's attention and harm the combined company's business, and insurance coverage may not be sufficient to cover all costs and damages.

In the past, securities class action or shareholder derivative litigation often follows certain significant business transactions, such as the sale of a business division or announcement of a merger of publicly traded companies. The combined company may become involved in this type of litigation in the future. Litigation often

is expensive and diverts management's attention and resources, which could adversely affect the combined company's business.

The pro forma financial statements presented are not necessarily indicative of the financial condition or results of operations of the combined company following the Exchange.

The pro forma financial statements contained in this proxy statement are presented for illustrative purposes only and may not be indicative of the financial condition or results of operations of the combined company following the Exchange. The pro forma financial statements have been derived from the historical financial statements of Skyline and Champion Holdings, and also includes certain information regarding the Champion Companies, and many adjustments and assumptions have been made regarding the Champion Companies and Skyline after giving effect to the Exchange. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by Skyline or Champion Holdings in connection with the Exchange. As a result, the actual financial condition and results of operations of the combined company following the Exchange may not be consistent with, or evident from, these pro forma financial statements.

The assumptions used in preparing the pro forma financial statements may not prove to be accurate, and other factors may affect our financial condition or results of operations following the Exchange. Any potential decline in Skyline's or Champion Holdings' financial condition or results of operations could adversely affect Skyline's or Champion Holdings' liquidity.

The date on which the Exchange will close is uncertain.

The date on which the Exchange will close depends on the satisfaction of the closing conditions set forth in the Exchange Agreement, or the waiver of those conditions by the parties thereto. Although Skyline and Champion Holdings expect to close the Exchange within five business days after all closing conditions are satisfied or waived, such closing may not take place as anticipated. Subject to specific exceptions, either Skyline or Champion Holdings may terminate the Exchange Agreement if the Exchange has not been completed on or before July 31, 2018.

Following the completion of the Exchange, the combined company will continue to incur costs as a result of operating as a public company, and the management of the combined company may be required to devote substantial time to compliance initiatives.

As a public company, Skyline currently incurs legal, accounting, and other expenses. In addition, the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, impose various requirements on public companies, including requiring the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Skyline's management devotes both time and financial resources to these compliance initiatives. As a private company, Champion Holdings has not been subject to these regulatory requirements.

After the Exchange, the combined company will remain subject to all of Skyline's current public obligations, including the Sarbanes-Oxley Act. If, after the Exchange, the combined company fails to staff its accounting and finance functions adequately, or fails to maintain internal controls adequate to meet the demands that are placed upon it as a public company, including the requirements of the Sarbanes-Oxley Act, it may be unable to report its financial results accurately or in a timely manner and its business and stock price may suffer. The costs of being a public company, as well as diversion of management's time and attention, may have a material adverse effect on the combined company's future business, financial condition, and results of operations.

Following the completion of the Exchange, the combined company is expected to be a controlled company under the applicable listing standards then in effect for the combined company and, as a result, will qualify for, and intends to rely on, exemptions from certain corporate governance requirements; so you will not have the same protections currently afforded to shareholders of Skyline.

Because Champion Holdings will control a majority of the voting power of the combined company's outstanding common stock, the combined company will be a controlled company within the meaning of both the NYSE American Company Guide and the NYSE Listed Company Manual, as they may be applicable to the combined company. In addition, if, whether under the terms of the Exchange Agreement or otherwise, the Exchange Shares are issued to the members of Champion Holdings, then Champion Holdings expects and intends that certain of its members will be considered a group for purposes of the applicable corporate governance requirements of the exchange on which the combined company's shares are listed, and intends that the combined company would likewise be considered a controlled company under such rules. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group, or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that:

the combined company have a board of directors that is composed of a majority of independent directors, as defined in the NYSE American or NYSE listing rules, as applicable;

the combined company have a compensation committee that is composed entirely of independent directors; and

the combined company have a nominating and corporate governance committee that is composed entirely of independent directors.

The combined company plans to rely on all of these exemptions. Accordingly, for so long as the combined company is a controlled company, you will not have the same protections afforded to you as shareholders of companies that are subject to all of the NYSE American or NYSE requirements, including Skyline. The combined company's status as a controlled company could make its common stock less attractive to some investors or otherwise harm our stock price.

The integration of Skyline and Champion Holdings may not be successful or the anticipated benefits from the Exchange may not be realized in their entirety.

After the consummation of the Exchange, the combined company's management will need to integrate the operations, as well as financial and other systems of Skyline and the Champion Companies. The combined company's management will be required to devote a great deal of time and attention to the process of integrating the operations while carrying on the ongoing operations. A significant degree of difficulty and management involvement is inherent in the integration process. The integration process includes but is not limited to:

integrating the operations while carrying on the ongoing business;

creating uniform policies, procedures, standards, internal controls, and information systems and controlling the costs associated with such matters;

integrating information technology, purchasing, accounting, sales, payroll and regulatory compliance systems;

the possibility of faulty assumptions underlying expectations regarding the integration process; and

integrating two business cultures, which may prove to be incompatible.

There is no assurance that the combined company will be successful or cost effective at the integration of the two companies. The integration may cause an interruption of, or loss of momentum in the activities of the business after the consummation of the Exchange. If the combined company's management is not able to manage the integration process effectively, or any significant business activities are interrupted as a result of the integration process, the combined company's business, liquidity, financial condition and results of operations may be adversely impacted. Even if the combined company is able to combine the two business operations successfully, it may not be possible to realize the full benefits of the expected synergies, which are expected to result from the Exchange, or realize these benefits within the time frame that is expected. For example, the benefits from the Exchange may be offset by costs incurred or delays in integrating the companies. If the combined company fails to realize the benefits it anticipates from the Exchange, the business, liquidity, financial condition and results of operations may be adversely affected.

Risks Related to Skyline

Skyline has incurred net losses in prior years.

Due to negative economic conditions that impacted the manufactured housing, modular housing, and recreational vehicle industries, Skyline incurred net losses from fiscal years 2008 to 2015. Losses in future years attributable to the Skyline business could negatively affect the combined company's liquidity, financial condition, and results of operations.

Changing consumer preferences for Skyline's products could adversely affect sales and operating results.

Consumer preferences for manufactured housing, modular housing, and park models change over time, and consequently Skyline responds to changing demand by evaluating the market acceptability of its products. Delays in responding to changing consumer preferences could have an adverse effect on net sales, operating results, and cash flows.

Skyline's business depends on independent dealers.

Skyline sells its manufactured homes, modular homes, and park models to independent dealers. These dealers are not obligated to exclusively sell Skyline's products, and may choose to sell competitor's products. In addition, a dealer may become financially insolvent and be forced to close its business. Both scenarios could have an adverse effect on net sales, operating results, and cash flows of Skyline and the combined company.

The cost and availability of raw materials can fluctuate significantly.

Prices and availability of raw materials used to manufacture Skyline's products can change significantly due to fluctuations in supply and demand. In addition, the cost of raw materials is also influenced by transportation costs. Skyline has historically been able to have an adequate supply of raw materials by maintaining good relations with its vendors. Increased prices have historically been passed on to dealers by raising the price of manufactured housing, modular housing, and park models. There is no certainty that Skyline will be able to pass on future price increases and maintain an adequate supply of raw materials. The inability to raise the price of its products and to maintain a proper supply of materials could have a negative impact on net sales, operating results, and cash flows of Skyline and the combined company.

The level of dealer inventories may affect pricing and production levels.

As wholesale shipments of manufactured homes, modular homes, and park models exceed retail sales, dealer inventories reach a level where dealers decrease orders from manufacturers. As manufacturers respond to reduced demand, many either offer discounts to maintain production volumes or curtail production levels. Both outcomes

could have a negative impact on net sales, operating results, and cash flows of Skyline and the combined company.

The industry in which Skyline operates is highly competitive.

The production of manufactured housing, modular housing, and park models is highly competitive with particular emphasis on price and features offered. Some of Skyline's competitors are vertically integrated by owning retail, consumer finance, and insurance operations. This integration may provide competitors with an advantage with dealers. In addition, Skyline's housing products compete with other forms of housing, such as new and existing site-built homes, apartments, condominiums, and townhouses, as well as rental housing. The inability to effectively compete in this environment could result in lower net sales, operating results, and cash flows.

The availability of retail financing has a significant impact on Skyline's business.

Customers who purchase Skyline's products generally obtain retail financing from third party lenders. The availability, terms, and cost of retail financing depend on the lending practices of financial institutions, governmental policies, and economic and other conditions, all of which are beyond Skyline's control. A customer seeking to purchase a manufactured home without land will generally pay a higher interest rate and have a shorter loan maturity versus a customer financing the purchase of land and a home. This difference is due to most states classifying home-only manufactured housing loans as personal property rather than real property for purposes of taxation and lien perfection.

In past years, many lenders of home-only financing have tightened credit underwriting standards, with some deciding to exit the industry. These actions resulted in decreased availability of retail financing, causing a negative effect on sales and operating results, as other forms of housing became relatively more attractive. If retail financing were to be further curtailed, net sales, operating results, and cash flows of Skyline and the combined company could be adversely affected.

A dealer's ability to obtain wholesale financing may affect Skyline's business.

Independent dealers of Skyline's products generally finance their inventory purchases with wholesale floor plan financing provided by lending institutions. A dealer's ability to obtain financing is significantly affected by the number of lending institutions offering floor planning, and by an institution's lending limits. In past years, the industries in which Skyline operates experienced a reduction in both the number of lenders offering floor planning and the amount of money available for financing. Any further decline in wholesale financing could have a negative impact on a dealer's ability to purchase manufactured housing, modular housing, and park model products, resulting in lower net sales, operating results, and cash flows of Skyline and the combined company.

Skyline is subject to governmental regulation.

Skyline is subject to various governmental regulations. Implementation of new regulations or amendments to existing regulations could significantly increase the cost of Skyline's products. In addition, failure to comply with present or future regulations could result in fines or potential civil or criminal liability. Both scenarios could negatively impact net sales, operating results, and cash flows.

Skyline is contingently liable under repurchase agreements with financial institutions.

Skyline is contingently liable to repurchase its products under repurchase agreements with certain financial institutions providing inventory financing for retailers of its products. Skyline could be required to fulfill some or all of the repurchase agreements, resulting in increased expense and reduced cash flows.

Skyline's business is cyclical and seasonal in nature.

The industries in which Skyline operates are highly cyclical, and are impacted by the following conditions, among others: the availability of wholesale and retail financing; consumer confidence; interest rates;

demographic and employment trends; the availability of used or repossessed homes or park models; the relative attractiveness of other forms of new, existing and rental housing; and the impact of inflation. Sales associated with the manufactured housing, modular housing, and park model industries are also seasonal in nature with sales being lowest in the winter months. Seasonal changes, in addition to weakness in demand in one or both of Skyline's market segments, could materially impact the net sales, operating results, and cash flows of Skyline and the combined company.

Risks Related to Champion Holdings

The factory-built housing industry is cyclical, is affected by seasonality and is sensitive to changes in general economic or other business conditions.

The factory-built housing industry is affected by seasonality. Sales during the period from March to November are traditionally higher than in other months. As a result, Champion Holdings' sales and operating results sometimes fluctuate and may continue to fluctuate in the future.

The factory-built housing industry is also sensitive to changes in economic conditions and other factors, such as the level of employment, job growth, population growth, consumer confidence, consumer income, availability of financing, interest rate levels and an oversupply of homes for sale. Adverse changes in any of these conditions generally, or in the markets where Champion Holdings operates, could decrease demand and pricing for new factory-built homes in these areas or result in customer cancellations of pending shipments, which could adversely affect the number of shipments Champion Holdings makes or reduce the prices it can charge, either of which could result in a decrease in Champion Holdings' revenues and earnings that could adversely affect Champion Holdings' financial condition.

Champion Holdings is subject to demand fluctuations in the housing industry. Reductions in demand could adversely affect Champion Holdings' business, results of operations, and financial condition.

Demand for Champion Holdings' homes is subject to fluctuations, often due to factors outside of Champion Holdings' control. In a housing market downturn, Champion Holdings' sales and results of operations could be adversely affected; it may have significant inventory impairments and other write-offs; its gross margins may decline significantly from historical levels; and it may incur losses from operations. Champion Holdings cannot predict the continuation of the current housing recovery, nor can it provide assurance that should the recovery not continue its response will be successful.

Future increases in interest rates, more stringent credit standards, tightening of financing terms, or other increases in the effective costs of owning a factory-built home (including those related to regulation or other government actions) could limit or curtail the purchasing power of Champion Holdings' potential customers and could adversely affect Champion Holdings' business and financial results.

A large majority of Champion Holdings' customers finance their home purchases through third-party lenders. While interest rates have increased moderately, they have been near historical lows for several years, which has made purchasing new factory-built homes more affordable. Increases in interest rates or decreases in the availability of consumer financing could adversely affect the market for homes. Potential customers may be less willing or able to pay the increased monthly costs or to obtain financing. Lenders may increase the qualifications needed for financing or adjust their terms to address any increased credit risk. These factors could adversely affect the sales or pricing of Champion Holdings' factory-built homes. These developments have historically had, and may once again have, a material adverse effect on the overall demand for factory-built housing and its competitiveness with other forms of housing, and could adversely affect Champion Holdings' results of operations and financial condition.

The liquidity provided by Government-Sponsored Enterprises (*GSEs*) and the Federal Housing Administration (*FHA*) is also critical in insuring or purchasing home mortgages and creating or insuring

investment securities that are either sold to investors or held in their portfolios. The impact of the federal government's conservatorship of GSEs on the short-term and long-term demand for new housing as well as any potential restructuring of the GSEs remains unclear. Any limitations or restrictions on the availability of financing by these agencies could adversely affect interest rates, financing, and Champion Holdings sales of new homes.

The Dodd-Frank Act established the Consumer Financial Protection Bureau (*CFPB*) to regulate consumer financial products and services. Since 2014, the CFPB has promulgated rules concerning consumer credit transactions secured by a dwelling, which include real property mortgages and chattel loans (financed without land) secured by factory-built homes. Overall, the rules have caused some lenders to curtail underwriting such loans, and some investors are reluctant to own or participate in owning such loans because of the uncertainty of potential litigation and other costs. Consequently, such regulatory developments could cause some prospective buyers of factory-built homes to be unable to secure the financing necessary to complete purchases. In addition, compliance with the law and ongoing rule implementation has caused lenders to incur additional costs to implement new processes, procedures, controls, and infrastructure required to comply with the regulations. Compliance may constrain lenders' ability to profitably price certain loans. Failure to comply with these regulations, changes in these or other regulations, or the imposition of additional regulations, could affect Champion Holdings' earnings, limit its access to capital, and have a material adverse effect on its business and results of operations.

The CFPB rules amending the Truth in Lending Act and Real Estate Settlement Procedures Act expand the types of mortgage loans that are subject to the protections of the Home Ownership and Equity Protection Act (*HOEPA*), revise and expand the tests for coverage under HOEPA, and impose additional restrictions on mortgages that are covered by HOEPA. As a result, certain factory-built home loans are now subject to HOEPA limits on interest rates and fees. Loans with rates or fees in excess of the limits are deemed high cost mortgages and provide additional protections for borrowers, including with respect to determining the value of the home. Most loans for the purchase of factory-built homes have been written at rates and fees that would not appear to be considered high cost mortgages under the rule. Although some lenders may continue to offer loans that are now deemed high cost mortgages, the rate and fee limits appear to have deterred some lenders from offering loans to certain borrowers and may continue to make them reluctant to enter into loans subject to the provisions of HOEPA. As a result, some prospective buyers of factory-built homes may be unable to secure financing necessary to complete factory-built home purchases.

On December 1, 2017, the House of Representatives passed the Preserving Access to Manufactured Housing Act of 2017 (H.R. 1699). The bill has been received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs. If passed by the Senate and signed into law, the proposed legislation would amend some Dodd-Frank Act provisions that affect factory-built housing financing and its terms may affect the availability of financing for factory-built housing and the ability of prospective customers to purchase Champion Holdings' products.

The availability of wholesale financing for retailers is limited due to a limited number of floor plan lenders and reduced lending limits.

Factory-built housing retailers generally finance their inventory purchases with wholesale floor plan financing provided by lending institutions. The availability of wholesale financing is significantly affected by the number of floor plan lenders and their lending limits. Limited availability of floor plan lending negatively affects the inventory levels of Champion Holdings' independent retailers, the number of retail sales center locations and related wholesale demand, and adversely affects the availability of and access to capital on an ongoing basis. As a result, Champion Holdings could experience sales declines or a higher level of customer defaults and its operating results and cash flows could suffer.

Champion Holdings has contingent repurchase obligations related to wholesale financing provided to industry retailers.

As is customary in the factory-built housing industry, a significant portion of Champion Holdings' manufacturing sales to independent retailers are financed under floor plan agreements with financing companies. Payment for floor plan sales is generally received 5 to 15 business days from the date of invoice. In connection with the floor plan programs, Champion Holdings generally has separate agreements with the financing companies that require Champion Holdings to repurchase homes upon default by the retailer and repossession of the homes by the financing companies. These repurchase agreements are applicable for various periods of time, generally up to 24 months after the sale of the home to the retailer. However, certain homes are subject to repurchase until the home is sold by the retailer. Champion Holdings' contingent repurchase obligation as of December 30, 2017, was estimated to be approximately \$113.0 million, without reduction for the resale value of the homes. Champion Holdings may be required to honor contingent repurchase obligations in the future and may incur additional expense and reduced cash flows because of these repurchase agreements.

If Champion Holdings is unable to establish or maintain relationships with independent distributors who sell its homes, Champion Holdings' sales could decline and its operating results and cash flows could suffer.

