

ASHLAND INC.
Form DEF 14A
August 08, 2016
Table of Contents

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

SCHEDULE 14A

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
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ASHLAND INC.

(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

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Table of Contents

Ashland Inc.
50 E. RiverCenter Blvd., P.O. Box 391

Covington, KY 41012-0391

August 8, 2016

PROXY STATEMENT/PROSPECTUS

A REORGANIZATION IS PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Ashland Inc. Shareholder:

You are invited to attend a special meeting of shareholders of Ashland Inc. (Ashland or the Company), to be held at the Metropolitan Club, 50 E. RiverCenter Boulevard, Covington, KY 41011, on September 7, 2016 at 10:30 a.m. (EDT).

At the special meeting, you will be asked to vote on a proposal, which we refer to as the reorganization proposal, to approve an agreement and plan of merger to create a holding company structure for Ashland, which we refer to as the reorganization. The new holding company will be called Ashland Global Holdings Inc. (Ashland Global).

Reorganizing into a holding company will allow Ashland to reincorporate in the State of Delaware and will help facilitate the previously announced plan to pursue the separation of Ashland into two independent, publicly traded companies (one company comprising Ashland's specialty ingredients and performance materials businesses and the other comprising Ashland's Valvoline business) by allowing Ashland to organize and segregate the assets of its different businesses in a tax-efficient manner prior to the separation. Through this planned separation, we are working to create two strong public companies Ashland and Valvoline to maximize long-term shareholder value.

In considering the reorganization proposal, you should consider the following important aspects of the reorganization:

Your existing shares of Ashland common stock will be automatically converted in the reorganization, on a one-for-one basis, into shares of common stock of Ashland Global. As a result, you will own the same number and percentage of shares of Ashland Global as you currently own of Ashland.

The reorganization will be tax-free for Ashland shareholders for U.S. federal income tax purposes.

We expect the shares of Ashland Global to trade on the New York Stock Exchange under Ashland's current trading symbol, ASH .

Your rights as a shareholder of Ashland Global will be substantially the same as your rights as a shareholder of Ashland. There are differences, however, that you should carefully review under the caption Comparative Rights of Holders of Ashland Global Common Stock and Ashland Common Stock beginning on page 41.

Our Board has carefully considered the agreement and plan of merger and believes that it is advisable and in the best interest of our shareholders, and unanimously recommends that you vote FOR the reorganization proposal.

Table of Contents

Approval of the reorganization proposal requires the affirmative vote of at least a majority of all of the issued and outstanding shares of Ashland common stock.

You are not being asked to vote on the separation, and the separation is not conditioned on shareholder approval of the reorganization proposal. If a sufficient number of affirmative votes are not cast in favor of the reorganization proposal, we intend to continue to pursue the separation. However, implementing the separation without the reorganization could result in substantial delay in commencing the separation, could make the separation less tax-efficient and may not achieve the capital structures for Ashland Global and Valvoline that the Board believes will provide an optimal level of financial flexibility for each company to pursue its long-term strategies and maximize the long-term value of the separation to shareholders. In addition, the separation remains subject to a number of contingencies and there can be no assurances that the separation will occur. In the event we believe the separation is unlikely to occur, we may elect not to complete the reorganization, even if approved by shareholders.

The total number of shares of Ashland Global to be issued in the reorganization will not be known until immediately prior to completing the reorganization, but is expected to be up to approximately 62 million shares of Ashland Global based on, among other factors, the number of shares of Ashland common stock currently outstanding. On May 27, 2016, the last trading day before announcement of the reorganization proposal, the closing price per share of our common stock was \$114.18.

At the special meeting, in addition to the reorganization proposal (Item 1 on the proxy card), you will be asked to vote on a proposal to approve, if necessary, the adjournment of the special meeting to solicit additional proxies in favor of the reorganization proposal (Item 2 on the proxy card).

Our Board unanimously recommends that you vote FOR the adjournment proposal.

Your vote is important. **Whether or not you plan to attend the special meeting, please vote as soon as possible.** You may vote via the Internet, by telephone or by signing, dating and mailing the enclosed proxy card. Specific instructions for shareholders of record who wish to use Internet or telephone voting procedures are included in the enclosed proxy statement/prospectus. Any shareholder attending the special meeting may vote in person even if a proxy has been returned.

