

USG CORP  
Form DEFA14A  
September 18, 2018

**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**  
**(Amendment No. )**

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 Pursuant to Rule 14a-12

**USG CORPORATION**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):



4) Date Filed:

**On September 18, 2018, USG Corporation sent the following cover email and letter to employees regarding the USG Stock Fund of the USG Corporation Investment Plan in connection with its upcoming special meeting.**

\* \* \* \* \*

**Subject: IMPORTANT INFORMATION FOR USG STOCK FUND PARTICIPANTS**

Dear USG employee:

This week, participants in the USG Investment Plan who were invested in the USG Stock Fund as of the close of business on August 21, 2018, will be receiving a letter in the mail. A copy of that letter is attached here. The letter provides information about the USG Stock Fund in relation to the upcoming proxy vote for USG stockholders and the conditional special dividend.

**Cautionary Note Regarding Forward-Looking Statements**

These materials contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 related to management's expectations about future conditions, including but not limited to, statements regarding the proposed merger with Knauf (the proposed transaction), including expected timing, completion and effects of the proposed transaction. In some cases, forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words expect, intend, plan, anticipate, estimate, believe, may, will be, will continue, will likely result, and similar expressions. Actual business, market or other conditions may differ materially from management's expectations and, accordingly, may affect our sales and profitability, liquidity and future value. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date, and we undertake no obligation to update any forward-looking statement. Among the risks, contingencies and uncertainties that could cause actual results to differ from those described in the forward-looking statements or could result in the failure of the proposed transaction to be completed are the following: the failure to obtain stockholder approval of the adoption of the merger agreement; the failure to obtain necessary regulatory or other governmental approvals for the proposed transaction, or if obtained, the possibility of being subjected to conditions that could result in a material delay in, or the abandonment of, the proposed transaction or otherwise have an adverse effect on the Company; continued availability of financing or alternatives for the financing provided in the debt commitment letter; the failure to satisfy required closing conditions; the potential impact on the UBBP joint venture in the event the proposed transaction is not completed, including that, in connection with the execution of the merger agreement, Boral Limited exercised its option to acquire the Company's ownership of the UBBP joint venture; the risk that the proposed transaction may not be completed in the expected timeframe, or at all; the effect of restrictions placed on the Company and its subsidiaries' ability to operate their businesses under the merger agreement, including the Company's ability to pursue alternatives to the proposed transaction; the risk of disruption resulting from the proposed transaction, including the diversion of the Company's resources and management's attention from ongoing business operations; the effect of the announcement of the proposed transaction on the Company's ability to retain and hire key employees; the effect of the announcement of the proposed transaction on the Company's business relationships, results of operations, financial condition, the market price of the Company's common stock and businesses generally; the risk of negative reactions from investors, employees, suppliers and customers; the outcome of legal proceedings that have been instituted against the Company related to the proposed transaction and any additional proceedings that may be instituted in the future; the amount of the costs, fees, expenses and charges related to the proposed transaction; and the occurrence of any event giving rise to the right of a party to terminate the merger agreement. Information describing other risks and uncertainties affecting the Company that could cause actual results to differ materially from those in forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission (the SEC), including, but not limited to, the Risk Factors in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q.

**Important Additional Information and Where to Find It**

In connection with the proposed transaction with Knauf, the Company filed with the SEC a definitive proxy statement on Schedule 14A (the Definitive Proxy Statement ) on August 23, 2018 and other documents, and has mailed the Definitive Proxy Statement and proxy card to its stockholders. BEFORE MAKING ANY VOTING DECISION, STOCKHOLDERS ARE ENCOURAGED TO READ ALL RELEVANT DOCUMENTS FILED WITH OR FURNISHED TO THE SEC, INCLUDING THE DEFINITIVE PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov), or from the Company at its website, [www.usg.com](http://www.usg.com), or through a request in writing sent to the Company at 550 West Adams Street, Chicago, Illinois 60661-3676, attention: Corporate Secretary.

**Participants in the Solicitation**

The Company and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Company common stock in respect of the proposed transaction. Information about the directors and executive officers of the Company is set forth in the proxy statement for the Company's 2018 annual meeting of stockholders, which was filed with the SEC on March 29, 2018, the Company's proxy supplement, which was filed with the SEC on April 20, 2018, and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which was filed with the SEC on February 14, 2018. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Definitive Proxy Statement and other relevant materials to be filed with the SEC in respect of the proposed transaction when they become available.

**Tom Foley**

**Director, Employee Benefits | USG**

**Corporation**

550 West Adams St. | Chicago, IL 60661-3676

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September 18, 2018

Dear USG Stock Fund Participant,

In connection with the upcoming September 26, 2018 special meeting of USG stockholder, we are reaching out to you and all other USG Investment Plan participants who were invested in the USG Stock Fund as of the close of business on August 21, 2018, the record date for the special meeting. **We recently sent you a proxy statement and related materials in connection with the special meeting. Please read this entire letter for information regarding the special meeting and other upcoming events that may affect your USG Stock Fund holdings.**

At the special meeting, USG stockholders will be asked, among other things, to consider and vote on a proposal to adopt the merger agreement. If the merger agreement is adopted and the merger is completed, each share of USG common stock issued and outstanding immediately prior to the effective time of the merger (other than certain shares as detailed in the proxy statement) automatically will be converted into the right to \$43.50 in cash, without interest and subject to tax withholding as applicable (the closing consideration). In addition to the closing consideration, USG declared a conditional special cash dividend of \$0.50 per share of USG common stock (the conditional special dividend) payable to holders of USG common stock as of the record date (August 21, 2018) of the special meeting. The conditional special dividend is conditioned on the merger agreement being adopted by USG stockholders at the special meeting and, if the merger agreement is adopted, will be paid following certification of the results of the special meeting. In such event, we will announce publicly the date the conditional special dividend will be paid.

If the merger agreement is adopted by USG stockholders at the special meeting, all USG Investment Plan participants with a balance in the USG Stock Fund as of the record date for the special meeting will receive the conditional special dividend of \$0.50 per share of USG common stock held within the USG Stock Fund (subject to due bill trading as detailed in the proxy statement). The conditional special dividend will be reinvested in the USG Stock Fund, and the payment will be posted and viewable within two business days of the conditional special dividend payment date. You can view the details of the transaction on Fidelity NetBenefits® by logging on to [www.netbenefits.com](http://www.netbenefits.com).

Because the USG Investment Plan is a qualified employee retirement plan, payment of the conditional special dividend on shares of USG common stock you hold in your USG Stock Fund Account will not be a taxable event in 2018. However, any future distributions you receive from the USG Investment Plan may be taxable. If you have any questions regarding your potential tax consequences in connection with the payment of the conditional special dividend, please contact your tax advisor.

Additional detail and confirmation of important dates will be provided in the weeks ahead, as applicable and appropriate. In the event the merger agreement is adopted by USG stockholders at the special meeting, an additional communication and companion FAQ will be sent to you later this year with more detail related to the closing of the merger and the related impact on the USG Stock Fund.

If you have questions related to your current holdings in the USG Stock Fund or the USG Investment Plan, please contact your Fidelity Planning and Guidance representative at **844-USG-SAVE (844-874-7283)**.

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