Although Champion Holdings maintains its own factory direct retail business in select markets, it still conducts a significant amount of its business through independent distributors. For example, approximately 84% of Champion Holdings' fiscal year 2017 manufacturing shipments of homes were made to independent distributors throughout the United States and Western Canada. As is common in the factory-built housing industry, independent distributors may sell factory-built homes produced by competing manufacturers. Champion Holdings may not be able to establish relationships with new independent distributors or maintain good relationships with independent distributors that sell its homes. Even if Champion Holdings does establish and maintain relationships with independent distributors, these customers are not obligated to sell Champion Holdings' homes exclusively and may choose to sell competitors' homes instead. The independent distributors with whom Champion Holdings has relationships can cancel these relationships on short notice. In addition, these customers may not remain financially solvent, as they are subject to the same industry, economic, demographic and seasonal trends that Champion Holdings faces. If Champion Holdings does not establish and maintain relationships with solvent independent distributors in the markets it serves, sales in those markets could decline, and if Champion Holdings was unable to effect offsetting expansion of its factory-direct retail business, Champion Holdings' operating results and cash flows could suffer.

Prices of certain materials can fluctuate and availability of certain materials may be limited at times.

Prices of certain materials such as lumber, insulation, steel, drywall, oil-based products and fuel can fluctuate significantly due to changes in demand and supply. Additionally, availability of certain materials such as drywall and insulation may be limited at times resulting in higher prices and/or the need to find alternative suppliers. Champion Holdings may attempt to pass the higher material costs on to customers but it is not certain that it will be able to achieve this without affecting demand or that limited availability of materials will not impact its production capabilities and results of operations.

Champion Holdings' results of operations can be adversely affected by labor shortages and turnover.

The homebuilding industry has from time to time experienced labor shortages and other labor related issues. A number of factors may adversely affect the labor force available to Champion Holdings and its subcontractors in one or more of its markets, including high employment levels, construction market conditions, and government regulation, which include laws and regulations related to workers' health and safety, wage and hour practices, and immigration. Champion Holdings' direct labor has historically experienced high turnover rates, which can lead to increased spending on training and retention and, as a result, increased costs of production. An overall labor shortage or a lack

of skilled labor could cause significant increases in costs or delays in construction of homes, which could have a material adverse effect upon Champion Holdings' revenue and results of operations.

Industry conditions and future operating results could limit Champion Holdings' sources of capital. If Champion Holdings is unable to locate suitable sources of capital when needed, it may be unable to maintain or expand its business.

As of December 30, 2017, Champion Holdings has total indebtedness outstanding under its existing senior secured credit facility of approximately \$47.0 million (the ***Existing Credit Facility***). Champion Holdings depends on its cash balances, cash flows from operations, and its Existing Credit Facility to finance its operating requirements, capital expenditures, and other needs. The prior downturn in the factory-built housing industry beginning in 2007, combined with its operating results and other changes, adversely affected Champion Holdings, limiting its sources of financing. If Champion Holdings' cash balances, cash flows from operations, and availability under its Existing Credit Facility are insufficient to finance its operations and alternative capital is not available, Champion Holdings may not be able to expand its business and make acquisitions, or it may need to curtail or limit its existing operations.

Factory-built housing operates in the highly competitive housing industry, and, if other home builders are more successful or offer better value to Champion Holdings' customers, its business could decline.

Champion Holdings operates in a very competitive environment, in which it faces competition from a number of other home builders in each market in which it operates. Champion Holdings competes with large national and regional home building companies and with smaller local home builders for financing, raw materials, and skilled management and labor resources. Some of Champion Holdings' manufacturing competitors have captive retail distribution systems and consumer finance and insurance operations. In addition, there are independent factory-built housing retail locations in most areas where independent retailers sell Champion Holdings' homes and in most areas where it has retail operations. Because barriers to entry to the industry at both the manufacturing and retail levels are low, Champion Holdings believes that it is relatively easy for new competitors to enter its markets. In addition, Champion Holdings' products compete within the housing industry more broadly with other forms of low to moderate-cost housing, including site-built homes, panelized homes, apartments, townhouses, condominiums, and repossessed homes. Champion Holdings also competes with the resale homes, also referred to as previously owned or existing homes, as well as rental housing.

An oversupply of homes available for sale or the heavy discounting of home prices by some of Champion Holdings' competitors could adversely affect demand for its homes and the results of its operations. An increase in competitive conditions can have any of the following impacts on Champion Holdings: delivering fewer homes; sale of fewer homes or higher cancellations by Champion Holdings' home buyers; an increase in selling incentives and/or reduction of prices; and realization of lower gross margins due to lower selling prices or an inability to increase selling prices to offset increased costs of the homes delivered. If Champion Holdings is unable to compete effectively in its markets, its business could decline disproportionately to that of its competitors. As a result, its sales could decline and its operating results and cash flows could suffer.

Changes in consumer preferences for Champion Holdings' products or its failure to gauge those preferences could lead to reduced sales.

Champion Holdings cannot be certain that historical consumer preferences for factory-built homes in general, and for its products in particular, will remain unchanged. Champion Holdings' ability to remain competitive depends heavily on its ability to provide a continuing and timely introduction of innovative product offerings. Champion Holdings believes that the introduction of new features, designs, and models will be critical to the future success of its operations. Managing frequent product introductions poses inherent risks. Delays in the introduction or market acceptance of new models, designs, or product features could have a material adverse effect on Champion Holdings' business. Products may not be accepted for a number of reasons, including changes in consumer preferences or Champion Holdings' failure to properly gauge consumer preferences. Further, Champion Holdings cannot be certain that new product introductions will not reduce revenues from existing models and adversely affect its results of

operations. In addition, its revenues may be adversely affected if its new models and products are not introduced to the market on time or are not successful when introduced. Finally, Champion Holdings competitors new products may obtain better market acceptance.

When Champion Holdings introduces new products into the marketplace, it may incur expenses that it did not anticipate, which, in turn, can result in reduced earnings.

The introduction of new models, floor plans, and features are critical to Champion Holdings' future success. Champion Holdings may incur unexpected expenses, however, when it introduces new models, floor plans, or features. For example, it may experience unexpected engineering or design flaws that may cause increased warranty costs. The costs resulting from these types of problems could be substantial and could have a significant adverse effect on Champion Holdings' earnings. Estimated warranty costs are provided at the time of product sale to reflect Champion Holdings' best estimate of the amounts necessary to settle future and existing claims on products. An increase in actual warranty claims costs as compared to Champion Holdings' estimates could result in increased warranty reserves and expense which could have an adverse impact on Champion Holdings' earnings.

For some of the components used in production, Champion Holdings depends on a small group of suppliers and the loss of any of these suppliers could affect Champion Holdings' ability to obtain components timely or at competitive prices, which would decrease its sales and profit margins. Some components are sourced from foreign sources and delays in obtaining these components could result in increased costs and decreased sales and profit margins.

Champion Holdings depends on timely and sufficient delivery of components from its suppliers. Most components are readily available from a variety of sources. However, a few key components are currently produced by only a small group of quality suppliers that have the capacity to supply large quantities. If Champion Holdings cannot obtain an adequate supply of these key components its sales could decline and its operating results and cash flows could suffer.

Champion Holdings' products and services may experience quality problems from time to time that can result in decreased sales and gross margin and could harm Champion Holdings' reputation.

Champion Holdings' products contain thousands of parts, many of which are supplied by a network of approved vendors. As with Champion Holdings' competitors, product defects may occur, including components purchased from material vendors. Champion Holdings cannot assure that all such defects will be detected prior to the distribution of its products. In addition, although Champion Holdings endeavors to compel suppliers to maintain appropriate levels of insurance coverage, it cannot assure that if a defect in a vendor-supplied part were to occur that the vendor would have the ability to financially rectify the defect. Failure to detect defects in Champion Holdings' products, including vendor-supplied parts, could result in lost revenue, increased warranty and related costs, and could harm Champion Holdings' reputation.

If the factory-built housing industry is not able to secure favorable local zoning ordinances, Champion Holdings sales could decline and its operating results and cash flows could suffer.

Limitations on the number of sites available for placement of factory-built homes or on the operation of factory-built housing communities could reduce the demand for factory-built homes and, as a result, Champion Holdings' sales. Factory-built housing communities and individual home placements are subject to local zoning ordinances and other local regulations relating to utility service and construction of roadways. In the past, some property owners have resisted the adoption of zoning ordinances permitting the use of factory-built homes in residential areas, which Champion Holdings believes has restricted the growth of the industry. Factory-built homes may not receive widespread acceptance and localities may not adopt zoning ordinances permitting the development of factory-built home communities. If the factory-built housing industry is unable to secure favorable local zoning ordinances, Champion Holdings' sales could decline and its operating results and cash flows could suffer.

Champion Holdings may not be able to manage its business effectively if it cannot retain current management team members or if it is unable to attract and motivate key personnel.

Champion Holdings may not be able to attract or motivate qualified management and operations personnel in the future. If Champion Holdings is not able to attract and motivate necessary personnel to accomplish its business objectives, it will experience constraints that will significantly impede the achievement of its objectives. Transitions in Champion Holdings' senior management team may result in operational disruptions, and its business may be harmed as a result. Champion Holdings may also have difficulty attracting experienced personnel to its company and may be required to expend significant financial resources in its employee recruitment efforts.

Product liability claims and litigation and warranty claims that arise in the ordinary course of business may be costly, which could adversely affect Champion Holdings' business.

As a home builder, Champion Holdings is subject to construction defect and home warranty claims arising in the ordinary course of business. These claims are common in the home building industry and can be costly. In addition, the costs of insuring against construction defect and product liability claims are high. There can be no assurance that this coverage will not be restricted and become more costly. If the limits or coverages of Champion Holdings' current and former insurance programs prove inadequate, or Champion Holdings is not able to obtain adequate, or reasonably priced insurance against these types of claims in the future, or the amounts currently provided for future warranty or insurance claims are inadequate, Champion Holdings may experience losses that could negatively impact its financial results.

Champion Holdings records expenses and liabilities based on the estimated costs required to cover its self-insured liability under its insurance policies, and estimated costs of potential claims and claim adjustment expenses that are above its coverage limits or that are not covered by its insurance policies. These estimated costs are based on an analysis of Champion Holdings' historical claims and industry data, and include an estimate of claims incurred but not yet reported. Due to the degree of judgment required and the potential for variability in the underlying assumptions when deriving estimated liabilities, Champion Holdings' actual future costs could differ from those estimated, and the difference could be material to its consolidated financial statements.

Security breaches and other disruptions could compromise Champion Holdings' information and expose it to liability, which would cause its business and reputation to suffer.

In the ordinary course of Champion Holdings' business, it collects and stores sensitive data, including intellectual property, its proprietary business information and that of its suppliers and business partners, as well as personally identifiable information of its customers and employees. Champion Holdings also has outsourced elements of its information technology structure, and as a result, it is managing independent vendor relationships with third parties who may or could have access to Champion Holdings' confidential information. Similarly, Champion Holdings' business partners and other third party providers possess certain of its sensitive data. The secure maintenance of this information is critical to Champion Holdings' operations and business strategy. Despite its security measures, Champion Holdings' information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Champion Holdings, its partners, vendors, and other third party providers could be susceptible to third party attacks on Champion Holdings', and their, information security systems, which attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives and expertise, including criminal groups. Any such breach could compromise Champion Holdings' networks and the information stored there could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disrupt Champion Holdings' operations, and damage its reputation, any of which could adversely affect Champion Holdings' business.

Champion Holdings is subject to extensive regulation affecting the production and sale of factory-built housing, which could adversely affect its profitability.

Champion Holdings is subject to a variety of federal, state, and local laws and regulations affecting the production and sale of factory-built housing. Champion Holdings' failure to comply with such laws and regulations could expose it to a wide variety of sanctions, including closing one or more manufacturing facilities. Regulatory matters affecting Champion Holdings' operations are under regular review by governmental bodies and Champion Holdings cannot predict what effect, if any, new laws and regulations would have on it or the factory-built housing industry. Failure to comply with applicable laws or regulations or the passage in the future of new and more stringent laws, may adversely affect Champion Holdings' financial condition or results of operations.

The cost of operations could be adversely impacted by increased costs of healthcare benefits provided to employees.

In 2010, the Affordable Care Act, was passed into law. As enacted, the health reform law changes, among other things, certain aspects of health insurance. The Affordable Care Act, coupled with the uncertainty in the insurance markets associated with the future of the Act, could increase Champion Holdings' healthcare costs, which could adversely impact Champion Holdings' earnings.

A prolonged delay by Congress and the President to approve budgets or continuing appropriation resolutions to facilitate the operations of the federal government could delay the completion of home sales and/or cause cancellations, and thereby negatively impact Champion Holdings' deliveries and revenues.

Congress and the President may not timely approve budgets or appropriation legislation to facilitate the operations of the federal government. As a result, many federal agencies have historically and may again cease or curtail some activities. The affected activities include Internal Revenue Service (**IRS**) verification of loan applicants' tax return information, the funding of orders by the Federal Emergency Management Agency (**FEMA**) as part of FEMA's disaster relief efforts, and approvals by the FHA and other government agencies to fund or insure mortgage loans under programs that these agencies operate. As many of Champion Holdings' home buyers use these programs to obtain financing to purchase their homes, and many lenders require ongoing coordination with these and other governmental entities to originate home loans, a prolonged delay in the performance of their activities could prevent prospective qualified buyers of their homes from obtaining the loans they need to complete such purchases, which could lead to delays or cancellations of home sales. These and other affected governmental bodies could cause interruptions in various aspects of Champion Holdings' business and investments. Depending on the length of disruption, such factors could have a material adverse impact on Champion Holdings' results of operations and financial condition.

Increases in the after-tax costs of owning a factory-built home could prevent potential customers from buying Champion Holdings' products and adversely affect its business or financial results.

Significant expenses of owning a factory-built home, including mortgage interest expenses and real estate taxes, generally were, under prior tax law, deductible expenses for an individual's federal, and in some cases state, income taxes, subject to certain limitations. The new tax reform law (H.R. 1) which is commonly referred to as the Tax Cuts and Jobs Act (the **TCJA**) was signed into law on December 22, 2017. The TCJA includes provisions which would impose limitations with respect to these income tax deductions. Increases in property tax rates or fees on developers by local governmental authorities, as experienced in response to reduced federal and state funding or to fund local initiatives, such as funding schools or road improvements, or increases in insurance premiums can adversely affect the ability of potential customers to obtain financing or their desire to purchase new homes, and can have an adverse impact on Champion Holdings' business and financial results.

The transportation industry is subject to government regulation, and regulatory changes could have a material adverse effect on Champion Holdings' operating results or financial condition.

Champion Holdings' Star Fleet Trucking subsidiary provides transportation services. The transportation industry is subject to legislative or regulatory changes, including potential limits on carbon emissions under climate change legislation and Department of Transportation regulations regarding, among other things, driver breaks, classification of independent drivers, restart rules, and the use of electronic logging devices that can affect the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services. Champion Holdings may become subject to new or more restrictive regulations relating to fuel emissions or limits on vehicle weight and size. Future laws and regulations may be more stringent and require changes in operating practices, influence the demand for transportation services or increase the cost of providing transportation services, any of which could adversely affect Champion Holdings' business and results of operations.

Natural disasters and severe weather conditions could delay deliveries, increase costs, and decrease demand for new factory-built homes in affected areas.

Champion Holdings' operations are located in many areas that are subject to natural disasters and severe weather. The occurrence of natural disasters or severe weather conditions can delay factory-built home deliveries, increase costs by damaging inventories, reduce the availability of materials, and negatively impact the demand for new factory-built homes in affected areas. Furthermore, if Champion Holdings' insurance does not fully cover business interruptions or losses resulting from these events, Champion Holdings' earnings, liquidity, or capital resources could be adversely affected.

Changes in foreign exchange rates could adversely affect the value of Champion Holdings' investments in Canada and cause foreign exchange losses related to intercompany loans.

Champion Holdings has substantial investments in businesses in Canada. Unfavorable changes in foreign exchange rates could adversely affect the value of Champion Holdings' investments in these businesses. Champion Holdings uses intercompany loans between its U.S. and foreign subsidiaries to provide funds for acquisitions and other purposes. Fluctuations in the relative exchange rates between the U.S. dollar and Canadian dollar could result in foreign exchange transaction losses that will be reported in Champion Holdings' statement of operations until such loans are repaid.

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements that have been made pursuant to the provisions of, and in reliance on the safe harbor under, the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements with respect to management's beliefs, plans, objectives, goals, expectations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond the control of Skyline and Champion Holdings, and which may cause actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. Words such as believe, contemplate, seek, estimate, plan, project, anticipate, assume, expect, intend, ta, remain, will, should, indicate, would, may and other similar expressions are intended to identify forward-look statements but are not the exclusive means of identifying such statements. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties.

All written or oral forward-looking statements that are made by or attributable to Skyline, Champion Holdings, or the proposed Skyline Champion Corporation are expressly qualified in their entirety by this cautionary notice. Skyline and Champion Holdings have no obligation and do not undertake to update, revise, or correct any of the forward-looking statements after the date of this proxy statement, or after the respective dates on which such statements otherwise are made. Skyline and Champion Holdings do not make any assurances that their expectations, beliefs, or projections will be achieved or accomplished. Factors, risks, and uncertainties that may cause the expectations reflected or indicated by forward-looking statements not to be realized, include, without limitation, the following:

local, regional, national, and international economic and financial market conditions and the impact they may have on Skyline, Champion Holdings, and their customers and their assessment of that impact;

availability of wholesale and retail financing;

the health of the U.S. and North American housing market as a whole;

demand fluctuations in the U.S. and North American housing industry;

the impact of customer preferences;

regulations pertaining to the housing and park model industries;

the cyclical nature of the manufactured housing and park model industries;

general or seasonal weather conditions affecting sales;

the potential impact of natural disasters on sales and raw material costs;

the prices and availability of materials sourced from both foreign and domestic sources;

periodic inventory adjustments by independent retailers;

changes in interest rates;

changes in foreign exchange rates;

more stringent credit standards or financing terms may be imposed by lenders to Skyline, Champion Holdings, the combined company, or their dealers or customers;

the impact of inflation;

the impact of labor costs, shortage, and turnover;

competitive pressures on pricing and promotional costs;

catastrophic events impacting insurance costs;

the availability of insurance coverage for various risks to Skyline and Champion Holdings;

the timely development and acceptance of new products and services and perceived overall value of these products and services by others;

changes in consumer spending, borrowings, and savings habits;

maintaining relationships with independent distributors;

acquisitions and the integration of acquired businesses;

the effect of changes in laws and regulations (including laws and regulations concerning taxes, health care, housing, consumer credit, the transportation industry, banking, securities, and insurance) with which Skyline and Champion Holdings must comply;

the effect of changes in accounting policies and practices and auditing requirements, as may be adopted by the regulatory agencies, including the SEC, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board, and other regulatory entities;

changes in the organization, compensation, and benefit plans of Skyline, Champion Holdings, or both;

greater than expected costs or difficulties related to the integration of new products and lines of business;

the ability to service debt;

the impact, and extent, of contingent obligations;

market demographics;

management's ability to attract and retain executive officers and key personnel;

the timing and terms of regulatory review and approval in connection with the Exchange;

unforeseen actions by third parties that may delay the Exchange; and

the amount of expenses to be incurred by Skyline and Champion Holdings in connection with the Exchange or otherwise prior to the consummation of the Exchange.