The accompanying notice of meeting and this proxy statement/prospectus provide specific information about the special meeting and explain the various proposals. Please read these materials carefully. **In particular, you should consider the discussion of risk factors beginning on page 13 before voting on the reorganization proposal.**

We appreciate your continued confidence in Ashland and look forward to seeing you at the meeting.

Sincerely,

William A. Wulfsohn
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or passed upon the adequacy

or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 8, 2016 and is being first mailed to Ashland shareholders on or about August 8, 2016.

Table of Contents

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held September 7, 2016

To our Shareholders:

Ashland Inc., a Kentucky corporation, will hold a special meeting of shareholders on September 7, 2016 at 10:30 a.m. (EDT) at the Metropolitan Club, 50 E. RiverCenter Boulevard, Covington, KY 41011 (the Special Meeting). Ashland's shareholders will act on the following matters at the Special Meeting or any adjournment of that meeting:

1. Consider a proposal, which we refer to as the reorganization proposal , to approve an agreement and plan of merger that will create a holding company structure for Ashland, which will allow Ashland to reincorporate in the State of Delaware and will help facilitate the previously announced plan to pursue the separation of Ashland into two independent, publicly traded companies (one company comprising Ashland's specialty ingredients and performance materials businesses and the other comprising Ashland's Valvoline business). This agreement is included in the accompanying proxy statement/prospectus as Annex I.
2. Consider a proposal, which we refer to as the adjournment proposal , to approve, if necessary, the adjournment of the Special Meeting to solicit additional proxies in favor of the reorganization proposal.

Our Board of Directors has determined that the proposed agreement and plan of merger is advisable and in the best interest of our shareholders, and unanimously recommends that shareholders vote FOR the reorganization proposal. In addition, our Board unanimously recommends that shareholders vote FOR the adjournment proposal.

Only shareholders of record at the close of business on August 2, 2016 (the Record Date) are entitled to vote at the Special Meeting or any adjournment of that meeting.

You can vote in one of several ways:

Visit the website listed on your proxy card to vote **VIA THE INTERNET**

Call the telephone number specified on your proxy card to vote **BY TELEPHONE**

Sign, date and return your proxy card in the enclosed envelope to vote **BY MAIL**
Attend the meeting to vote **IN PERSON**

Shareholders as of the Record Date are entitled to assert dissenters' rights under Subchapter 271B.13 of the Kentucky Business Corporation Act (the "KBCA") with respect to the reorganization proposal. A copy of Subchapter 271B.13 is attached as Annex IV to the accompanying proxy statement/prospectus.

If you are a participant in the Ashland Inc. Employee Savings Plan (the "Employee Savings Plan"), the Ashland Inc. Leveraged Employee Stock Ownership Plan (the "LESOP"), the Ashland Inc. Employee Union Savings Plan (the "Union Plan") or the International Specialty Products Inc. 401(k) Plan (the "ISP Plan"), your vote will constitute voting instructions to Fidelity Management Trust Company, who serves as trustee of all four of these plans (the "Trustee"), for the shares held in your account.

Table of Contents

If you are a participant in the Employee Savings Plan, the LESOP, the Union Plan or the ISP Plan, then our proxy tabulator, Corporate Election Services, or its agent must receive all voting instructions, whether given by telephone, over the Internet or by mail, before 6:00 a.m. (EDT) on Friday, September 2, 2016.

By Order of the Board of Directors,

PETER J. GANZ

Senior Vice President, General Counsel and

Secretary; and Chief Compliance Officer

Covington, Kentucky

August 8, 2016

Table of Contents

ADDITIONAL INFORMATION

This document, which is sometimes referred to as this proxy statement/prospectus, constitutes a proxy statement of Ashland Inc. with respect to the solicitation of proxies by Ashland Inc. for the special meeting described within and a prospectus of Ashland Global Holdings Inc. for the shares of common stock of Ashland Global Holdings Inc. to be issued pursuant to the proposed agreement and plan of merger. As permitted under the rules of the Securities and Exchange Commission (the "SEC"), this proxy statement/prospectus incorporates important business and financial information about us that is contained in documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. You may obtain copies of these documents, without charge, from the web site maintained by the SEC at www.sec.gov, as well as other sources. See "Where You Can Find Additional Information" on page 71. You may also obtain copies of these documents, without charge, from Ashland Inc. by calling us at (859) 815-3527 or writing us at the following address:

Ashland Inc.

50 E. RiverCenter Boulevard

P.O. Box 391

Covington, KY 41012-0391

Attention: Investor Relations

In order to ensure timely delivery of the requested documents, requests should be made no later than August 23, 2016, which is ten business days before the date of the Special Meeting.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus and the registration statement of which this proxy statement/prospectus is a part to vote on the proposals being presented at the Special Meeting. We have not authorized any person to provide you with any information or represent anything about us or the proposals that is not contained in this proxy statement/prospectus or the registration statement of which this proxy statement/prospectus is a part or incorporated by reference herein. If given or made, any such other information or representation should not be relied upon as having been authorized by us.

This proxy statement/prospectus is dated August 8, 2016. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than this date, and neither the mailing of this proxy statement/prospectus to shareholders nor the issuance of Ashland Global Holdings Inc. common stock pursuant to the proposed agreement and plan of merger implies that information is accurate as of any other date.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Letter from the Chairman/CEO</u>	
<u>Notice of Special Meeting of Shareholders</u>	
<u>Questions and Answers About the Reorganization Proposal and the Special Meeting</u>	1
<u>Questions and Answers About the Separation</u>	6
<u>Summary of the Reorganization Proposal</u>	9
<u>Risk Factors</u>	13
<u>Special Note Regarding Forward-Looking Statements</u>	19
<u>Selected Historical Consolidated Financial Information for Ashland</u>	20
<u>Certain Financial Information</u>	22
<u>Selected Unaudited Pro Forma Condensed Consolidated Financial Information for Ashland Global</u>	23
<u>Comparative Historical and Unaudited Pro Forma Per Share Data</u>	24
<u>Description of the Reorganization Proposal</u>	26
<u>Overview</u>	26
<u>The Principal Parties</u>	26
<u>Reasons for the Reorganization</u>	27
<u>Required Vote</u>	27
<u>Recommendation of our Board</u>	27
<u>Reorganization Procedure</u>	27
<u>Pre-Separation and Post-Separation Structure</u>	28
<u>Treatment of Common Stock in the Reorganization</u>	29
<u>Treatment of Ashland Equity Incentive Compensation Plans and Outstanding Awards in connection with the Reorganization and the Separation</u>	29
<u>Issuances of Ashland Global Common Stock Under the Ashland Plans</u>	29
<u>Corporate Name Following the Reorganization</u>	29
<u>Conditions to Completion of the Reorganization</u>	29
<u>Effectiveness of the Reorganization</u>	30
<u>Termination of Merger Agreement</u>	30
<u>Amendment of Merger Agreement</u>	30
<u>Material U.S. Federal Income Tax Consequences</u>	30
<u>Anticipated Accounting Treatment</u>	32
<u>Authorized Capital Stock</u>	32
<u>Security Ownership of Directors and Executive Officers</u>	32
<u>Regulatory Requirements in Connection With the Reorganization</u>	32
<u>Dissenters' Rights</u>	32
<u>Markets and Market Prices</u>	33
<u>De-listing of Ashland Common Stock</u>	33
<u>Board of Directors and Executive Officers of Ashland Global Following the Reorganization</u>	33
<u>Interest of Certain Directors and Executive Officers in the Separation</u>	33
<u>Description of the Adjournment Proposal</u>	34
<u>General</u>	34
<u>Required Vote</u>	34
<u>Description of Ashland Global Capital Stock</u>	35
<u>Comparative Rights of Holders of Ashland Global Common Stock and Ashland Common Stock</u>	41

Unaudited Pro Forma Condensed Consolidated Financial Information for Ashland Global
Security Ownership of Certain Beneficial Owners

52
62

Table of Contents

<u>Certain Information Regarding Directors and Executive Officers</u>	63
<u>Certain Transactions with Related Parties</u>	65
<u>Validity of Shares</u>	70
<u>Experts</u>	70
<u>Shareholder Proposals for the 2017 Annual Meeting</u>	70
<u>Householding</u>	71
<u>Where You Can Find Additional Information</u>	71
<u>Proxy Solicitation Costs</u>	73
<u>ANNEX I Agreement and Plan of Merger</u>	Annex I-1
<u>ANNEX II Form of Amended and Restated Certificate of Incorporation of Ashland Global</u>	Annex II-1
<u>ANNEX III Form of Amended and Restated By-laws of Ashland Global</u>	Annex III-1
<u>ANNEX IV Kentucky Revised Statutes Chapter 271B.13</u>	Annex IV-1

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION PROPOSAL AND THE
SPECIAL MEETING**

1. What matters will be voted on at the Special Meeting?

There are two proposals scheduled to be considered and voted on at the Special Meeting:

The approval of an agreement and plan of merger that will create a new holding company structure for Ashland (the reorganization proposal); and

The approval, if necessary, of the adjournment of the Special Meeting to solicit additional proxies in favor of the reorganization proposal (the adjournment proposal).