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

THE SPECIAL MEETING OF SKYLINE S SHAREHOLDERS

General

This document is being delivered to Skyline s shareholders in connection with the solicitation of proxies by the Board to be voted at the Special Meeting of Skyline s shareholders. This document and enclosed form of proxy are being sent to Skyline s shareholders on or about [], 2018.

Date, Time, and Place

We will hold the Special Meeting at [] [a.m./p.m.], Eastern Time, on [], [], 2018, at the [], located at [], [], Indiana []. If you plan to attend the Special Meeting, please note that you may be asked to present valid photo identification, such as a driver s license or passport. Shareholders owning stock in brokerage accounts must bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices, and other electronic devices will not be permitted to be used at the meeting.

Purpose of the Special Meeting

The Special Meeting is being held for the following purposes:

To approve and adopt the three Charter Amendment Proposals, which, if approved, will amend and restate the Restated Articles of Incorporation of Skyline. Such proposals are as follows:

- o A proposal to amend the Articles to change the name of the Company to Skyline Champion Corporation;
- o A proposal to amend the Articles to increase the number of authorized shares of Skyline s Common Stock from 15,000,000 to 115,000,000; and
- o A proposal to amend the Articles to provide that the number of directors to serve on the Company s board of directors shall be as specified in the Company s Amended and Restated By-Laws, as may be amended from time to time;

To approve the Shares Issuance Proposal;

To approve, on a non-binding advisory basis, the Exchange-Related Compensation Proposal;

To approve the Adjournment Proposal; and

To transact such other business as may properly come before the Special Meeting or any adjournment of the Special Meeting.

The Board and management is not aware of any other matters to be presented at the meeting other than those mentioned above and has not received notice from any shareholders requesting that other matters be considered. However, if any other business is properly presented before the Special Meeting and may properly be voted upon, the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the proxy holders named therein.

A copy of the Exchange Agreement is attached as Appendix A to this proxy statement.

Recommendation of Skyline s Board of Directors

The Board unanimously voted in favor of the Exchange and the proposals set forth above. Based on the reasons discussed elsewhere in this proxy statement, the Board has determined that the Exchange Agreement, the

Exchange, and the transactions contemplated thereby are in the best interests of Skyline and its shareholders and unanimously recommends that its shareholders vote:

FOR the approval of each of Charter Amendment Proposals;

FOR the approval of the Shares Issuance Proposal;

FOR the approval of the non-binding Exchange-Related Consideration Proposal; and

FOR the approval of the Adjournment Proposal.

Record Date and Voting; Quorum

The close of business on [], 2018 has been selected as the record date for the determination of Skyline's shareholders entitled to notice of and to vote at the Special Meeting. On that date, 8,391,244 shares of Skyline's Common Stock were outstanding. Shareholders will be entitled to one vote for each share of Skyline's Common Stock held by them of record at the close of business on the record date on any matter that may be presented for consideration and action by the shareholders. The presence, in person or represented by proxy, of the holders of a majority of the outstanding shares of Skyline's Common Stock will constitute a quorum for the transaction of business at the Special Meeting.

You may vote in one of four ways: (1) by mail (by completing and signing the proxy card that accompanies this proxy statement/prospectus); (2) by telephone; (3) by using the Internet; and (4) in person (by either delivering the completed proxy card or by casting a ballot if attending the Special Meeting). If your shares are held by a broker or other nominee, you must obtain a proxy from the broker or nominee giving you the right to vote the shares at the Special Meeting. If you plan to attend the Special Meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

All proxies properly submitted in time to be counted at the Special Meeting will be voted in accordance with the instructions contained in the proxy. If you submit a proxy without voting instructions, the proxies named in the proxy will vote on your behalf for each matter described above in accordance with the recommendations of the Board on all the proposals as set forth in this proxy statement and on any other matters in accordance with their best judgment.

If you have shares held by a broker or other nominee, you may instruct the broker or other nominee to vote your shares by following the instructions the broker or other nominee provides to you. Proxies solicited by this proxy statement may be exercised only at the Special Meeting and any adjournment or postponement thereof and will not be used for any other meeting.

Vote Required

The following votes will be required to approve the proposals:

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The approval of each of the Charter Amendment Proposals (Proposals No. 1A, 1B, and 1C) requires the affirmative vote of the holders of a majority of the outstanding shares of Skyline Common Stock;

The approval of the Shares Issuance Proposal (Proposal No. 2), the Exchange-Related Compensation Proposal (Proposal No. 3), and the Adjournment Proposal (Proposal No. 4) each requires that more votes be cast in favor of the proposal than against the proposal.

Abstentions and broker non-votes (described below) are counted to determine the presence or absence of a quorum but are not considered votes cast. **The required vote of Skyline's shareholders on each of the Charter Amendment Proposals is based on the number of outstanding shares of Skyline Common Stock and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote in person at the Special Meeting, or the abstention from voting by a Skyline shareholder, or the failure of any Skyline shareholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker (thereby resulting in a broker non-vote), will have the same effect as a vote AGAINST the applicable Charter Amendment Proposal.** Abstentions and broker non-votes will not be included in the vote count on the Shares Issuance Proposal, the Exchange-Related Compensation Proposal, or the Adjournment Proposal.

A broker non-vote occurs when a broker submits a proxy that does not indicate a vote on a proposal because the broker has not received instructions from the beneficial owners on how to vote on such proposal and the broker does not have discretionary authority to vote in the absence of instructions. Brokers generally have the authority to vote, even though they have not received instructions, on matters that are considered routine. However, under relevant stock exchange rules, the Charter Amendment Proposals, the Shares Issuance Proposal, the Exchange-Related Compensation Proposal, and the Adjournment Proposal to be considered at the Special Meeting are not considered routine matters and brokers are not entitled to vote shares held for a beneficial owner on these matters without instructions from the beneficial owner of the shares. **To avoid a broker non-vote of your shares held in street name, you must provide voting instructions to your broker or other nominee.**

Shares Held by Officers and Directors

As of the record date:

Skyline's directors and executive officers and their affiliates owned and were entitled to vote 1,445,864 shares of Skyline Common Stock, representing approximately 17.2% of the outstanding shares of Skyline Common Stock; and

Champion Holdings' managers and executive officers and their affiliates do not own, and are not entitled to vote any outstanding shares of Skyline Common Stock. Champion Holdings owns no shares of Skyline Common Stock, but has an irrevocable proxy in connection with the voting of approximately 17.2% of the outstanding shares of Skyline Common Stock in accordance with the terms of the Voting Agreement.

Voting Procedures

Ensure that your shares of Common Stock can be voted at the Special Meeting by submitting your proxy or contacting your broker, dealer, commercial bank, trust company, or other nominee.

If your shares of Common Stock of Skyline are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee, check the voting instruction card forwarded by your broker, dealer, commercial bank, trust company, or other nominee to see which voting options are available or contact your broker, dealer, commercial bank, trust company, or other nominee in order to obtain directions as to how to ensure that your shares of Common Stock are voted at the Special Meeting.

If your shares of Common Stock of Skyline are registered in your name, submit your proxy as soon as possible by telephone, via the Internet, or by signing, dating, and returning the enclosed proxy card in the enclosed postage-paid envelope, so that your shares of Common Stock can be voted at the Special Meeting. Instructions regarding telephone and Internet voting are included on the proxy card.

The failure to vote will have the same effect as a vote against the Charter Amendment Proposals. If you sign, date, and mail your proxy card without indicating how you wish to vote, your proxy will be voted

FOR approval of the Charter Amendment Proposals, the Shares Issuance Proposal, the non-binding advisory Exchange-Related Compensation Proposal, and, if necessary, the Adjournment Proposal.

For additional questions about the Exchange or for assistance in submitting proxies or voting shares of Common Stock of Skyline, or to request additional copies of this proxy statement or the enclosed proxy card, please call Georgeson at (866) 391-7007.

Voting by Proxy or in Person at the Special Meeting

Holders of record can ensure that their shares of Common Stock are voted at the Special Meeting by completing, signing, dating, and delivering the enclosed proxy card in the enclosed postage-paid envelope. Submitting by this method or voting by telephone or the Internet as described below will not affect your right to attend the Special Meeting and to vote in person. If you plan to attend the Special Meeting and wish to vote in person, you will be given a ballot at the Special Meeting. Please note, however, that if your shares of Common Stock are held in street name by a broker, dealer, commercial bank, trust company, or other nominee and you wish to vote at the Special Meeting, you must bring to the Special Meeting a proxy from the record holder of those shares of Common Stock authorizing you to vote at the Special Meeting.

You should return a proxy by mail, by telephone, or via the Internet even if you plan to attend the Special Meeting in person. If you vote your shares of Common Stock by submitting a proxy, your shares will be voted at the Special Meeting as you indicated on your proxy card or Internet or telephone proxy. If no instructions are indicated on your signed proxy card, all of your shares of Common Stock will be voted:

FOR approval of each of the Charter Amendment Proposals;

FOR approval of the Shares Issuance Proposal;

FOR approval of the non-binding advisory Exchange-Related Compensation Proposal; and

FOR approval of the Adjournment Proposal.

Electronic Voting

Our holders of record and many shareholders who hold their shares of Common Stock through a broker, dealer, commercial bank, trust company, or other nominee will have the option to submit their proxy cards or voting instruction cards electronically by telephone or the Internet. Please note that there are separate arrangements for voting by telephone and Internet depending on whether your shares of Common Stock are registered in our records in your name or in the name of a broker, dealer, commercial bank, trust company, or other nominee. If you hold your shares of Common Stock through a broker, bank, or other nominee, you should check your voting instruction card forwarded by your broker, dealer, commercial bank, trust company, or other nominee to see which options are available. Please read and follow the instructions on your proxy card or voting instruction card carefully.

Other Business

We do not expect that any matter will be brought before the Special Meeting other than the Charter Amendment Proposals, the Shares Issuance Proposal, the Exchange-Related Compensation Proposal, and the Adjournment

Proposal. If, however, other matters are properly presented at the Special Meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

Revocation of Proxies

Submitting a proxy on the enclosed form or proxy does not preclude a shareholder from voting in person at the Special Meeting. You may change your vote or revoke your proxy at any time before your vote is counted at the meeting by:

notifying our Corporate Secretary in writing at P.O. Box 743, 2520 By-Pass Road, Elkhart, Indiana 46515, that you wish to revoke your proxy;

submitting a later dated proxy card; or

attending the Special Meeting and voting in person.

Attending the Special Meeting will not automatically revoke your proxy. You must comply with one of the methods indicated above to revoke your proxy. If you hold your shares in street name, you must contact your broker or other nominee to change your vote or obtain a proxy from your broker to vote your shares if you wish to cast your vote in person at the meeting.

Solicitation of Proxies; Expenses

The proxy solicitation of Skyline's shareholders is being made by Skyline on behalf of the Board and will be paid for by Skyline. In addition to solicitation by mail, directors, officers, and employees of Skyline may solicit proxies for the Special Meeting from Skyline's shareholders personally or by telephone, the Internet, or other electronic means. However, Skyline's directors, officers, and employees will not be paid any special or extra compensation for soliciting such proxies, although they may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation. Upon request, Skyline will reimburse brokers, dealers, banks, trustees, and other fiduciaries for the reasonable expenses they incur in forwarding proxy materials to beneficial owners of Skyline's Common Stock.

In addition, Skyline has made arrangements with Georgeson to assist in soliciting proxies for the Special Meeting and has agreed to pay them \$12,500, plus out-of-pocket expenses, for these services.

YOUR VOTE IS VERY IMPORTANT. The Charter Amendment Proposals must be approved by the affirmative vote of the holders of a majority of the issued and outstanding shares of Skyline Common Stock, and the Shares Issuance Proposal must be approved by more votes of the Skyline shareholders cast in favor of the proposal than against it, in order for the proposed Exchange to be consummated. Holders of Skyline Common Stock are urged to read and carefully consider the information in this proxy statement. **IF YOU DO NOT RETURN YOUR PROXY CARD, VOTE BY TELEPHONE OR BY INTERNET, OR DO NOT VOTE IN PERSON AT THE SPECIAL MEETING, THE EFFECT WILL BE A VOTE AGAINST THE CHARTER AMENDMENT PROPOSALS.**

Assistance

If you need assistance in completing your proxy card or have questions regarding the Special Meeting, please contact Skyline Corporation, P.O. Box 743, 2520 By-Pass Road, Elkhart, Indiana 46515, Attention: Corporate Secretary, (574) 294-6521. In addition, a representative of Crowe Horwath LLP, Skyline's independent registered public accounting firm, plans to be present at the Special Meeting and will be given an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders.

SEND ONLY YOUR PROXY CARD. PLEASE DO NOT SEND IN ANY SHARE CERTIFICATES WITH YOUR PROXY CARD.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT OF SKYLINE

As of [], 2018, the record date for the Special Meeting, our directors and executive officers beneficially owned, in the aggregate, 1,540,664 shares of Skyline Common Stock (or collectively approximately 18.4% of the outstanding shares of Common Stock) and 51,000 shares of restricted stock (with respect to which the directors and executive officers do not have voting power), which means that our directors and executive officers held, in the aggregate, 1,591,664 shares of Skyline Common Stock, including both Common Stock and restricted stock. All of the directors and certain executive officers of Skyline have executed a Voting Agreement pursuant to which they agreed to vote all their shares in favor of the Charter Amendment Proposals and the Shares Issuance Proposal.

Certain members of our management and the board have interests that may be different from, or in addition to, those of our shareholders generally. For more information, see *Interests of the Skyline Directors and Executive Officers in the Exchange* beginning on page 79 for additional information.

The following table describes the shares of Skyline Common Stock that each of the following persons beneficially owned as of [], 2018:

each of Skyline's current directors;

Skyline's Chief Executive Officer, Chief Financial Officer, and each of Skyline's three most highly compensated executive officers serving at the end of the fiscal year ended May 31, 2017 (other than the Chief Executive Officer and Chief Financial Officer) whose total compensation during fiscal 2017 exceeded \$100,000 (together as a group, the *Named Executive Officers*);

all of Skyline's current directors and executive officers as a group; and

each other person known by Skyline to beneficially own more than five percent of the outstanding shares of Skyline Common Stock.

Information with respect to the directors and Named Executive Officers is based on our records and data supplied by each of the directors and Named Executive Officers. Information with respect to beneficial owners of more than five percent of the outstanding shares of our Common Stock is based on filings those persons have made with the SEC.

| Name | Position | Shares of Common Stock Beneficially Owned | Percent of Class ⁽¹⁾ |
|------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------|
| DIRECTORS: | | | |
| Arthur J. Decio | Director | 1,377,784 ⁽²⁾ | 16.4% |
| Richard W. Florea | President and Chief Executive Officer; Director | 107,100 ⁽³⁾ | 1.3% |
| John C. Firth | Director | 10,500 | * |
| Samuel S. Thompson | Director | 3,000 | * |
| John W. Rosenthal, Sr. | Director | 1,000 | * |
| Matthew W. Long | Director | | * |
| Thomas L. Eisele | Director | | * |

| Name | Position | Shares of Common Stock Beneficially Owned | Percent of Class ⁽¹⁾ |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|---------------------------------|
| EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS: | | | |
| Jon S. Pilarski | Chief Financial Officer | | * |
| Jeffrey A. Newport | Chief Operating Officer | 11,200 ⁽⁴⁾ | * |
| Terence M. Decio | Vice President, Marketing and Sales | 30,080 | * |
| Robert C. Davis | Vice President, Manufacturing | | * |
| All executive officers and directors of Skyline as a group (11 persons) | | 1,540,664 | 18.4% |
| GREATER THAN 5% SHAREHOLDERS: | | | |
| Champion Enterprises Holdings, LLC | | 1,490,864 ⁽⁵⁾ | 17.8% |
| 755 West Big Beaver Road, Suite 1000 Troy, Michigan 48084 | | | |
| Tontine Asset Associates, LLC | | 1,216,527 ⁽⁶⁾ | 14.5% |
| 1 Sound Shore Drive, Suite 304 Greenwich, Connecticut 06830-7251 | | | |
| Wells Fargo & Company | | 585,865 ⁽⁷⁾ | 7.0% |
| 420 Montgomery Street San Francisco, California 94163 | | | |

* Indicates less than 1.0% of the total number of outstanding shares of Skyline Common Stock calculated in accordance with Rule 13d-3 under the Exchange Act. See footnote (1) below.