2. What is the reorganization proposal?

We are asking you to approve the creation of a new holding company structure for Ashland to help facilitate Ashland's reincorporation in the State of Delaware and its previously announced plan to pursue the separation (the Separation) of Ashland into two independent, publicly traded companies (one company comprising Ashland's specialty ingredients and performance materials businesses (the Ashland Global businesses) and the other comprising the Valvoline business (the Valvoline business)).

The proposal is for shareholders to approve an agreement and plan of merger (the Merger Agreement) by and among (i) Ashland, (ii) Ashland Global Holdings Inc., a Delaware corporation and direct, wholly owned subsidiary of Ashland, which we refer to herein as Ashland Global, and (iii) Ashland Merger Sub Corp., a Kentucky corporation and a direct, wholly owned subsidiary of Ashland Global, which we refer to herein as Merger Sub. Ashland Global and Merger Sub are newly formed entities organized by Ashland for the purpose of participating in the Reorganization (as defined below).

As a result of the Reorganization, Ashland Global will replace Ashland as the publicly held corporation and, through its subsidiaries, will conduct all of the operations currently conducted by Ashland. Pursuant to the Merger Agreement, Merger Sub will merge with and into Ashland, with Ashland continuing as the surviving corporation, and each outstanding share of Ashland common stock will be automatically converted into one share of Ashland Global common stock (the Reorganization). Following consummation of the Reorganization, (i) Ashland will be an indirect, wholly owned subsidiary of Ashland Global, (ii) Ashland Global, as the new holding company, will, through its subsidiaries, conduct all of the operations conducted by Ashland immediately prior to the Reorganization and (iii) you will own the same ownership percentage of Ashland Global as you owned of Ashland immediately prior to the Reorganization.

A copy of the Merger Agreement is attached as Annex I to this proxy statement/prospectus. You are encouraged to read the Merger Agreement carefully.

3. What is the Board's voting recommendation?

Our Board of Directors (the Board) recommends that you vote as follows:

FOR the reorganization proposal; and

FOR the adjournment proposal.

4. Why are you creating a holding company structure for Ashland?

On September 22, 2015, we announced that our Board had approved a plan to pursue the Separation of Ashland into two independent, publicly traded companies (one company comprising the Ashland Global businesses and the other comprising the Valvoline business). The holding company structure created by the Reorganization will allow us to reincorporate in the State of Delaware and will help facilitate the Separation by allowing Ashland to organize and segregate the assets of its different businesses in a tax-efficient manner prior to the Separation.

For more information, see Description of the Reorganization Proposal Reasons for the Reorganization on page 27.

5. If the shareholders do not approve the reorganization proposal, does Ashland intend to continue to pursue the Separation?

If a sufficient number of affirmative votes are not cast in favor of the reorganization proposal, we intend to continue to pursue the Separation. However, implementing the Separation without the Reorganization could result in substantial delay in commencing the Separation, could make the Separation less tax-efficient and may not achieve the capital structures for Ashland Global and Valvoline

Table of Contents

that the Board believes will provide an optimal level of financial flexibility for each company to pursue its long-term strategies and maximize the long-term value of the separation to shareholders.

6. Am I being asked to vote on the Separation?

No. Shareholder approval of the Separation is not required. You are not being asked to vote on the Separation, and the Separation is not conditioned on shareholder approval of the reorganization proposal.

7. Will the management or the businesses of Ashland change as a result of the Reorganization?

No. Our management and businesses will not change as a result of the Reorganization. However, the Board believes the Reorganization will help facilitate the Separation by allowing Ashland to organize and segregate the assets of its different businesses in a tax-efficient manner prior to the Separation and the Separation will have the effects on our business discussed in the answer to question 2 of the Questions and Answers about the Separation, below.

8. What will be the name of the public company following the Reorganization?

The name of the public company following the Reorganization will be Ashland Global Holdings Inc.

9. How will being a shareholder of Ashland Global be different from being a shareholder of Ashland?

Your rights as a shareholder of Ashland Global will be substantially the same as your rights as a shareholder of Ashland, including rights as to voting and dividends. There are differences, however, that you should carefully review under the caption The Reorganization Proposal Comparative Rights of Holders of Ashland Global Common Stock and Ashland Common Stock. For more information, also see Risk Factors Risks Related to the Reorganization and Description of Ashland Global Capital Stock.

10. Will the Reorganization affect my U.S. federal income taxes?

The Reorganization is intended to be a tax-free transaction under U.S. federal income tax laws. As a result, you will not recognize any gain or loss for U.S. federal income tax purposes upon the receipt of Ashland Global common stock in exchange for your shares of Ashland common stock. The discussion of the material U.S. federal income tax consequences contained in this registration statement is not a complete description of all potential U.S. federal income tax consequences of the Reorganization. You are urged to consult your own tax advisors concerning the specific tax consequences of the Reorganization to you, including any state, local or foreign tax consequences.

For more information, see The Reorganization Proposal Material U.S. Federal Income Tax Consequences.

11. How will the Reorganization be treated for accounting purposes?

For accounting purposes, the Reorganization will be treated as a merger of entities under common control. Accordingly, the consolidated financial position and results of operations of Ashland will be included in the

consolidated financial statements of Ashland Global on the same basis as currently presented.

12. If the shareholders approve the reorganization proposal, when will the Reorganization occur?

We plan to complete the Reorganization before the end of calendar 2016, provided that our shareholders approve the reorganization proposal at the Special Meeting and that all other conditions to completion of the Reorganization, as set forth in the Merger Agreement, have been satisfied or waived on or prior to such date. However, there can be no assurance that the Reorganization will be consummated even if the shareholders approve the reorganization proposal. In fact, even if the shareholders approve the reorganization proposal, we may elect not to complete the Reorganization unless we believe we will also complete the Separation. In addition, our Board can terminate the Merger Agreement at any time prior to consummation of the Reorganization if it determines that, for any reason, the completion of the Reorganization would be inadvisable or not in the best interest of Ashland or its shareholders.

13. What will happen to my Ashland stock as a result of the Reorganization?

In the Reorganization, your shares of Ashland common stock will automatically be converted into the same number of shares of common stock of Ashland Global. As a result, you will become a shareholder of Ashland Global and will own the same number and percentage of shares of Ashland Global common stock that you owned of Ashland common stock immediately prior to the Reorganization. We expect that Ashland Global common stock will be listed on the New York Stock Exchange (NYSE) under Ashland s current trading symbol, ASH.

Table of Contents

14. Will I have to turn in my stock certificates?

No. You do not have to turn in your stock certificates. We will not require you to exchange your stock certificates as a result of the Reorganization. After the Reorganization, your Ashland common stock certificates will represent the same number of shares of Ashland Global common stock as they represented of Ashland common stock prior to the Reorganization.

15. Will the company's CUSIP number change as a result of the reorganization?

Following the Reorganization, Ashland Global's CUSIP number will be 044186 104.

16. Do I have dissenters' (or appraisal) rights in connection with the Reorganization?

Yes. You are entitled to dissenters' rights under Subchapter 271B.13 of the KBCA.

For more information, see [Description of the Reorganization Proposal Dissenters' Rights](#).

17. How do I exercise my dissenters' rights?

Prior to the vote on the Reorganization, you must deliver notice to us of your intent to demand payment for your Ashland shares if the Reorganization is effectuated. You must not vote in favor of the reorganization proposal or you will forfeit your dissenters' rights. If the Reorganization is approved by holders of the requisite number of shares, no later than 10 days thereafter we will deliver a dissenters' notice to all dissenting shareholders, which will include additional information on the procedures for perfecting your dissenters' rights, including when we must receive your payment demand and when certificates or certificated shares must be deposited. If you follow these procedures and perfect your dissenters' rights, your shares of Ashland common stock will not be converted into shares of Ashland Global common stock in the Reorganization and, upon the consummation of the Reorganization or receipt of your demand, we will be obligated to pay you the amount that we estimate to be the fair value of your Ashland shares, plus accrued interest. If you are unsatisfied with our estimate or we fail to make payment within 60 days after the date we set for demanding payment, you may object not later than 30 days after we made or offered payment for your shares, and if you and we cannot settle on an estimate within 60 days of us receiving your objection, we must commence a proceeding and petition a court in Kentucky to determine the fair value of the shares and accrued interest. If we fail to commence the proceeding within the 60 day time period after we receive your objection, we are required to pay you the amount you demanded.