- (1) For each individual or group disclosed in the table above, the figures in this column are based on 8,391,244 shares of Skyline Common Stock issued and outstanding as of [], 2018, which is the record date, plus the number of shares of Common Stock each such individual or group has the right to acquire on or within 60 days after [], 2018, computed in accordance with Rule 13d-3(d)(1) under the Exchange Act. In accordance with this rule, a person is deemed to be the beneficial owner for purposes of this table, of any shares of Skyline Common Stock if he or she has shared voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from the record date. As used herein, "voting power" is the power to vote or direct the voting of shares, and "investment power" is the power to dispose or direct the disposition of shares. The shares set forth above for directors and executive officers include all shares held directly, as well as by spouses and minor children, in trust and other indirect ownership, over which shares the named individuals effectively exercise sole or shared voting and investment power.
- (2) Includes 3,500 shares held directly by The Arthur J. Decio Foundation, of which Mr. Decio is a trustee. Mr. Decio disclaims beneficial ownership of the shares held directly by The Arthur J. Decio Foundation.
- (3) Includes 83,600 shares that can be acquired by Mr. Florea through presently exercisable stock options and stock options that are exercisable within 60 days after [], 2018.

- (4) Amount represents 11,200 shares that can be acquired by Mr. Newport through presently exercisable stock options and stock options that are exercisable within 60 days after [], 2018.
- (5) This information is based on a Schedule 13D filed by Champion Enterprises Holdings, LLC with the SEC as of January 5, 2018. The address of Champion Holdings is 755 West Big Beaver Road, Suite 1000, Troy, Michigan 48084. On January 5, 2018, Champion Holdings entered into the Voting Agreement pursuant to which each individual shareholder of Skyline signatory to the Voting Agreement appointed Champion Holdings as irrevocable proxy and attorney-in-fact to vote such shareholder's shares of Skyline Common Stock in favor of the Charter Amendment and Shares Issuance Proposals. As a result, Champion Holdings may be deemed, for purposes of Section 13(d) of the Exchange Act, to share beneficial ownership of the 1,490,864 shares of Common Stock that are beneficially owned by the Skyline shareholders signatory to the Voting Agreement. Champion Holdings has not admitted to having, or claimed to have, beneficial ownership for any purpose over such shares.
- (6) This information is based solely on a Schedule 13G/A filed by Tontine Asset Associates, LLC (*Tontine*) with the SEC as of December 31, 2017. The address of Tontine is 1 Sound Shore Drive, Suite 304, Greenwich, Connecticut 06830-7251. Tontine is a limited liability company organized under Delaware law and serves as the general partner of Tontine Capital Overseas Master Fund II, LP (*TCOM II*), which is the direct owner of the subject shares. Jeffrey L. Gendell is

the managing member of Tontine and in that capacity directs its operations. Tontine and Mr. Gendell have shared voting and dispositive power with respect to all of the reported shares.

- (7) This information is based solely on a Schedule 13G/A filed on behalf of Wells Fargo & Company (**Wells Fargo**), Wells Capital Management Incorporated (**WFCMI**), and Wells Fargo Funds Management, LLC (**WFFM**), with the SEC as of December 31, 2017. The address of Wells Fargo is 420 Montgomery Street, San Francisco, California 94163. Wells Fargo has shared voting power over 31,096 of the reported shares, and shared dispositive power over all 585,865 of the reported shares. WFCMI has shared voting and dispositive power over 584,744 of the reported shares. WFFM has shared voting and dispositive power over 554,769 of the reported shares.

COMBINED COMPANY SECURITY OWNERSHIP

Upon the completion of the Exchange, existing Skyline shareholders immediately prior to the closing of the Exchange will own 15.5% of the combined company's common stock, and Champion Holdings (or its members) will own 84.5% of the combined company's common stock on a fully diluted basis (as determined in the Exchange Agreement). Upon the closing, the combined company is expected to have a total of 56,270,574 issued and outstanding shares of Common Stock. This amount does not reflect shares reserved for issuance under equity compensation plans of Skyline. As of [], 2018, Skyline had 318,000 shares reserved for future issuance under Skyline's equity compensation plans.

The following table describes the shares of the combined company's common stock that each of the following persons will beneficially own after the Exchange is completed (assuming that the Exchange had closed on [], 2018):

each of Champion Holdings' appointees to the Skyline Champion Corporation board of directors;

each of Skyline's appointees to the Skyline Champion Corporation board of directors;

the combined company's Chief Executive Officer, Chief Financial Officer, and the remaining contemplated executive officer of the combined company (the *Surviving Corporation Executive officers*);

all of Champion Holdings' director appointees, Skyline's director appointees, and the Surviving Corporation Executive officers as a group; and

each other person known by Skyline or Champion Holdings to be expected to beneficially own more than five percent of the outstanding shares of the combined company's common stock.

Information with respect to Champion Holdings' appointees to the Skyline Champion Corporation board of directors, Skyline's appointees to the Skyline Champion Corporation board of directors, and the Surviving Corporation Executive officers is based on Skyline's and Champion Holdings' records and data supplied by each such person. Information with respect to beneficial owners of more than five percent of the outstanding shares of the combined company's common stock is based on Skyline's and Champion Holdings' records and data supplied by such beneficial owners and filings those persons have made with the SEC.

| Name | Position | Shares of Common Stock Beneficially Owned | Percent of Class ⁽¹⁾ |
|-------------------|-------------------------------------------------------------|-------------------------------------------|---------------------------------|
| DIRECTORS: | | | |
| Keith Anderson | Chief Executive Officer; Board of Directors Appointee | | |
| Timothy Bernlohr | Board of Directors Appointee | | |

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| | | | |
|-------------------|---------------------------------|------------------------|---|
| Michael Bevacqua | Board of Directors Appointee | | |
| Michael Kaufman | Board of Directors Appointee | | |
| Daniel R. Osnoss | Board of Directors Appointee | | |
| Gary Robinette | Board of Directors Appointee | | |
| Ian Samuels | Board of Directors Appointee | | |
| David Smith | Board of Directors Appointee | | |
| Michael Treisman | Board of Directors Appointee | | |
| John C. Firth | Board of Directors Appointee | 10,500 | * |
| Richard W. Florea | Board of Directors Appointee | 107,100 ⁽²⁾ | * |

| Name | Position | Shares of Common Stock Beneficially Owned | Percent of Class ⁽¹⁾ |
|-----------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------|------------------------------------|
| EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS: | | | |
| Laurie Hough | Chief Financial Officer | | |
| Mark Yost | Executive Vice President | | |
| All executive officers and directors of the combined company as a group (13 persons) | | 117,600 | * |
| GREATER THAN 5% SHAREHOLDERS: | | | |
| Champion Enterprises Holdings, LLC ⁽³⁾ | | 47,828,330 | 84.5% |
| 755 West Big Beaver Road | | | |
| Suite 1000 | | | |
| Troy, Michigan 48084 | | | |

* Indicates less than 1.0% of the outstanding shares of the combined company's common stock to be outstanding post-Exchange calculated in accordance with Rule 13d-3 under the Exchange Act. See footnote (1) below.

(1) For each individual or group disclosed in the table above, the figures in this column are based on shares of the combined company's common stock outstanding post-Exchange, assuming the Exchange was completed on [], 2018, plus the number of shares of Common Stock each such individual or group has the right to acquire on or within 60 days after [], 2018, computed in accordance with Rule 13d-3(d)(1) under the Exchange Act. The shares set forth above for directors and executive officers include all shares held directly, as well as by spouses and minor children, in trust and other indirect ownership, over which shares the named individuals effectively exercise sole or shared voting and investment power.

(2) Includes 83,600 shares that can be acquired by Mr. Florea through presently exercisable stock options and stock options that are exercisable within 60 days after [], 2018.

(3) This table assumes that 47,828,330 shares of Common Stock are issued in the Exchange to Champion Holdings. Champion Holdings may request that such shares are delivered directly to the members of Champion Holdings in accordance with the terms of the Exchange Agreement.

THE EXCHANGE

This section and the section entitled [The Exchange Agreement](#) beginning on page 93 describe the material aspects of the Exchange, including the Exchange Agreement. While Skyline believes that this description covers the material terms of the Exchange and the Exchange Agreement, it may not contain all of the information that is important to you. You should read carefully this entire proxy statement for a more complete understanding of the Exchange and the Exchange Agreement, including the Exchange Agreement itself, which is attached as [Appendix A](#) and the opinion of Jefferies LLC, which is attached as [Appendix C](#).

General Description of the Exchange

Skyline's Board and Champion Holdings' board of managers have approved and adopted the Exchange Agreement, the Exchange, and the transactions contemplated thereby. Under the Exchange Agreement, Champion Holdings will contribute, transfer, and convey to Skyline all of the issued and outstanding shares of common stock of Champion Holdings' wholly-owned operating subsidiaries through the contribution of 200 shares of CIBV and 1,000 shares of common stock of CHB, representing all of the issued and outstanding equity interests of each of CHB and CIBV, in exchange for the Exchange Shares, calculated to be equal to (i) an exchange ratio of 5.4516129, multiplied by (ii) the total number of shares of Skyline Common Stock on a fully diluted basis (as determined in the Exchange Agreement) as determined immediately prior to the closing of the transactions contemplated by the Exchange Agreement. Upon the closing of the Exchange, Champion Holdings (or its members) will hold 84.5%, and Skyline's shareholders as of immediately prior to the Exchange will hold 15.5%, of the Common Stock of the combined company on a fully-diluted basis.

All of the directors and certain executive officers of Skyline have entered into a Voting Agreement pursuant to which they agreed to vote all their shares of Skyline Common Stock in favor of the Charter Amendment Proposals and the Shares Issuance Proposal. Under the Exchange Agreement, the persons serving on the board of directors and as the executive officers of Skyline will be changed to be those persons as designated by Champion Holdings and Skyline, as described further in this proxy statement.

Please see [The Exchange Agreement](#) beginning on page 93 for additional and more detailed information regarding the legal documents that govern the Exchange, including information about the conditions to the closing of the Exchange and the provisions for terminating and amending the Exchange Agreement.

Below is an illustration of the combined company's anticipated structure following the Exchange.

* Includes Star Fleet Trucking, Inc. and Titan Factory Direct Homes, Inc.

Background of the Exchange

Skyline's Board and senior management regularly review and assess its long-term strategy and objectives in light of developments in the markets in which Skyline operates, including strategic alternatives available to Skyline to enhance shareholder value. As part of this process, Skyline's Board and management regularly consider opportunities that could complement, enhance or expand its current business or products or that might otherwise offer growth opportunities for Skyline.

In early 2017, the Board decided to cease operations at and seek a buyer for Skyline's manufactured housing facility located in the City of Mansfield, Tarrant County, Texas consisting of approximately 79,000 square feet situated on 10 acres (the *Mansfield Property*). In January 2017, Richard W. Florea, Chief Executive Officer and President of Skyline inquired of Keith Anderson, Chief Executive Officer of Champion Holdings whether Champion Holdings would have any interest in purchasing the Mansfield Property. Thereafter, Messrs. Florea and Anderson began to negotiate the terms of an agreement for the sale of the Mansfield Property to CHB. On February 24, 2017, Skyline entered into a Real Estate Purchase Agreement with CHB to sell the Mansfield Property and certain of Skyline's equipment located at the Mansfield Property. The agreement was amended on February 28, 2017 to substitute Skyline's wholly-owned subsidiary, Homette Corporation, for Skyline as the seller under the agreement, and to provide for Homette Corporation to continue to receive royalties under a certain oil and gas lease related to the Mansfield Property for a period of 60 months following the closing of the Mansfield Property purchase and sale.

In mid-March, Mr. Florea reached out to Mr. Anderson to raise the prospect of collaboration generally between Skyline and Champion Holdings on mutually beneficial strategic initiatives.

On April 11, 2017, the parties completed the sale of the Mansfield Property.

Also on April 11, 2017, Skyline and Champion Holdings entered into a mutual confidentiality agreement.

The following day, Mr. Florea, John C. Firth, the Chairman of Skyline's Board, and John W. Rosenthal, a member of Skyline's Board, met with Mr. Anderson and Laurie Hough, Chief Financial Officer of Champion Holdings, in Mr. Firth's offices in Mishawaka, Indiana. During the meeting, Mr. Anderson and Ms. Hough indicated that Champion Holdings was considering certain strategic transactions, including an initial public offering or a sale of the Champion Holdings business, and they raised the possibility of an alternative transaction whereby the businesses of Skyline and Champion Holdings would be combined. The parties agreed to further explore a potential combination and other strategic alternatives.

Throughout April and early May of 2017, Messrs. Firth, Florea, and Anderson and Ms. Hough continued discussions regarding the possibility of a strategic combination. On May 16, 2017, Messrs. Firth, Florea, Anderson and Ms. Hough held a teleconference to further discuss a potential strategic combination.

Mr. Firth had briefed several members of the Board during May concerning the existence and nature of the preliminary discussions with Champion Holdings and planned to discuss the possibility generally with the Board, among other matters, at its regular meeting on June 2, 2017. On June 1, 2017, Mr. Firth and Mr. Florea held a teleconference with Mr. Anderson and representatives of RBC Capital Markets, LLC (*RBC*), financial advisor to Champion Holdings, in which Mr. Firth and Mr. Florea requested further information concerning Champion Holdings in anticipation of discussions with the full Board.

On June 2, 2017, the Board met in Mishawaka, Indiana. During the course of the meeting, the Board discussed Skyline's market positioning and reviewed its strategic plan. As a part of these discussions, the Board considered Skyline's current position in the factory-built housing industry, the ongoing contraction of independent dealers, the consolidation of manufactured housing communities and the implications these trends had upon Skyline. At the meeting, Skyline's Board also unanimously approved the creation of a Special Committee of the Board, consisting of three independent directors, Messrs. Firth, Rosenthal and Samuel Thompson, and charged the Special Committee with the authority to further consider strategic possibilities with Champion Holdings and to explore alternative strategic initiatives to the extent deemed appropriate by the Special Committee. The Special Committee held its initial planning meeting on June 9, 2017.

On June 29, 2017, the full Board held a regular meeting. Mr. Firth briefed the Board concerning the initial activities of the Special Committee. The Board authorized compensation for the Special Committee members consisting of a special fee of \$15,000 plus \$1,000 for each meeting of the Special Committee.

On July 7, 2017, the Special Committee formally engaged Ice Miller LLP (*Ice Miller*) as independent counsel to provide legal advice to the Special Committee concerning fiduciary and governance matters and strategic considerations.

On July 12, 2017, representatives of Jefferies and two other investment banking firms made separate presentations to the Special Committee regarding the pursuit of strategic alternatives. On July 13, 2017, the Special Committee reached a consensus to engage Jefferies, in view of Jefferies' industry expertise, national reputation and the quality and experience of the individuals who would be supporting Jefferies' work for Skyline. The Special Committee understood that Jefferies' engagement terms would provide that a significant fee for Jefferies would be contingent on the closing of a potential strategic transaction and also understood that Jefferies could participate in subsequent financing and investment banking activities with respect to the successor or combined company after any strategic transaction. The Special Committee understood such potential would exist regardless which financial advisor it chose to engage. Mr. Firth notified Jefferies of the Special Committee's decision and asked Jefferies to prepare a formal engagement letter.

On July 17, 2017, representatives of RBC and Jefferies held an introductory teleconference to discuss the proposed combination.

On July 25, 2017, Skyline and Jefferies executed a letter agreement engaging Jefferies as financial advisor to Skyline in connection with a potential strategic transaction and to advise the Board, if requested, with respect to the fairness from a financial point of view, of any transaction that might be proposed.

Throughout August 2017, the Special Committee, Skyline management and Jefferies considered potential alternative strategic partners, including a particular party (*Company X*) which had made strategic overtures to Skyline several years earlier. Concurrently, representatives of Champion Holdings and Skyline and their respective advisors engaged in further discussions concerning a potential business combination.

On August 1, 2017, Champion Holdings submitted to the Board and Mr. Florea and Mr. Firth a written, non-binding indication of interest for a combination of Skyline and Champion Holdings which would have resulted in shareholders of Skyline holding 10% to 13% of the pro forma combined entity.

On August 2, 2017, the members of the Special Committee, Mr. Florea and Jefferies held a call to discuss Champion Holdings' indication of interest, including, among other matters, the fairness of the proposed ownership split of the combined entity and other considerations in Skyline's interest in connection with a proposed transaction with Champion Holdings.

On August 3, 2017, representatives of each of Jefferies and RBC held a teleconference to discuss diligence and other related matters.

On August 8, 2017, at the authorization of the Special Committee, Mr. Firth contacted the chief executive officer of Company X to indicate Skyline's willingness to entertain strategic discussions. On August 14, 2017, Skyline entered into a mutual confidentiality agreement with Company X.

On August 14 and 15, 2017, Messrs. Firth and Florea and other members of Skyline's management team met with Mr. Anderson, Ms. Hough and other members of Champion Holdings' management team, as well as representatives from each of Jefferies and RBC for meetings and presentations in Chicago to discuss Champion Holdings' and Skyline's respective business operations, historical and budgeted financial results and synergy opportunities. The parties also discussed various other considerations relating to the interests of Skyline's existing shareholders, employees and communities, including whether Skyline would be the surviving entity in the combination, representation on the continuing board of directors, Skyline's headquarters in Elkhart, Indiana, Skyline's name, and executive leadership of the combined entity (these and related considerations are sometimes referred to in this discussion as *social considerations*). Art Decio, Skyline's founder, joined the group for dinner the evening of August 14, 2017. Thereafter, at a meeting of the Special Committee, Mr. Firth provided a detailed briefing on the meetings. Representatives of each of Jefferies and RBC held a follow-up call on August 16, 2017 to discuss next steps in light of the discussions held on August 14, 2017.

On August 17, 2017, at the authorization of the Special Committee, representatives of Jefferies met in Phoenix, Arizona, with the chief executive officer of Company X to share Jefferies' perspective on Skyline and the potential benefits of a combination of Skyline and Company X and to further gauge Company X's interest in a business transaction with Skyline.

On August 21, 2017, representatives of Jefferies, Skyline management and Mr. Firth initiated efforts to respond to certain due diligence requests from both Champion Holdings and Company X. Such efforts continued through late August.

On August 22, 2017, the Special Committee held a teleconference during which Mr. Firth updated the committee on progress and the status of discussions and diligence considerations with each of Champion Holdings and Company X.

On August 31, 2017, representatives of Jefferies presented telephonically to Skyline's Special Committee regarding Champion Holdings' proposed business combination, social considerations and next steps. Thereafter, on September 2, 2017, Skyline submitted a written response to Champion Holdings' indication of interest, which response outlined a transaction in which (i) Skyline shareholders would retain a 17% equity interest in the pro forma combined entity,

(ii) the initial board of the combined entity would include no less than two Skyline representatives and Mr. Decio would be afforded the opportunity to serve on the board should he so choose as a third Skyline representative, (iii) Elkhart, Indiana would serve as the combined entity's headquarters and (iv) the combined entity name would remain Skyline Corporation and its ticker symbol SKY would be retained.

In response to Skyline's proposal, on September 12, 2017, Champion Holdings submitted to Skyline a further modified non-binding proposal, pursuant to which (i) Skyline's shareholders would retain a 15% equity interest in the pro forma combined entity, with CHB and CIBV being contributed to Skyline on a cash-free, debt-free basis, (ii) the combined entity would be named Skyline Champion Corporation with the ticker symbol SKY, (iii) the initial board would include two Skyline designees (one of whom would be independent) and Mr. Decio, if not one of the Skyline designees, would have the option to serve as a board observer, (iv) the combined entity would remain domiciled in Indiana with its principal office in Elkhart, Indiana, (v) Champion Holdings would appoint the senior management of the combined company, and (vi) Champion Holdings or its unitholders would be afforded customary registration rights to provide for resale of Skyline shares acquired in the proposed transaction.

Also on September 12, 2017, Messrs. Firth, Florea, Jeff Newport, Skyline's Chief Operating Officer, and representatives of Jefferies made a formal presentation to management of Company X. The next day, the Special Committee met by teleconference to discuss developments since August 22, 2017, receive a report on the meeting with Company X and further discuss the most recent proposal by Champion Holdings.

On September 15, 2017, the Special Committee met to review Champion Holdings' most recent proposal, and the terms of a potential Company X proposal, including key considerations similar to those outlined in Champion Holdings' nonbinding proposal. Representatives of Jefferies and Mr. Florea participated in the initial portion of the meeting and the Special Committee convened in executive session. The Special Committee then convened a second time later in the day to formulate Skyline's counterproposal that would later be communicated to Champion Holdings on September 19, 2017.

On September 19, 2017, the chief executive officer of Company X submitted to Jefferies by telephone an informal indication of interest to acquire Skyline. The informal proposal from Company X provided for consideration to Skyline shareholders of \$13.50 per share, which represented a 10.5% premium to the prior day's closing share price of \$12.22 per share, to be paid one-half in cash and one-half in publicly traded stock of Company X. The Company X proposal did not include any other proposed terms for Company X's acquisition of Skyline, or specify how the stock of Company X would be valued for purposes of a transaction. However, based on the share prices for Company X common stock and Skyline Common Stock at the time Company X's informal proposal was made, the stock portion of the consideration proposed by Company X would have represented less than 5% of the pro forma combined company. Also on September 19, 2017, Skyline submitted a revised non-binding proposal to Champion Holdings with terms substantially consistent with Champion Holdings' proposal of September 12, but increasing the retained equity position of Skyline shareholders in the pro forma combined entity to 15.5%, and further providing for payment of a pre-closing cash dividend to Skyline's shareholders to provide for the combination of both Skyline and the Champion Holdings subsidiaries on a cash-free and debt-free basis.

The Special Committee and Skyline management continued to deliberate over the respective September 19, 2017 proposals over the next several days. Despite Jefferies extensive work with Company X to illustrate the potential value of a combination with Skyline, including through structuring alternatives that could optimize returns to Company X, the Special Committee did not believe the indication of interest from Company X was competitive from a value perspective with the Champion Holdings proposal. The Company X proposal was also inferior from a tax perspective. After consultation with Jefferies, the Special Committee determined that further negotiation with Company X would not be constructive, and did not make a counteroffer in response to Company X's September 19, 2017 indication of interest.

In the judgment of Skyline's management, the Special Committee, and Jefferies, there were no other potentially viable transaction partners that could afford strategic advantages akin to those available in a combination with Champion Holdings or Company X. In consultation with Jefferies, the Special Committee concluded that the chance a financial buyer could deliver more value from a financial point of view than the proposal made by Champion Holdings was extremely remote. The Special Committee further concluded, in

consultation with Jefferies that a transaction with a financial buyer would neither be as tax efficient, nor as likely to offer the social considerations reflected in the Champion Holdings proposal. Accordingly, Skyline's board determined not to seek out other potential transaction partners and, other than as described herein, none were contacted by Jefferies.

On September 24, 2017, representatives of RBC communicated by telephone to representatives of Jefferies that Skyline's September 19 non-binding proposal would be acceptable to Champion Holdings. Representatives of RBC promptly provided to Jefferies a full due diligence request list and a draft exclusivity agreement providing that each of Skyline and Champion Holdings would negotiate exclusively with the other party while the agreement remained in effect.

On September 27, 2017, at the authorization of the Special Committee, Skyline engaged Crowe Horwath LLP, Skyline's regular independent auditors, to provide advice and assistance in connection with the financial due diligence evaluation of Champion Holdings.

On September 29, 2017, the Board held a regularly scheduled meeting. In the course of the meeting, Mr. Firth reported to the Board regarding the activities of the Special Committee and the status of discussions with Champion Holdings and the telephonic proposal from Company X. The Special Committee provided its recommendation to the Board that Skyline enter into an agreement to negotiate exclusively with Champion Holdings, in view of the stage to which discussions had progressed and that such exclusivity agreement should be mutual since it was apparent Champion Holdings itself was considering a variety of strategic options. The Board authorized Skyline to enter into a 30-day agreement to negotiate exclusively with Champion Holdings if and when the Special Committee deemed appropriate. Later on September 29, 2017, a representative of Jefferies communicated to Company X on behalf of the Special Committee that its proposal was not competitive because it was significantly less favorable from a financial point of view than other strategic alternatives available to Skyline (without identifying the Champion Holdings offer).

Also on September 29, 2017, an introductory teleconference occurred among Ms. Hough, and Jon Pilarski, Chief Financial Officer of Skyline, Mr. Florea, and representatives of each of Jefferies and RBC to discuss accounting matters.

After consultation with Jefferies, and based upon the attractiveness of Champion Holdings' proposal, the absence of any more favorable offer from Company X or any other party, and the Special Committee's review of the limited available alternatives, including the merits of Skyline's existing plans to remain independent, the Special Committee determined to negotiate with Champion Holdings on an exclusive basis, and on October 2, 2017, Skyline and Champion Holdings entered into a mutual exclusivity agreement restricting both parties from engaging in negotiations of any alternative transaction with a third party for a period expiring November 1, 2017.

During the weeks of October 2 and October 9, 2017, the parties and their respective advisors conducted due diligence, established confidential virtual data rooms, exchanged confidential information through their respective financial advisors and began negotiating a clean team nondisclosure agreement to facilitate protected disclosure to the parties' advisors of competitively sensitive information. Representatives of management of Skyline and Champion Holdings held due diligence meetings in Mishawaka, Indiana on October 4, 2017.

On October 12, 2017, the Special Committee contacted representatives of Barnes & Thornburg LLP (**Barnes & Thornburg**), Skyline's regular outside corporate and securities counsel, and engaged Barnes & Thornburg to serve as transaction counsel for the Company in a proposed transaction with Champion Holdings. Ice Miller would continue to serve as independent counsel to the Special Committee.

On October 13, 2017, representatives of Barnes & Thornburg and Ropes & Gray LLP (**Ropes & Gray**), Champion Holdings' transaction counsel, had a teleconference with representatives of each of Jefferies, RBC and Champion

Holdings to discuss the scope of Skyline's due diligence evaluation of Champion Holdings and its subsidiaries.

On October 16, 2017, Mr. Firth and Mr. Anderson had a teleconference to discuss the draft Exchange Agreement that Ropes & Gray would be providing to Barnes & Thornburg on behalf of Champion Holdings.

On October 17, 2017, representatives of Ropes & Gray provided the initial draft of the proposed Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings and representatives of Ropes & Gray and Barnes & Thornburg had an initial teleconference.

On October 19, 2017, a clean team agreement was signed by Skyline, Champion Holdings and PricewaterhouseCoopers (*PwC*), the accounting firm Champion Holdings engaged to conduct financial due diligence.

On October 23, 2017, representatives of Ropes & Gray provided to representatives of Barnes & Thornburg an initial draft of a proposed Voting Agreement on behalf of Champion Holdings, which Voting Agreement obligated Skyline's directors and certain other shareholders, including Arthur J. Decio, to vote their Skyline common shares in favor of the proposed transaction with Champion Holdings and against any competing proposals.

The initial draft of the Exchange Agreement contained a number of provisions that may have inhibited the ability of the Board to abandon the Champion Holdings transaction to accept a superior offer. Such provisions are generally referred to in this discussion as transaction protection provisions. Among other transaction protection provisions, the initial draft of the Exchange Agreement provided that Skyline would be obligated to pay Champion Holdings a termination fee equal to \$25.0 million (less the amount of transaction expenses, if any, previously reimbursed by Skyline (up to a cap of \$2.5 million)) in the event that the Exchange Agreement was terminated in certain specified circumstances. Such fee would have become payable if Champion Holdings were to terminate the Exchange Agreement because the Board changed, qualified, withheld, withdrew or otherwise modified its recommendation that the Skyline's shareholders vote to approve the transaction with Champion Holdings at the special meeting of the Skyline shareholders, if the Board failed to include its recommendation in this proxy statement or failed to publicly reaffirm such recommendation upon a material development, or if the Board adopted, approved or recommended to Skyline shareholders an alternative acquisition proposal (any such action is referred to as a *change in recommendation*). The fee also would have become payable in the case of termination of the Exchange Agreement for certain other reasons if, within 18 months following termination, Skyline entered into a definitive agreement with respect to an alternative transaction. The initial draft of the Exchange Agreement also provided that Skyline would commit to divest assets or take similar actions to the extent necessary or advisable in Champion Holdings' discretion to obtain all necessary regulatory approvals (including under the HSR Act). The Special Committee deemed the transaction protection provisions initially proposed by Champion Holdings to be unacceptable and directed Barnes & Thornburg to request that Champion Holdings propose modified transaction protection provisions before Skyline would respond to Champion Holdings' initial draft.

On October 30, 2017, in a teleconference between representatives of Ropes & Gray and Barnes & Thornburg, representatives of Ropes & Gray inquired concerning Skyline's response to the draft Exchange Agreement. Representatives of Barnes & Thornburg indicated that the transaction protection provisions proposed by Champion Holdings were unacceptable to the Special Committee and that the Special Committee was awaiting a modified proposal from Champion Holdings.

On November 1, 2017, the Special Committee participated in an update meeting via teleconference with representatives of Crowe Horwath, and received and reviewed reports on the status of due diligence processes, including Skyline's diligence review of Champion Holdings.

In response to a November 1, 2017 request from Champion Holdings, on November 2, 2017 the mutual exclusivity agreement was extended to November 15, 2017. In a teleconference between Messrs. Firth and Anderson, Mr. Anderson affirmed Champion Holdings' commitment to the proposed transaction with Skyline, including the proposed pro forma retained ownership of Skyline's shareholders in the combined entity. Mr. Anderson acknowledged

that the Special Committee had requested an updated proposal from Champion Holdings on the transaction protection provisions Champion Holdings had initially proposed. However, he

advised that Champion Holdings declined to propose modified transaction protection provisions without considering a counterproposal from Skyline and requested that Skyline respond to the initial draft Exchange Agreement as it deemed appropriate.

On November 3, 2017, a representative of Barnes & Thornburg provided a revised draft of the Exchange Agreement to representatives of Ropes & Gray on behalf of Skyline reflecting the comments of the Special Committee. The revised draft would have permitted Skyline to terminate the Exchange Agreement to enter into an alternative transaction that the Board determined to be a superior offer, subject to payment by Skyline of a termination fee to Champion Holdings of \$3.5 million (less the amount of any Champion Holdings expenses previously reimbursed by Skyline). The November 3, 2017 draft of the Exchange Agreement would have also permitted the Board to make a change in recommendation upon a material development or change in circumstance that arose after the date of the Exchange Agreement (an *intervening event*). The Exchange Agreement also contemplated that the Voting Agreement of Skyline's directors and other shareholders would terminate if the Board were to make a change in recommendation. The November 3, 2017 draft of the Exchange Agreement provided that each of Skyline and Champion Holdings would commit to making any required divestitures or similar actions to the extent necessary or advisable to obtain all regulatory approvals (including under the HSR Act), but also provided that Skyline would have a right to consent to all actions (including divestitures), filings and submissions in connection with obtaining such regulatory approvals and that Skyline's consent would be reasonably withheld if the Board determined in good faith that any action would constitute an intervening event or impair the value of Skyline's common shares following the closing or the expected strategic benefits of the proposed transaction. The representatives of each of RBC and Jefferies engaged in ongoing discussions over the next several days regarding the transaction protection provisions.

On November 5, 2017, Mr. Anderson proposed to Mr. Firth that the parties' executives, the special committee, representatives of Champion Holdings and the parties' advisors meet in Chicago to negotiate key issues. RBC likewise proposed such a meeting to Jefferies.

On November 6, 2017, the Special Committee met by teleconference with representatives of each of Barnes & Thornburg and Jefferies to review the status of the negotiations and agreed to meet with Champion Holdings and its representatives in Chicago on November 8.

On November 7, 2017, Barnes & Thornburg provided to the Special Committee a further report on Skyline's due diligence investigation of Champion Holdings. Later that evening, representatives of RBC, on behalf of Champion Holdings, provided to Jefferies a list of issues and positions proposed for discussion at the meeting on November 8, 2017, including modified transaction protection provisions, board composition provisions and various pre-closing covenants. In particular, Champion Holdings proposed a termination fee of \$18 million to be paid by Skyline to Champion Holdings in certain circumstances, with \$8 million due in the event of termination by Champion Holdings due to a change in recommendation by the Board, and an additional \$10 million payable upon Skyline entering into an alternative transaction.

On November 8, 2017, a meeting of the parties and their representatives was held in Chicago. Multiple negotiation sessions focused primarily on the transaction protection provisions, provisions that would permit the Board to terminate the Exchange Agreement for fiduciary reasons and the mutuality of provisions binding the parties to the transaction. The Special Committee expressed willingness to consider alternative termination fee structures and amounts if appropriately structured to protect Skyline, but firmly maintained that the amount of the termination fee proposed by Champion Holdings was excessive and not acceptable to the Special Committee and that the Voting Agreement should afford an exception to the obligation to vote in favor of the Champion Holdings transaction if the Board no longer recommended it. Champion Holdings firmly maintained that the signatories to the Voting Agreement should be bound to vote in support of the transaction even in the event of the Board's change in recommendation. The parties agreed to conclude the November 8 discussions because the parties were at an impasse on key issues.

In the afternoon of November 9, 2017, the Special Committee and representatives of Barnes & Thornburg and Jefferies convened by teleconference to consider next steps in light of the exchanges and positions expressed

at the meeting on November 8. That evening, Mr. Firth and Daniel Osness, a Champion Holdings board member who was authorized to speak on behalf of Champion Holdings, had a teleconference in which Mr. Osness shared, on behalf of Champion Holdings, that Champion Holdings was considering a counterproposal which Champion Holdings was hopeful the Special Committee would find acceptable.

On November 15, 2017, the Special Committee met with Skyline management to review management projections and financial modeling to provide to Jefferies in anticipation of requesting that Jefferies deliver a fairness opinion to Skyline's Board with respect to the proposed transaction.

On November 16, 2017, representatives of Ropes & Gray provided a revised draft of the Exchange Agreement on behalf of Champion Holdings to representatives of Barnes & Thornburg. The revised Champion Holdings draft provided Skyline with the flexibility to participate in negotiations or discussions with a third party in response to an unsolicited bona fide written acquisition proposal received after the date of the Exchange Agreement and furnish information to any such party if the Board determined such proposal constituted or would reasonably be expected to result in a superior offer but only after advance notice of such action were provided to Champion Holdings. (Such permitted discussions and furnishing of information were referred to as *Permitted Actions*.) This draft provided, however, that were Skyline to take a Permitted Action prior to the date on which the Skyline shareholders approved of the proposed transaction, Champion Holdings would have the ability to terminate the Exchange Agreement (but such termination would not trigger an obligation of either party to pay a termination fee). This revised draft of the Exchange Agreement also provided for a total termination fee of \$10 million (less the amount of any Champion Holdings expenses previously reimbursed by Skyline), with \$3 million payable immediately by Skyline if Champion Holdings were to terminate the Exchange Agreement following a change of recommendation and the remaining \$7 million due if an agreement with respect to an alternative transaction that was proposed prior to termination was signed by Skyline within 12 months following termination. A termination fee of \$10 million (less the amount of any Champion Holdings expenses previously reimbursed by Skyline) would otherwise be payable by Skyline to Champion Holdings in one payment were the Exchange Agreement to be terminated for certain other specified reasons. The November 16 draft also provided that each of Champion Holdings and Skyline would commit to divest or take other actions necessary or advisable to obtain regulatory approvals (including under the HSR Act), if Champion Holdings consented to such actions, provided that such actions were contingent upon the closing and would not, individually or in combination, materially undermine or impair any of the benefits that Champion Holdings reasonably expects from the proposed transaction or materially limit or impair Skyline's or Champion Holdings' rights or ability to conduct its businesses after the closing. The November 16 draft Exchange Agreement did not provide for the termination of the Voting Agreement upon a change in recommendation. Mr. Firth had separate telephone calls with Messrs. Osness and Anderson in which Mr. Firth provided initial feedback and raised questions regarding the draft agreement. Mr. Firth emphasized that inclusion of such a termination provision or similar fiduciary exception in the Voting Agreement remained an important issue for the Special Committee. Mr. Anderson made a request to Mr. Firth that the parties exclusivity agreement be further extended.