For more information, see [The Reorganization Proposal Dissenters' Rights](#).

18. Who may vote at the Special Meeting?

Our shareholders at the close of business on the Record Date are entitled to vote at the Special Meeting. As of the Record Date, there were 62,100,839 shares of our common stock outstanding. Each share of our common stock is entitled to one vote.

19. What vote is required for approval of each of the proposals?

The affirmative vote of a majority of all the shares of common stock that are entitled to vote is required to approve the reorganization proposal. As of the Record Date, 62,100,839 shares of our common stock were outstanding and entitled to vote.

Provided a quorum is present, the affirmative vote of a majority of the shares of common stock present or represented at the Special Meeting, and entitled to vote thereat, is required to approve the adjournment proposal.

20. What constitutes a quorum?

As of the Record Date, 62,100,839 shares of our common stock were outstanding and entitled to vote. A majority of the shares issued and outstanding and entitled to vote thereat must be present in person or by proxy to constitute a quorum to transact business at the Special Meeting. If you vote in person, by telephone, over the Internet or by returning a properly executed proxy card, you will be considered a part of that quorum. Abstentions and broker non-votes (i.e., when a broker does not have authority to vote on a specific issue) will be treated as present for the purpose of determining a quorum but as unvoted shares for the purpose of determining the approval of any matter submitted to the shareholders for a vote.

Table of Contents

21. Who can attend the Special Meeting?

All of our shareholders as of the Record Date are invited to attend the Special Meeting, although seating is limited. If your shares are held in the name of a broker, bank or other nominee, you will need to bring a proxy or letter from that nominee that confirms you are the beneficial owner of those shares.

22. What shares are included in the proxy card?

Your proxy card represents all shares of our common stock that are registered in your name and any shares you hold in the Employee Savings Plan, the LESOP, the Union Plan or the ISP Plan (collectively, the Plans). Additionally, your proxy card includes shares you hold in the dividend reinvestment plan (the DRP) administered by Wells Fargo Bank, National Association (Wells Fargo) for investors in our common stock. If your shares are held through a broker, bank or other nominee, you will receive either a voting instruction form or a proxy card from the broker, bank or other nominee instructing you on how to vote your shares.

23. How do I vote if I am a registered holder or I own shares through a broker, bank or other nominee?

If you are a registered shareholder as of the Record Date, you can vote (i) by attending the Special Meeting, (ii) by following the instructions on the proxy card for voting by telephone or Internet or (iii) by signing, dating and mailing in your proxy card. If you hold shares through a broker, bank or other nominee, that institution will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available. If you hold your shares through a broker, bank or other nominee and would like to vote in person at the meeting, you must first obtain a proxy issued in your name from the institution that holds your shares.

All shares represented by validly executed proxies will be voted at the Special Meeting, and such shares will be voted in accordance with the instructions provided. If no voting specification is made on your returned proxy card, William A. Wulfsohn or Peter J. Ganz, as individuals named on the proxy card, will vote FOR the reorganization proposal and FOR the adjournment proposal.

24. How will broker non-votes be treated?

We will treat broker non-votes as present to determine whether or not there is a quorum at the Special Meeting, but they will not be treated as entitled to vote on the matters, if any, for which the broker indicates it does not have discretionary authority.

This means that broker non-votes will (i) have the same effect as a vote AGAINST the reorganization proposal and (ii) have no effect on whether the adjournment proposal passes.

25. How do I vote my shares in the DRP?

Shares of our common stock credited to your account in the DRP will be voted by Wells Fargo, the plan sponsor and administrator, in accordance with your voting instructions.

26. How will the Trustee of the Employee Savings Plan, the LESOP, the Union Plan and the ISP Plan vote?

Each participant in the Employee Savings Plan, the LESOP, the Union Plan or the ISP Plan will instruct the Trustee how to vote the shares of our common stock credited to the participant's account in each plan. This instruction also applies to a proportionate number of those shares of our common stock allocated to participants' accounts for which voting instructions are not timely received by the Trustee. These shares are collectively referred to as non-directed shares. Each participant who gives the Trustee such an instruction acts as a named fiduciary for the applicable plan under the Employee Retirement Income Security Act of 1974, as amended. Your vote must be received by our proxy tabulator, Corporate Election Services (CES), before 6:00 a.m. (EDT) on Friday, September 2, 2016.

27. Can a plan participant vote the non-directed shares differently from shares credited to his or her account?

Yes, provided that you are a participant in the Employee Savings Plan or the LESOP. Any participant in the Employee Savings Plan or the LESOP who wishes to vote the non-directed shares differently from the shares credited to his or her account or who wishes not to vote the non-directed shares at all may do so by requesting a separate voting instruction card from CES at Corporate Election Services, P.O. Box 1150, Pittsburgh, PA 15230. Participants in the Union Plan and the ISP Plan, however, cannot direct that the non-directed shares be voted differently from the shares in their accounts.

Table of Contents

28. Can I change my vote once I vote by mail, by telephone or over the Internet?

Yes. You have the right to change or revoke your proxy (1) at any time before the Special Meeting by (a) notifying our Secretary in writing, (b) returning a later-dated proxy card or (c) entering a later dated telephone or Internet vote; or (2) by voting in person at the Special Meeting. However, any changes or revocations of voting instructions to the Trustee of the Employee Savings Plan, the LESOP, the Union Plan or the ISP Plan must be received by our proxy tabulator, CES, before 6:00 a.m. (EDT) on Friday, September 2, 2016.

29. Who will count the vote?

Representatives of CES will tabulate the votes and will act as the inspector of election.

30. Is my vote confidential?

Yes. Your vote is confidential.

31. What percentage of the outstanding shares do directors and executive officers hold?

On August 2, 2016, the Record Date for the Special Meeting, directors, executive officers and their affiliates beneficially owned approximately 1.21% of our outstanding shares of common stock. To that extent, their interest in the reorganization proposal is the same as the interest of our shareholders generally.

32. Where can I find the voting results of the meeting?

We intend to announce preliminary voting results at the Special Meeting. We will report the final results on a current report on Form 8-K filed with the SEC no later than Tuesday, September 13, 2016. You can obtain a copy of the Form 8-K by logging on to our website at <http://investor.ashland.com>, by calling the SEC at 1-800-SEC-0330 for the location of the nearest public reference room or through the SEC's EDGAR system at <http://www.sec.gov>.

If you have any questions about voting your shares or attending the Special Meeting, please call our Secretary at (859) 815-3333.

33. Whom do I contact if I have questions about the reorganization proposal?

You may contact us at:

Ashland Inc.

50 E. RiverCenter Blvd.

P.O. Box 391 Covington, KY 41012-0391

Attn: Seth A. Mrozek Director, Investor Relations

Tel: (859) 815-3527

samrozek@ashland.com

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SEPARATION

1. What is the Separation?

The Separation refers to a transaction by which Ashland will be separated into two independent, publicly traded companies (one company comprising the Ashland Global businesses and the other comprising the Valvoline business).

2. What are the reasons for and expected benefits of the Separation?

Our Board has determined that the Ashland Global businesses and Valvoline business have two distinctly different business platforms with attractive growth opportunities and experienced leadership teams. Further, the Board has determined that the size, capabilities and financial strength of the Ashland Global businesses, on the one hand, and the Valvoline business, on the other, enable these two groups of businesses to independently execute their strategies to best enhance and maximize shareholder value. The Board believes that creating two public companies will achieve a number of benefits, including:

Enhanced Focus: Each group of businesses is large enough to independently establish strategic priorities, growth strategies and financial objectives and allocate capital in a manner that is best tailored to each group. Moreover, the Board and management of each company will be able to focus exclusively on the operation of its own business and streamline operational and strategic decision-making. The Separation will enable each company to implement a capital structure that is tailored to the needs of each business. Both companies will have more direct access to capital markets to fund their growth plans. Enhanced focus will also positively impact the long-term growth and return prospects of both companies and provide greater potential long-term value to shareholders.

Employee Incentives: Each company will have its own separate stock, which will allow for equity-based incentive awards that more directly link and closely align the interests of each company and its employees, making equity-based incentive awards an even more effective management tool to attract, motivate and retain key employees.

Greater Transparency: The Separation will allow for greater visibility into relative financial and operating performance of each company.

Distinctive Investment Identity: The Separation will provide investors with two distinct and targeted investment opportunities. Each company will appeal to a more focused shareholder base that is attracted to the particular business profile of that company and the specific industries in which it operates. This focus will also enable potential investors and the financial community to evaluate the performance of each company separately, which we believe will result in higher aggregate market value than the value of the combined company.