On November 18, a representative of RBC provided a draft extension of the exclusivity agreement through November 30, 2017 to representatives of Jefferies and Barnes & Thornburg.

On November 20, 2017, representatives of Barnes & Thornburg provided to the Special Committee a summary comparison of the parties' most recent positions on key agreement provisions, particularly those addressing transaction protection provisions. Also on this date, Champion Holdings and Skyline executed an extension of the mutual exclusivity agreement through November 30, 2017.

On November 21, 2017, a representative of Barnes & Thornburg provided a revised draft of the Exchange Agreement to representatives of Ropes & Gray on behalf of Skyline reflecting Skyline's proposed compromise on transaction protection provisions and other matters developed by the Special Committee after consultation with representatives of each of Jefferies and Barnes & Thornburg. In particular, the November 21, 2017 draft Exchange Agreement would

have permitted Skyline to terminate the agreement before the Skyline shareholders approved of the proposed transaction at the special meeting to enter into an agreement in respect of a superior offer and provided for the termination of the Voting Agreement upon a change of recommendation. The

November 21, 2017 draft reflected the same basic termination fee structure previously proposed by Champion Holdings. It provided that the \$3 million initial fee would be paid if Champion Holdings terminated the Exchange Agreement because the Board made a change of recommendation or if Skyline terminated the Exchange Agreement to enter into a superior offer, but further provided that, in either such case, the incremental \$7 million fee would only be payable if an alternative transaction made known prior to termination were actually consummated by Skyline within 12 months following termination.

On November 29, 2017, representatives of Ropes & Gray provided a further revised draft of the proposed Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings reflecting Champion Holdings response to Skyline's proposals of November 21. The November 29 draft reflected Champion Holdings' willingness to discuss the termination of the Voting Agreement in the event of a change of recommendation, but did not permit Skyline to terminate the Exchange Agreement to accept a superior offer. The November 29 draft Exchange Agreement retained the total \$10 million termination fee (less the amount of any Champion Holdings expenses previously reimbursed by Skyline), but provided that the second tranche of \$7 million would become payable if Skyline signed an agreement with respect to an alternative transaction made known to Skyline or the Board prior to termination within 12 months of termination or consummated an acquisition transaction, and, in that event, such second tranche would have to be paid when the alternative transaction was either consummated or terminated. Messrs. Osness and Firth discussed by telephone Champion Holdings' proposed compromise position with respect to transaction protection provisions. Mr. Osness affirmed Champion Holdings' commitment to the transaction with Skyline.

On December 1, 2017, a special meeting of the full Board was held at Skyline's offices in Elkhart, Indiana, with representatives of each of Jefferies, Crowe Horwath and Barnes & Thornburg in attendance. Representatives of Barnes & Thornburg reviewed the fiduciary duties of Skyline's directors in the context of the contemplated transaction. Representatives of Jefferies reviewed the background of the negotiations with Champion Holdings and presented a detailed analysis of the proposed transaction from a financial point of view. Representatives of Crowe Horwath provided an overview of the results of that firm's analysis with respect to the quality of Champion Holdings' earnings. Representatives of Barnes & Thornburg provided a detailed overview of the material terms of the current draft of the Exchange Agreement and related transaction agreements as then proposed. The Board discussed the merits of the Champion Holdings' proposal at length and reviewed the earlier communications with Company X from the summer of 2017. The Board discussed the possibility of allowing the exclusivity arrangement with Champion Holdings to lapse and contacting other alternative bidders. The Board decided to accept the Special Committee's recommendation to continue negotiating with Champion Holdings on an exclusive basis because (i) the economic and strategic benefits of the Champion Holdings' proposal to Skyline and all of its constituents were compelling, (ii) it was highly unlikely that another strategic bidder would be both competitive and offer comparable strategic benefits, (iii) a financial bidder would be unable to offer comparable strategic benefits and very unlikely to make an offer that was economically superior, (iv) there was some risk that Champion Holdings might decide to pursue other alternatives that might be available to them, and (v) the Special Committee and Skyline management, in consultation with Jefferies, had previously considered potential alternative strategic partners prior to contacting Company X in August 2017.

A teleconference between representatives of Barnes & Thornburg and Ropes & Gray occurred on December 4, 2017 to discuss certain matters relating to compensation to be paid to executives in connection with the transaction and the status of other legal matters.

On December 5, 2017, representatives of each of Barnes & Thornburg, Ropes & Gray and Taft Stettinius & Hollister LLP (*Taft*), Champion Holdings' Indiana counsel for the transaction, had a teleconference to discuss certain matters specific to the Indiana Business Corporation Law. The parties executed an extension of the mutual exclusivity agreement through December 15, 2017.

On December 6, 2017, representatives of Barnes & Thornburg provided a revised draft of the Exchange Agreement to representatives of Ropes & Gray on behalf of Skyline reflecting acceptance in all material respects of the transaction

protection provisions reflected in Champion Holdings November 29 draft of the Exchange Agreement. Consistent with Champion Holdings November 21 draft, the December 6, 2017 draft of the

Exchange Agreement would have permitted either party to terminate if Skyline shareholders failed to approve the Exchange at the Special Meeting, but it excluded provisions permitting Skyline to terminate the Agreement to enter into a superior offer prior to the approval of the proposed transaction by the Skyline shareholders. Skyline made clear that its willingness to exclude such provision was conditioned on the Voting Agreement terminating upon a change in recommendation. The December 6, 2017 draft would have also permitted Skyline to object to a divestiture or other action deemed necessary by Champion Holdings to obtain regulatory approval (including under the HSR Act) if the Board determined that such action would impair the value of the common shares relative to the value the common shares otherwise would be expected to have after closing, or would impair the strategic benefits to Skyline that would otherwise be expected to result from the transaction.

On December 8, 2017, representatives of Ropes & Gray and Barnes & Thornburg spoke by teleconference to discuss issues remaining to be negotiated in the Exchange Agreement. Also on December 8, 2017, Barnes & Thornburg provided comments on the draft Voting Agreement to representatives of Ropes & Gray on behalf of Skyline, which draft provided that the Voting Agreement would terminate upon the earlier to occur of the closing date, the termination of the Exchange Agreement in accordance with its terms, or upon a change in recommendation.

On December 12, 2017, Mr. Firth had separate telephone conversations with Mr. Anderson and Mr. Osness to discuss the importance the Special Committee had assigned to the provision for termination of the Voting Agreement if the Board made a change in recommendation.

Also on December 12, 2017, representatives of Ropes & Gray provided further revised drafts of the Exchange Agreement and the Voting Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings. Barnes & Thornburg also provided to Ropes & Gray revised drafts of the transition services agreement and Champion Holdings disclosure schedules on behalf of Skyline. The December 12, 2017 draft Exchange Agreement provided that both Skyline and Champion Holdings would take any required divestiture actions to obtain all necessary regulatory approvals (including under the HSR Act), provided that neither Champion Holdings nor Skyline nor their respective subsidiaries or affiliates would be required to take any action that would, in the good faith opinion of such entity's board, materially impair the economic benefit of the transaction or the aggregate economic profile of the combined company after the transaction or the ability to conduct the business of the combined company.

On December 13, 2017, Ropes & Gray provided Barnes & Thornburg an initial draft of the registration rights agreement on behalf of Champion Holdings.

On December 14, 2017, the Special Committee met by teleconference with a representative of Ice Miller to review the status of the transaction negotiations and draft agreements and possible timing for execution and announcement of the transaction. The representative of Ice Miller reviewed the fiduciary duties of directors in the context of the pending negotiations. Representatives of Barnes & Thornburg joined the later portion of the teleconference. Also on December 14, 2017, representatives of Barnes & Thornburg and Ropes & Gray held a teleconference to discuss the latest draft of the Exchange Agreement.

In the evening of December 15, 2017, a teleconference was held including management of both parties, Mr. Firth, representatives of Champion Holdings, and the parties' financial and legal advisors. The parties reviewed remaining issues requiring resolution and discussed the proposed timing of execution and announcement of the proposed transaction. Also on December 15, 2017, representatives of Ropes & Gray provided an initial draft of the investor rights agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings. Representatives of Barnes & Thornburg also suggested to representatives of Ropes & Gray revisions to the proposed amendments of the charter and by-laws of the combined company.

On December 16, 2017, Messrs. Firth and Anderson held a teleconference to discuss the matters relating to Skyline's obligations under its supplemental retirement plan (the *deferred compensation plan*), the extent to which such plan

would remain in place after closing and, if so, the value of Skyline's obligations under such plan. Representatives of Barnes & Thornburg provided a revised draft of the Exchange Agreement and Voting Agreement to representatives of Ropes & Gray on behalf of Skyline.

On December 17, 2017, representatives of Barnes & Thornburg provided revised drafts of the proposed investors rights agreement and registration rights agreement to representatives of Ropes & Gray on behalf of Skyline.

On December 18, 2017, Mr. Firth advised Mr. Anderson that the Special Committee intended to recommend to the Board that the two directors to be appointed by Skyline to the post-transaction board of directors should be Mr. Firth and Mr. Florea, with Mr. Decio serving as a board observer. Also on December 18, 2017, representatives of Skyline provided Skyline's preliminary November financials to Champion Holdings. Discussions continued among the parties advisors with respect to the valuation and status following closing of the deferred compensation plan, and Mr. Firth and Mr. Anderson held a teleconference during which they discussed valuation of the deferred compensation plan obligation and Mr. Firth further explained the importance the Special Committee placed on continuance of the deferred compensation plan following closing.

On December 19, 2017, representatives of Ropes & Gray provided a revised draft of the Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings. In view of the work still required to resolve remaining issues, Mr. Firth advised Mr. Osness, who was authorized to speak on behalf of Champion Holdings, by telephone that the Board would not be in a position to formally authorize the transaction at its regular meeting the following day. Messrs. Firth and Osness further discussed valuation and post-closing continuity of Skyline's deferred compensation plan.

A regular meeting of the Board was held at Skyline's Elkhart, Indiana offices on December 20, 2017. The Board was fully briefed by Mr. Firth on the status of the transaction and open issues. No formal action was taken.

In the afternoon of December 20, 2017, Ropes & Gray communicated a proposal on behalf of Champion Holdings to representatives of Barnes & Thornburg, which proposal represented Champion Holdings' final position on all open issues. A teleconference was held later that evening with Mr. Firth, representatives of Champion Holdings and representatives of the parties' respective counsel and financial advisors to discuss Champion Holdings' package proposal. The parties concluded that due to scheduled end-of-year holidays at each of Skyline and Champion Holdings, the parties would resolve all open issues and sign and announce the transaction in early January 2018.

At Champion Holdings' request, on December 21, 2017, Skyline and Champion Holdings executed a further extension of the mutual exclusivity agreement through January 5, 2018. Discussions continued between the parties and counsel over the next several days to evaluate and seek to address unresolved issues.

On December 25, 2017, representatives of Ropes & Gray provided a revised draft of the Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings, which revised draft addressed several ancillary matters but did not resolve all open issues, particularly open issues potentially impacting the Skyline special dividend.

On December 27, 2017, Mr. Firth spoke by telephone with Mr. Osness regarding the open valuation items affecting the Skyline special dividend and the post-closing status of the deferred compensation plan. Mr. Firth suggested a compromise proposal and Mr. Osness requested that Skyline provide a draft of the Exchange Agreement reflecting Mr. Firth's proposal. Later that day representatives of Barnes & Thornburg provided a revised draft of the Exchange Agreement, along with supplemental information concerning status of the deferred compensation plan, and revised drafts of the disclosure schedules for each of Champion Holdings and Skyline to representatives of Ropes & Gray on behalf of Skyline. Skyline also proposed an amendment to its deferred compensation plan precluding early termination without approval of all participants.

Representatives of Ropes & Gray and Barnes & Thornburg spoke by teleconference on December 28, 2017 to review the proposed changes to the Exchange Agreement. Mr. Osness requested additional information regarding the deferred compensation plan and related insurance arrangements from Mr. Firth and Mr. Firth arranged for a call between

Skyline s and Champion Holdings chief financial officers to address Champion Holdings further questions, which call was held later that day.

On a teleconference on December 29, 2017, between representatives of each of Barnes & Thornburg and Ropes & Gray, representatives of Ropes & Gray and Barnes & Thornburg discussed further potential compromises with respect to the proposed treatment of certain executive compensation matters, including the deferred compensation plan.

On December 30, 2017, Mr. Firth and Mr. Osness had a further teleconference in which Mr. Firth responded to additional questions from Champion Holdings related to the deferred compensation plan and related insurance arrangements. Mr. Osness proposed, on behalf of Champion Holdings, a compromise similar in terms of value to Skyline to the compromise Mr. Firth had proposed, but providing for a different allocation of certain anticipated post-closing costs between Skyline (pre-closing) and the combined company (post-closing). On December 31, 2017, representatives of Ropes & Gray provided a revised draft of the Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings reflecting Champion Holdings' proposal.

On January 2, 2018, Mr. Florea received a written unsolicited, general expression of interest from a private investment firm, which expression of interest broadly suggested interest in acquiring Skyline or any of its business divisions but which did not contain any proposed values or terms. Mr. Florea shared the letter with Mr. Firth who, in turn shared it with the other members of the Special Committee and with representatives of Barnes & Thornburg and Jefferies. In consultation with Barnes & Thornburg, Mr. Florea and Jefferies, Mr. Firth concluded the unsolicited communication did not reflect any serious consideration of a proposed transaction with Skyline and was merely an untailed effort to identify a potential acquisition candidate. Following the evaluation of the communication, the Special Committee determined that the proposed transaction would not provide a strategic advantage for Skyline and pursuing it would have disrupted or delayed the transaction with Champion Holdings. Accordingly, the Special Committee determined not to respond to this solicitation and the private investment firm did not submit an additional inquiry to Skyline.

Also on the morning of January 2, 2018, representatives of Ropes & Gray and Barnes & Thornburg had a teleconference to finalize the transaction documents. Mr. Firth and Mr. Osness, on behalf of Champion Holdings, also spoke by telephone regarding communication plans for signing and announcement and certain changes to the terms of the Exchange Agreement that Champion Holdings expected to propose.

On January 3, 2018, Mr. Osness, on behalf of Champion Holdings, advised Mr. Firth by phone that revised drafts of the transaction documents would be forthcoming from Champion Holdings' counsel. Around midday, representatives of Ropes & Gray provided a revised draft of the Exchange Agreement to representatives of Barnes & Thornburg on behalf of Champion Holdings providing that Champion Holdings could elect in connection with the closing to cause Skyline to issue the Exchange Shares directly to the members of Champion Holdings. Further dialog between counsel regarding the revised draft of the Exchange Agreement followed and Ropes & Gray provided further proposed clarifying revisions to the Exchange Agreement. Later that day, Ropes & Gray also provided further proposed revisions to the ancillary agreements to Barnes & Thornburg on behalf of Champion Holdings, which included a new provision that if Mr. Firth should fail to remain independent following the closing of the transaction, he would be required to resign from the combined company board.

The Special Committee convened by telephone with a representative from Ice Miller (the committee's independent counsel) on the morning of January 3, 2018 to review the status of the transaction. In view of the revisions to the Exchange Agreement proposed by Champion Holdings, the Special Committee took no formal action but resolved to convene the Board that afternoon with legal and financial advisors to provide a full review and update to the Board concerning all aspects of the transaction. The Board met at Skyline's executive offices in Elkhart, Indiana that afternoon with certain members attending by teleconference. Representatives of Jefferies attended in person and representatives of Barnes & Thornburg attended by phone. Representatives of Barnes & Thornburg reviewed the transaction terms and provided a detailed summary of the transaction documents and developments since the Board had last convened. Representatives of Jefferies provided a full presentation on its financial evaluation of the transaction but were not requested to deliver its fairness opinion. Representatives of Barnes & Thornburg again reviewed the fiduciary duties of the Board of directors under Indiana law in the context of the pending transaction.

The directors engaged in a detailed discussion, reviewing the anticipated benefits of the transaction and related considerations discussed below in this proxy statement under *The*

Exchange Skyline s Reasons for the Exchange; Recommendation of Skyline s Board of Directors. While the directors continued to express support for the transaction, discussions of various matters with Champion Holdings were still pending, so the Board took no formal action at that time.

Early that evening, a teleconference was held including management of both parties, Mr. Firth, representatives of Champion Holdings, and the parties' respective financial and legal advisors to review the status of the draft press release and logistics and timing for announcement of the transaction.

On January 4, 2018, representatives of Ropes & Gray provided revised drafts of the Exchange Agreement and ancillary agreements to representatives of Barnes & Thornburg on behalf of Champion Holdings. The Special Committee convened by phone at 3:00 p.m. with a representative of Ice Miller, representatives of Barnes & Thornburg and Jefferies. After discussion of the most recent communications with representatives of Champion Holdings, the committee members determined to defer action pending final confirmation of agreement on all remaining issues. The Special Committee reconvened at 8:00 p.m. by teleconference with a representative of Ice Miller, and representatives of Barnes & Thornburg and Jefferies. Jefferies reviewed its evaluation of the transaction which it had fully presented the preceding day and delivered its fairness opinion orally to the Special Committee. The Special Committee resolved to unanimously recommend the Champion Holdings transaction to the full Board. The Board then convened in a conference room in Notre Dame, Indiana with certain directors and representatives of Barnes & Thornburg and Jefferies participating by phone. Representatives of Barnes & Thornburg reviewed developments since the preceding day and minor changes that had been made to the draft agreements. Mr. Firth provided the report of the Special Committee orally to the Board confirming that the committee unanimously recommended that the Board approve the transaction and recommend that the Skyline shareholders approve the related matters requiring shareholder approval. Jefferies again reviewed its evaluation of the transaction which it had fully presented to the Board the preceding day. The representatives of Jefferies then delivered its fairness opinion orally to the Board (which was confirmed by delivery of a written opinion dated January 4, 2018), that, as of such date, and based upon and subject to the assumptions, procedures, matters and limitations set forth therein, issuance of the Exchange Shares pursuant to the Exchange Agreement was fair to Skyline from a financial point of view, as more fully described in the section entitled *The Exchange Opinion of the Financial Advisor to the Skyline Board of Directors*. The directors present at the meeting in person or by phone unanimously approved the Exchange Agreement and related transactions and adopted resolutions recommending that the shareholders of Skyline vote in favor of the Exchange and the other matters requiring shareholder approval. The action of the Board was affirmed by unanimous written consent of the Skyline directors to confirm the concurring approval of one of the directors who was unable to participate by phone.

Representatives of Jefferies and RBC confirmed to one another that both parties had formally approved the transaction and were prepared to proceed to execute the Exchange Agreement. Counsel for the parties mutually tendered signatures of the parties to be held in escrow pending confirmation of execution of the transaction and release for delivery the following morning.

The Exchange Agreement and other transaction agreements were executed and delivered by the parties at 7:00 a.m. on January 5, 2018. A joint press release announcing the transaction was issued at approximately 9:00 a.m. that morning.

Skyline s Reasons for the Exchange; Recommendation of Skyline s Board of Directors

After extensive review and discussion and careful consideration, and after receiving the favorable recommendation of the Special Committee regarding the Exchange, Skyline s Board, at a meeting held on January 4, 2018, affirmed by written consent, unanimously determined that the Exchange Agreement is advisable, fair, and in the best interests of Skyline, its shareholders, and other important constituents. Accordingly, the Board adopted and approved the Exchange Agreement and unanimously recommends that Skyline shareholders vote **FOR** the approval of the Charter Amendment Proposals and **FOR** the approval of the Shares Issuance Proposal.

In reaching its decision to approve the Exchange Agreement and to recommend that its shareholders approve the Skyline Exchange Proposals, the Board consulted extensively with Skyline management, the Special Committee, as well as Skyline's financial and legal advisors. The Board considered Skyline's current position in the manufactured housing segment of the housing industry as a strong, established brand with relatively modest share and the challenges presented by the ongoing contraction of independent manufactured housing dealers and the consolidation of manufactured housing communities. While the Board was confident in its strategic plans that contemplated continued independent operations, the Board determined that the strategic opportunity to combine with the Champion Companies on favorable terms was compelling for Skyline. Among the benefits the Board anticipated would likely arise from the combination with the Champion Companies were the following:

the combined company should be better positioned to build stronger relationships with and provide greater geographic coverage to serve its customers;

increased scale of the business should provide for greater flexibility through market cycles;

likely economic advantages of being part of a larger entity, including the expectation of cost savings and operating efficiencies and the ability of a larger combined company to compete more effectively by leveraging overhead costs;

the expected cash dividend to be paid to Skyline's shareholders prior to the closing of the transaction.

greater scale and a substantially increased market capitalization appeared likely to generate more focus and attention from the public markets, which should have the salutary effects of leading to (i) enhanced liquidity in Skyline's stock for those shareholders desiring liquidity, and (ii) enhanced prospects for increasing long term shareholder value for these shareholders desirous of maintaining their investment in a tax-advantaged transaction; and

the percentage of ownership in the combined company to be allocated to Skyline's shareholders in the exchange is equitable to Skyline, which led the Board to expect that the combination could lead to an increase in Skyline's public valuation, benefiting shareholders.

Among other factors considered by the Board were the following:

the extensive work of the Special Committee over a period of months, acting in consultation with Skyline's and the Special Committee's financial and legal advisors, to evaluate alternatives and develop the terms of the transaction with Champion Holdings and its recommendation to the Board that the Board move forward with the exchange;

a review of the prospects, challenges and risks of Skyline remaining independent and its projected financial results versus combining with the Champion Companies given the current and prospective environment in the manufactured housing segment of the housing industry, including national and local economic

conditions, competition and consolidation in the manufactured housing industry;

the fact that the structure of the combination affords Skyline shareholders the opportunity to remain invested in a leading manufactured housing company with no adverse income tax effects on shareholders;

the financial and other terms of the exchange, including the fixed exchange ratio, the social considerations described under *Background of the Exchange*, and the final transaction protection provisions, which Skyline reviewed with its outside financial and legal advisors;

the financial analyses and other information presented by Jefferies to the Board with respect to the Exchange and the opinion delivered to the Board by Jefferies on January 4, 2018 to the effect that, as

of the date of that opinion, the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement was fair to Skyline from a financial point of view;

the value of the Champion Companies' operations and information concerning their financial performance and condition, business operations and prospects of the Champion Companies, taking into account the results of Skyline's due diligence investigation of the Champion Companies;

the considerable experience of Champion Holdings' management and confidence that Skyline and Champion Holdings shared similar guiding principles of quality, honesty and integrity which should facilitate the effective integration and collaboration of Skyline's and the Champion Companies' management teams;

the provision for two Skyline appointees to remain on the combined company's board of directors and for the combined company to have the benefit of Mr. Decio's extraordinary knowledge and understanding of the industry as a nonvoting participant in board meetings;

the compatibility of Skyline's business, operations and culture with those of the Champion Companies;

the possible effects of the proposed exchange on Skyline's employees and customers;

Skyline's and Champion Holdings' similar commitment to their communities and the assurance that the combined company's principal office would remain in Elkhart, Indiana; and

the likelihood that the Exchange will be completed on a timely basis, including the likelihood that the Exchange will receive all necessary regulatory clearance and approvals in a timely manner.

The Board also considered the risks and potential negative factors outlined below, but concluded that the anticipated benefits of combining with the Champion Companies were likely to outweigh substantially these risks and factors. These factors included:

the fact that certain of Skyline's directors and officers have interests in the Exchange that are in addition to their interests generally as Skyline shareholders, which have the potential to influence such directors' and officers' views and actions in connection with the Exchange;

the fact that, following the Exchange, the Sponsors of Champion Holdings will effectively control the combined company and will have the ability to cause the combined company to pursue strategic directions not previously discussed and without approval by the Skyline Board's appointees;

the challenges of integrating Skyline's business, operations and employees with those of the Champion Companies;

the risk that the Exchange would be delayed pending regulatory approval or would not be consummated;

the effect of the public announcement of the Exchange on Skyline's customer relationships, its ability to retain employees and the potential for disruption of Skyline's ongoing business;

the risk that the benefits and cost savings sought in the Exchange would not be fully realized;

the risk of diverting management attention and resources from the operation of Skyline's business and towards the completion of the Exchange;

that, while the Exchange is pending, Skyline will be subject to restrictions on how it conducts business that could delay or prevent Skyline from pursuing business opportunities or preclude it from taking actions that would be advisable if it were to remain independent; and

the termination fee payable, under certain circumstances, by Skyline to Champion Holdings, and the risk that the termination fee might discourage third parties from offering to acquire Skyline by increasing the cost of a third party acquisition.

The foregoing discussion of the information and factors considered by the Board is not exhaustive, but includes the material factors that the Board considered and discussed in approving and recommending the Exchange. In view of the wide variety of factors considered and discussed by the Board in connection with its evaluation of the Exchange and the complexity of these factors, the Board did not quantify, rank, or assign any relative or specific weight to the foregoing factors. Rather, it considered all of the factors as a whole. The Board discussed the foregoing factors, including asking questions of Skyline's management and legal and financial advisors, and reached general consensus that the Exchange was in the best interests of Skyline, its shareholders, and other important constituents. In considering the foregoing factors, individual directors may have assigned different weights to different factors. The Board did not undertake to make any specific determination as to whether any factor, or particular aspect of any factor, supported or did not support its ultimate decision to approve the Exchange Agreement and the Exchange.

The foregoing explanation of Skyline's Board's reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled *Cautionary Statements Concerning Forward-Looking Information* beginning on page 42.

Champion Holdings' Reasons for the Exchange

After extensive review and discussion and careful consideration, Champion Holdings' board of managers, on January 5, 2018, executed a unanimous written consent in which they determined that the Exchange Agreement was advisable, fair, and in the best interests of Champion Holdings and its members. Accordingly, Champion Holdings' board of managers adopted and approved the Exchange Agreement and related transactions. Following approval by Champion Holdings' board of managers, a majority of the members of Champion Holdings approved, by written consent, the Exchange Agreement and related transactions.

In reaching its decision to approve the Exchange Agreement and related transactions, members of Champion Holdings' board of managers consulted extensively with Champion Holdings' management, as well as Champion Holdings' financial and legal advisors. The board of managers considered Champion Holdings' current position in the manufactured housing segment of the housing industry and determined that the strategic opportunity to join forces with Skyline on favorable terms was compelling for Champion Holdings and would position the combined company for growth in the coming years that would benefit employees, shareholders, and customers.

Negotiations, Transactions, or Material Contacts

On February 24, 2017, Skyline entered into a Real Estate Purchase Agreement with CHB to sell the Mansfield Property and certain of Skyline's equipment used in the production of product to CHB. In consideration, CHB paid Skyline \$2,225,000 in cash. On February 28, 2017, Skyline and CHB novated and amended the Real Estate Purchase Agreement to substitute Skyline's wholly-owned subsidiary, Homette Corporation, for Skyline as the seller under the agreement, and to provide for Homette Corporation to continue to receive royalties under a certain oil and gas lease related to the Mansfield Property for a period of 60 months following the closing of the Real Estate Purchase Agreement.

Except as set forth above or elsewhere in this proxy statement, none of Champion Holdings, CHB, CIBV, nor any of their respective managers, directors, executive officers, or other affiliates, had any negotiations,

transactions, or material contacts with Skyline or any of our directors, executive officers, or other affiliates since March 29, 2014 that would require disclosure under the rules and regulations of the SEC applicable to this proxy statement.

Opinion of the Financial Advisor to the Skyline Board of Directors

Skyline retained Jefferies in July 2017 as its financial advisor in connection with a possible sale or other strategic transaction involving Skyline. In connection with this engagement, Skyline's Board requested that Jefferies evaluate the fairness, from a financial point of view, to Skyline of the Exchange Consideration to be issued by Skyline in connection with the Exchange. At the meeting of Skyline's Board on January 4, 2018, Jefferies rendered an oral opinion, which was subsequently confirmed by delivery of a written opinion dated the same date, to the Board to the effect that, as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of the review undertaken by Jefferies as set forth in its opinion, the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement was fair, from a financial point of view, to Skyline.

The full text of Jefferies' written opinion, dated January 4, 2018, is attached to this proxy statement as Appendix C. Jefferies' opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Jefferies in rendering its opinion. Skyline encourages you to read Jefferies' opinion carefully and in its entirety. Jefferies' opinion was directed to Skyline's Board and addresses only the fairness, from a financial point of view, as of the date of the opinion of the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement. It does not address any other aspect of the Exchange or constitute a recommendation as to how any shareholder should vote or act with respect to the Exchange or any matter related thereto. The summary of Jefferies' opinion set forth below is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Jefferies, among other things:

reviewed a draft of the Share Contribution & Exchange Agreement dated January 4, 2018;

reviewed certain publicly available financial and other information about Skyline;

reviewed certain information furnished to Jefferies by Skyline's management and Champion Holdings management, including financial forecasts and analyses, relating to the business, operations and prospects of Skyline and the Champion Companies;

reviewed certain estimates of, and related information prepared by, Skyline's management as to the strategic implications and operational benefits, including cost savings (collectively, *synergies*), anticipated by Skyline's management to result from the Exchange;

held discussions with members of Skyline's senior management concerning the matters described in the second through fourth bullet points above;

reviewed the stock trading price history and implied trading multiples for Skyline Common Stock and compared them with those of another publicly traded company that Jefferies deemed relevant in evaluating Skyline;

considered the potential pro forma impact of the Exchange;

compared the relative contributions of Skyline and the Champion Companies to certain financial metrics of the pro forma combined company; and

conducted such other financial studies, analyses and investigations as Jefferies deemed appropriate.

In Jefferies' review and analysis and in rendering its opinion, Jefferies assumed and relied upon, but did not assume any responsibility to investigate independently or verify, the accuracy and completeness of all financial and other information that was supplied or otherwise made available by Skyline or Champion Holdings or that was publicly available to Jefferies (including, without limitation, the information described above), or that was otherwise reviewed by Jefferies. In its review, Jefferies relied on assurances of Skyline's management that it was not aware of any facts or circumstances that would make such information inaccurate or misleading. Jefferies did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, or conduct a physical inspection of any of the properties or facilities of, Skyline, the Champion Companies or any other entity. Jefferies was not furnished with any such evaluations or appraisals of such physical inspections and did not assume any responsibility to obtain any such evaluations or appraisals.

With respect to the financial forecasts provided to and examined by Jefferies, Jefferies' opinion noted that projecting future results of any company is inherently subject to uncertainty. Skyline and Champion Holdings informed Jefferies, however, and Jefferies assumed, that such financial forecasts and estimates (including potential synergies) were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the respective management of Skyline and Champion Holdings as to the future financial performance of Skyline and the Champion Companies and the amount and timing of synergies that could result from the Exchange. Jefferies expressed no opinion as to Skyline's or the Champion Companies' financial forecasts, estimates (including potential synergies) or the assumptions on which they were made.

Jefferies' opinion was based on economic, monetary, regulatory, market and other conditions existing and which could be evaluated as of the date of its opinion. Jefferies expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting Jefferies' opinion of which Jefferies becomes aware after the date of its opinion.

Jefferies made no independent investigation of any legal, accounting or tax matters affecting Skyline, the Champion Companies or the Exchange. Jefferies assumed the correctness in all respects material to Jefferies' analysis of all legal, accounting and tax advice given to Skyline and its Board to the extent disclosed to Jefferies, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the Exchange Agreement to Skyline and its shareholders. In addition, in preparing its opinion, Jefferies did not take into account any tax consequences of the Exchange to any holder of Skyline or the Champion Companies' stock. Jefferies assumed that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Exchange, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Skyline, the Champion Companies or the contemplated benefits of the Exchange.

Jefferies' opinion was for the use and benefit of the Board in its consideration of the Exchange. Jefferies' opinion did not address the relative merits of the Exchange as compared to any alternative transaction or opportunity that might be available to Skyline, nor did it address the underlying business decision by Skyline to engage in the Exchange or the terms of the Exchange Agreement or the documents referred to therein. Jefferies' opinion does not constitute a recommendation as to how any shareholder should vote on the Exchange or any matter related thereto. In addition, Jefferies was not asked to address, and its opinion did not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Skyline; Jefferies did not express an opinion as to the value of the Exchange Consideration when issued in the Exchange or the price at which shares of Skyline Common Stock will trade at any time. Furthermore, Jefferies did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation to be received by any officers, directors or employees of Skyline or the Champion Companies, or any class of such persons, in connection with the Exchange relative to the Exchange Consideration or otherwise. Jefferies agreed that its opinion may be reproduced in full and summarized in this proxy statement. Jefferies' opinion was authorized by the Fairness Committee of Jefferies.

In preparing its opinion, Jefferies performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process involving various determinations as to the most

appropriate and relevant quantitative and qualitative methods of financial analysis and the applications of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Jefferies believes that its analyses must be considered as a whole. Considering any portion of Jefferies analyses or the factors considered by Jefferies, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusion expressed in Jefferies' opinion. In addition, Jefferies may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described below should not be taken to be Jefferies' view of Skyline's, the Champion Companies' or the pro forma combined company's actual value. Accordingly, the conclusions reached by Jefferies are based on all analyses and factors taken as a whole and also on the application of Jefferies' own experience and judgment.

In performing its analyses, Jefferies made numerous assumptions with respect to industry performance, general business, economic, monetary, regulatory, market and other conditions and other matters, many of which are beyond Skyline's and Jefferies' control. The analyses performed by Jefferies are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the per share value of Skyline's Common Stock do not purport to be appraisals or to reflect the prices at which shares of Skyline Common Stock may actually be sold. The analyses performed were prepared solely as part of Jefferies' analysis of the fairness, from a financial point of view, of the Exchange Consideration to be issued by Skyline pursuant to the Exchange Agreement, and were provided to the Board in connection with the delivery of Jefferies' opinion.

The following is a summary of the material financial and comparative analyses performed by Jefferies in connection with Jefferies' delivery of its opinion and presentation to Skyline's Board at its meeting on January 4, 2018. The financial analyses summarized below include information presented in tabular format. In order to fully understand Jefferies' financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Jefferies' financial analyses.

For purposes of the financial analyses summarized below: (i) earnings before interest, taxes, depreciation and amortization (*EBITDA*) and earnings before interest and taxes (*EBIT*) exclude certain one-time non-recurring expenses and other costs and adjustments; (ii) adjusted EBITDA for Skyline was calculated to remove from EBITDA the impact of Skyline's sale of certain assets and Skyline's stock-based compensation, and adjusted EBITDA for the Champion Companies was calculated to remove from EBITDA the impact of certain non-operating expenses; (iii) total enterprise values (*TEV*) were calculated as fully-diluted equity values plus total debt, preferred stock and non-controlling interests (as applicable), less cash and cash equivalents; and (iv) certain financial information for Skyline was recalculated to align with the Champion Companies' April 1 to March 31 fiscal year.

Selected Public Companies Analysis

Jefferies performed a selected public company analysis by reviewing publicly available financial information of Cavco Industries, Inc., the only publicly traded company that Jefferies in its professional judgment considered generally relevant to Skyline and the Champion Companies for purposes of its financial analysis. Jefferies reviewed, among other information, the selected company's TEV as a multiple of the selected company's estimated EBITDA for its fiscal year ending March 31, 2018. The selected company's estimated EBITDA was based on publicly available research analysts' estimates. Jefferies derived a TEV/2018E EBITDA multiple of 20.0x for the selected company based on the closing price of the selected company's common stock on December 29, 2017. Jefferies noted that it derived a TEV/2018E EBITDA multiple of 11.3x for Skyline based on the closing price of Skyline's Common Stock on the same date.