3. How will the Separation be completed?

Prior to the closing of the Reorganization, Ashland will take initial steps to reorganize its assets and liabilities so that the Ashland Global businesses and Valvoline business are held in separate subsidiaries of Ashland. Promptly following the closing of the Reorganization, Ashland Global will take steps to further reorganize its assets and liabilities so that the Ashland Global businesses are contributed to Ashland Global and the Valvoline business is contributed to a newly formed subsidiary, Valvoline Inc. (Valvoline). To complete the initial phase of the Separation, Ashland Global plans to cause Valvoline to do an initial public offering of up to 20% of its common stock (the IPO). We sometimes refer to these reorganization transactions and the closing of the IPO as the initial phase of the Separation. We expect the initial phase of the Separation to be followed by Ashland Global distributing, on a pro rata basis, the remaining common stock of Valvoline to Ashland Global s shareholders upon expiration of the IPO lock-up (180 days after completion of the IPO). We sometimes refer to this distribution, or if the IPO is not completed, a distribution of 100% of the common stock of Valvoline to Ashland Global s shareholders, as the Final Separation.

4. How are Ashland Global and Valvoline currently expected to be capitalized after the initial phase of the Separation?

With respect to Valvoline, it is currently expected that:

Valvoline expects to obtain new senior secured term loans in an aggregate principal amount of up to approximately \$875 million under the Credit Agreement dated July 11, 2016, among Valvoline Finco One LLC, as the initial borrower, The Bank of Nova Scotia, as administrative agent, and certain lenders and other parties.

Valvoline expects to obtain a new senior secured revolving credit facility providing for aggregate borrowings of up to \$450 million under the Credit Agreement dated July 11, 2016, among Valvoline Finco One LLC, as the initial borrower, The Bank of Nova Scotia, as administrative agent, and certain lenders and other parties.

Table of Contents

Valvoline, through a financing subsidiary, has issued new senior unsecured notes in an aggregate principal amount of \$375 million.

Valvoline expects to obtain a trade receivables securitization facility with up to \$125 million of available funding from qualified receivables.

With respect to Ashland Global, it is currently expected that:

Ashland's 4.750% notes due 2022, 3.875% notes due 2018 and 6.875% notes due 2043 will remain outstanding and may be partially repaid, resulting in aggregate amounts outstanding of approximately \$1,121 million, \$700 million and \$376 million, respectively, at the time of the initial Separation.

Ashland will continue to have a senior revolving credit facility providing for aggregate borrowings of up to \$800 million and expects to repay up to \$1,225 million of its outstanding senior term loans and outstanding senior revolving loans.

Ashland Global will obtain an accounts receivable securitization facility with up to \$100 million of available funding from qualified receivables.

Ashland Global will retain approximately \$167 million of other debt, comprised primarily of 6.50% Junior Subordinated Debentures of Hercules Incorporated due 2029, 6.60% Debentures of Hercules Incorporated due 2027, other short-term international loans and medium-term notes.

5. How does Ashland intend to use the proceeds of any Valvoline debt financings prior to the IPO? How does Ashland intend to use the proceeds of the IPO?

Ashland has used the proceeds of the Valvoline senior unsecured notes to repay outstanding borrowings of Ashland under its senior unsecured credit facilities. Ashland intends to use the net proceeds received from the Valvoline senior term loans primarily to repay other existing debt of Ashland. In the event that Ashland expects the Valvoline IPO to result in net proceeds in excess of \$500 million, Ashland would cause Valvoline to incur certain short-term indebtedness in the amount of such excess immediately prior to the closing of the IPO and use these proceeds to repay existing debt of Ashland. The net proceeds of the Valvoline debt financings will be transferred to Ashland through intercompany transfers.

Ashland expects that if the IPO is completed and Valvoline obtains \$500 million or more of net IPO proceeds, then Valvoline will use these IPO proceeds primarily to repay any such Valvoline short-term indebtedness in full and to reduce Valvoline's obligations under its senior secured term loan facility such that there will be no more than \$375 million outstanding under the senior secured term loan facility and no borrowings outstanding under any such Valvoline short-term indebtedness. Ashland expects that if the IPO is completed and Valvoline obtains less than \$500 million of net IPO proceeds, Valvoline will u