Based on Jefferies' professional judgment and its review of the selected company, including the selected company's business operations, larger scale and greater historic profitability and growth relative to each of Skyline and the Champion Companies, Jefferies applied a reference range of TEV/2018E EBITDA multiples of 11.0x to 14.0x to Skyline management's forecast of Skyline's estimated adjusted EBITDA for the twelve months ending March 31, 2018 and a reference range of TEV/2018E EBITDA multiples of 14.0x to 17.0x to Champion Holdings management's forecast of the Champion Companies' estimated adjusted EBITDA for its fiscal year ending March 31, 2018. These analyses indicated approximate implied equity values ranging from \$109 million to \$136 million, for Skyline, and from \$718 million to \$865 million, for the Champion Companies.

Jefferies then calculated the following approximate implied relative ownership percentage reference range for holders of Skyline Common Stock in the combined company using the approximate implied equity values derived from the analyses described above, and compared that reference range to the 15.5% pro forma ownership by holders of Skyline's Common Stock pursuant to the terms of the Exchange Agreement:

| | |
|--------------------------------------------------------------------------|---------------------------------------------|
| | Skyline Pro Forma Ownership in |
| | Combined Company Pursuant to the |
| Implied Skyline Relative Ownership Percentage Reference Range | Exchange Agreement |
| 11.2% - 15.9% | 15.5% |

The selected company utilized in Jefferies' selected public company analysis is not identical to Skyline, the Champion Companies or the pro forma combined company. In evaluating the selected company, Jefferies made numerous judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond Skyline's, the Champion Companies' and Jefferies' control. Mathematical analysis is not in itself a meaningful method of using the selected company's data.

Standalone Discounted Cash Flow Analyses

Jefferies performed a standalone discounted cash flow analysis of each of Skyline and the Champion Companies by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that (i) Skyline was forecasted by Skyline's management to generate during the last seven months of Skyline's fiscal year ending May 31, 2018 through Skyline's fiscal year ending May 31, 2022 and (ii) the Champion Companies were forecasted by Skyline's management, using financials provided by Champion Holdings to generate during the last five months of the Champion Companies' fiscal year ending March 31, 2018 through the Champion Companies' fiscal year ending April 2, 2022. Jefferies calculated a range of terminal values for Skyline and the Champion Companies by applying perpetuity growth rates ranging from 2.0% to 3.0% to Skyline's estimated adjusted EBITDA for its fiscal year ending May 31, 2022 and to the Champion Companies' estimated adjusted EBITDA for its fiscal year ending April 2, 2022, respectively. The present values of the cash flows and terminal values as of October 31, 2017 were then calculated using discount rates ranging from 15.5% to 17.0%, in the case of Skyline, and from 12.0% to 13.5%, in the case of the Champion Companies, which discount rates were based on each company's weighted average cost of capital. These analyses indicated approximate implied equity values ranging from \$96 million to \$110 million, for Skyline, and from \$608 million to \$767 million, for the Champion Companies.

Jefferies then calculated the following approximate implied relative ownership percentage reference range for holders of Skyline Common Stock in the combined company using the approximate implied equity values derived from the standalone discounted cash flow analyses described above, and compared that reference range to the 15.5% pro forma

ownership by holders of Skyline's Common Stock pursuant to the terms of the Exchange Agreement:

| | |
|--------------------------------------------------------------------------|---------------------------------------------|
| | Skyline Pro Forma Ownership in |
| | Combined Company Pursuant to the |
| Implied Skyline Relative Ownership Percentage Reference Range | Exchange Agreement |
| 11.1% 15.4% | 15.5% |

Relative Contributions Analysis

Jefferies reviewed the relative contributions of Skyline and the Champion Companies to net revenue, gross profit, EBIT and adjusted EBITDA of the pro forma combined company for the twelve months ended March 31, 2017 and to estimated net revenue, gross profit, EBIT and adjusted EBITDA for the twelve months ending March 31, 2018. This review indicated the following implied relative contributions of Skyline and the Champion Companies to the pro forma combined company:

| | Skyline Implied Contribution | Champion Implied Contribution |
|-----------------------|-----------------------------------------|------------------------------------------|
| 2017 Net Revenue | 21% | 79% |
| 2018E Net Revenue | 19% | 81% |
| 2017 Gross Profit | 13% | 87% |
| 2018E Gross Profit | 17% | 83% |
| 2017 EBIT | (1%) | 101% |
| 2018E EBIT | 15% | 85% |
| 2017 Adjusted EBITDA | 1% | 99% |
| 2018E Adjusted EBITDA | 16% | 84% |

Jefferies then compared the implied relative contribution percentages noted above for Skyline to the 15.5% pro forma ownership of the combined company by holders of Skyline's Common Stock pursuant to the terms of the Exchange Agreement.

Additional Information

For reference purposes only, Jefferies observed certain additional information, including:

Historical Stock Price Performance. Jefferies observed the historical stock price performance of Skyline Common Stock for the latest three-month, six-month, one-year, two-year and three-year periods ended December 29, 2017, which indicated an approximate overall low to high average price for Skyline Common Stock over such periods of \$7.50 to \$12.29 per share, and an overall low to high 52-week closing price for Skyline Common Stock of \$5.07 to \$15.98 per share, as compared to the closing price of Skyline Common Stock on December 29, 2017 of \$12.85 per share.

Implied Pro Forma Per Share Premiums. Jefferies observed the approximate implied equity values of the pro forma combined company, taking into account the estimated synergies from the Exchange forecasted by Skyline's management, that were indicated by the following analyses:

Pro Forma Combined Company Discounted Cash Flow Analysis. Jefferies calculated the estimated present values of the pro forma combined company's unlevered, after-tax free cash flows for the five months ending March 31, 2018 through the twelve months ending April 2, 2022 and for the estimated after-tax synergies that Skyline's management forecasted would result from the Exchange during the same period. Jefferies calculated a range of terminal values for the pro forma combined company by applying perpetuity growth rates ranging from 2.0% to 3.0% to the pro forma combined company's estimated adjusted EBITDA for the twelve months ending April 2, 2022. For purposes of calculating a range of terminal values for the

estimated after-tax synergies, Jefferies assumed a 0.0% perpetuity growth rate for estimated after-tax synergies for periods subsequent to April 2, 2022. The present values of the cash flows, including the estimated after-tax synergies, and terminal values as of October 31, 2017 were then calculated using discount rates ranging from 12.0% to 13.5%, which discount rates were based on the estimated weighted average cost of capital for the pro forma combined company. This analysis indicated an approximate implied equity value of the pro forma combined company, including estimated after-tax synergies, ranging from \$689 million to \$965 million.

Pro Forma Combined Company Trading Multiples Analysis. Jefferies also calculated a range of approximate implied equity values for the pro forma combined company by applying TEV/2018E EBITDA multiples ranging from 11.0x to 17.0x to Skyline management's forecast of the pro forma combined company's estimated adjusted EBITDA for the twelve months ending March 31, 2018, including the estimated synergies that Skyline's management forecasted would have resulted from the Exchange had the Exchange been consummated at the beginning of that period. The TEV/2018E EBITDA multiples used in this calculation were selected by Jefferies in its professional judgement and represented the low and high end of the range of TEV/2018E EBITDA multiples used by Jefferies in its selected public company analysis summarized above. This analysis indicated an approximate implied equity value of the pro forma combined company including estimated synergies, ranging from \$643 million to \$1,334 million.

Using the ranges of approximate implied equity value derived from the analyses described in the two bullet points above, Jefferies then calculated an approximate implied range of per share equity values with respect to the 15.5% pro forma ownership of the combined company by holders of Skyline's Common Stock pursuant to the terms of the Exchange Agreement. For purposes of this calculation, Jefferies assumed that Skyline would pay an estimated \$0.68 per share one-time special dividend to the holders of Skyline Common Stock immediately prior to the consummation of the Exchange pursuant to the terms of the Exchange Agreement. The estimated amount of such one-time special dividend was calculated based on Skyline management's forecasts. Jefferies noted that this analysis indicated the following approximate implied per share equity values and approximate premiums or discount to the \$12.85 per share closing price of Skyline Common Stock on December 29, 2017:

| | Implied Equity Value Per Share of Skyline Common Stock | | Implied Premium (Discount) to December 29, 2017 Skyline Closing Price | |
|---------------------------------------------------------|-----------------------------------------------------------------------|---------|--------------------------------------------------------------------------------------|-------|
| Pro Forma Combined Company DCF Analysis | \$ 13.03 | \$17.99 | 1.4% | 40.0% |
| Pro Forma Combined Company TEV/2018E EBITDA Analysis | \$ 12.22 | \$24.61 | (4.9)% | 91.5% |

General

The Exchange Consideration was determined through arms-length negotiation between Skyline and Champion Holdings. Jefferies' opinion was one of many factors taken into consideration by Skyline's Board in making its determination to approve the Exchange and should not be considered determinative of the views of Skyline's Board or management with respect to the Exchange or the Exchange Consideration to be issued by Skyline in connection with the Exchange.

Jefferies was selected by Skyline's Board based on Jefferies' qualifications, expertise and reputation. Jefferies is an internationally recognized investment banking and advisory firm. Jefferies, as part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, financial restructurings and other financial services.

Skyline has agreed to pay Jefferies a fee of \$4.0 million for its services as Skyline's financial advisor in connection with the Exchange, \$625,000 of which was payable upon delivery of Jefferies' opinion and \$3.375 million of which is contingent upon the closing of the Exchange. Skyline has also agreed to reimburse Jefferies for certain expenses incurred and to indemnify Jefferies against liabilities arising out of or in connection with the services rendered and to be rendered by Jefferies under its engagement. In the two years prior to the date of its opinion, Jefferies did not provide financial advisory or financing services to Skyline or Champion Holdings. Subsequent to the date on which Jefferies delivered its opinion and the Exchange Agreement was executed, an affiliate of Jefferies (*Jefferies Finance*)

and Royal Bank of Canada entered into the Commitment Letter described in the section entitled *Debt Financing* beginning on page 169 below. The Commitment Letter contemplates that Jefferies Finance will be a lender, lead arranger, and joint bookrunner with respect to a

revolving credit facility for the combined company that is expected to be completed at the closing of the Exchange. If the financing is completed, the combined company will pay Jefferies Finance and the other lenders thereunder a customary closing fee and will also pay interest to Jefferies Finance and the other lenders from time to time on any outstanding balances under the revolving credit facility, at the interest rate described under *Debt Financing Pricing* (the portion of such amounts reasonably expected to be paid to Jefferies Finance are expected to be multiples less than the fees paid to Jefferies in connection with the Exchange).

In the ordinary course of Jefferies' business, Jefferies and its affiliates may trade or hold securities of Skyline and its affiliates for Jefferies' own account and for the accounts of Jefferies' customers and, accordingly, may at any time hold long or short positions in those securities. In addition, Jefferies may seek to, in the future, provide financial advisory and financing services to Skyline, Champion Holdings, or entities that are affiliated with Skyline or Champion Holdings, for which Jefferies would expect to receive compensation.

Certain Projected Financial Information

Skyline does not, as a matter of course, publicly disclose forecasts or internal projections as to future performance, earnings, or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, Skyline's management provided Skyline's Board, Skyline's financial advisor, Jefferies, and Champion Holdings with certain nonpublic unaudited prospective financial information regarding Skyline, the Champion Companies and the estimated synergies anticipated by Skyline's management to result from the Exchange that was considered by Skyline's Board and by Jefferies for the purpose of rendering its fairness opinion, as described in this proxy statement under the heading *Opinion of the Financial Advisor to the Skyline Board of Directors* beginning on page 71. This nonpublic unaudited prospective financial information was prepared as part of Skyline's overall process of analyzing various strategic initiatives, and was not prepared for the purposes of, or with a view toward, public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, published guidelines of the SEC regarding forward-looking statements, or GAAP, but in the view of Skyline's management, this prospective financial information was reasonably prepared on bases reflecting the best estimates and judgments as of the date of its preparation. A summary of certain significant elements of this information is set forth below.

Although presented with numeric specificity, the financial forecasts reflect numerous estimates and assumptions of Skyline's management made at the time they were prepared, and assume execution of various strategic initiatives that are no longer being pursued in light of the Exchange. These and the other estimates and assumptions underlying the financial forecasts involve judgments with respect to, among other things, the future interest rate environment and other economic, competitive, regulatory, and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive, and regulatory uncertainties and contingencies, including, among other things, the inherent uncertainty of the business and economic conditions affecting the industry in which Skyline and Champion Holdings operate, and the risks and uncertainties described under *Risk Factors* beginning on page 25 and *Cautionary Statements Concerning Forward-Looking Information* beginning on page 42, all of which are difficult to predict and many of which are outside the control of Skyline and Champion Holdings and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ materially from those reflected in the financial forecasts, whether or not the Exchange is completed. Further, these assumptions do not include all potential actions that management of Skyline or Champion Holdings could or might have taken during the relevant time periods.

The inclusion in this proxy statement of the nonpublic unaudited prospective financial information below should not be regarded as an indication that Skyline, Champion Holdings, their respective boards of directors or managers, as the case may be, or Jefferies considered, or now consider, these projections and forecasts to be a reliable predictor of future results. The financial forecasts are not fact and should not be relied upon as being necessarily indicative of

future results, and this information should not be relied on as such.

No assurances can be given that these financial forecasts and the underlying assumptions will be achieved or that, if the financial forecasts had been prepared as of the date of this proxy statement, similar assumptions would be used. In addition, the financial forecasts may not reflect the manner in which the combined company will actually operate after the Exchange. **Champion Holdings and Skyline do not intend to, and each disclaims any obligation to, make publicly available any update or other revision to this unaudited prospective financial information to reflect circumstances occurring since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.**

The financial forecasts summarized in this section were prepared by and are the responsibility of the management of Skyline. No independent registered public accounting firm has examined, compiled, or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for the prospective financial information.

Further, the unaudited prospective financial information does not take into account the effect on Skyline or Champion Holdings of any possible failure of the Exchange to occur. Neither Skyline nor Champion Holdings, nor their respective affiliates, officers, directors, advisors (including Jefferies) or other representatives, has made, makes, or is authorized in the future to make any representation to any shareholder of Skyline, or to any other person, regarding Skyline's or Champion Holdings' ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The inclusion of the unaudited prospective financial information herein should not be deemed an admission or representation by Skyline or Champion Holdings that it is viewed as material information, particularly in light of the inherent risks and uncertainties associated with such projections.

In light of the foregoing, and taking into account that the Special Meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, Skyline shareholders are cautioned not to place unwarranted reliance on such information.

For purposes of the financial projections summarized below: (i) earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT) exclude certain one-time non-recurring expenses and other costs and adjustments; and (ii) adjusted EBITDA for Skyline was calculated to remove from EBITDA the impact of Skyline's sale of certain assets and Skyline's stock-based compensation, and adjusted EBITDA for the Champion Companies was calculated to remove from EBITDA the impact of certain non-operating expenses.

Skyline

Set forth below is a summary of the financial projections regarding Skyline on a stand-alone basis that were provided by Skyline's management to the Board and Jefferies:

Summary of Skyline Stand-Alone Financial Projections (all amounts are in millions and are approximate)

| | | Skyline's Fiscal Year Ending May 31 | | | | |
|-----------------|---------|-------------------------------------|---------|---------|---------|--|
| | 2018* | 2019 | 2020 | 2021 | 2022 | |
| Net Revenue | \$135.7 | \$249.0 | \$266.6 | \$285.4 | \$305.5 | |
| Adjusted EBITDA | \$6.4 | \$13.5 | \$16.4 | \$19.6 | \$23.2 | |

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| | | | | | |
|------|-------|--------|--------|--------|--------|
| EBIT | \$5.4 | \$11.8 | \$14.6 | \$17.7 | \$21.2 |
|------|-------|--------|--------|--------|--------|

* For the seven-month period from November 1, 2017 through May 31, 2018.

Champion Companies

Set forth below is a summary of the financial projections regarding the Champion Companies on a stand-alone basis that were provided by Skyline's management to the Board and Jefferies:

Summary of Champion Companies Stand-Alone Financial Projections

(all amounts are in millions and are approximate)

| | Champion Companies Fiscal Year Ending March 31 | | | | |
|-----------------|------------------------------------------------|-----------|-----------|-----------|-----------|
| | 2018* | 2019 | 2020 | 2021 | 2022 |
| Net Revenue | \$416.2 | \$1,144.3 | \$1,346.5 | \$1,564.6 | \$1,740.7 |
| Adjusted EBITDA | \$20.6 | \$61.0 | \$83.9 | \$105.9 | \$127.7 |
| EBIT | \$16.5 | \$50.3 | \$72.3 | \$93.5 | \$114.7 |

* For the five-month period from November 1, 2017 through March 31, 2018.

The summary financial projections regarding Skyline and the Champion Companies presented in the tables above were not prepared for the purpose of representing financial forecasts for the combined company. The projections assume, among other things, execution of various strategic and growth initiatives that were contemplated by each of Skyline and Champion Holdings on a standalone basis without giving effect to the potential impact of the Exchange. No assurance can be given as to whether or not such strategic and growth initiatives will be pursued or remain feasible following the consummation of the Exchange. Therefore, no assurance can be given about these financial projections reflecting the anticipated results of the combined company on a forward-looking basis.

Estimated Synergies

The prospective financial information prepared by Skyline's management also included an estimate of synergies for the combined company. Skyline's management expected most of the synergies from the Exchange would be in the form of cost savings through procurement activities and the sharing of best practices. These synergies were projected to result in approximately \$15.0 million of pre-tax earnings per year for the combined company. The synergies from the Exchange were projected to be achieved over a period of 24 months following the closing of the Exchange and did not include estimated one-time integration expenses.

Interests of the Skyline Directors and Executive Officers in the Exchange

When Skyline's shareholders are considering the recommendation of the Board in connection with the Skyline Exchange Proposals, you should be aware that some of the executive officers and directors of Skyline have interests that are in addition to, or different from, the interests of Skyline's shareholders generally, which are described below. Board was aware of these interests and considered them, among other matters, in approving the Exchange Agreement and the transactions contemplated by the Exchange Agreement. Except as described below, to the knowledge of Skyline, the executive officers and directors of Skyline do not have any material interest