

SKYLINE CORP
Form PRER14A
April 19, 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. 2)

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)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

PRELIMINARY PROXY STATEMENT DATED APRIL 19, 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

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE EXCHANGE AND THE SKYLINE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	9
<u>The Companies</u>	9
<u>Special Meeting of Skyline's Shareholders; Required Vote</u>	10
<u>The Exchange</u>	10
<u>Recommendation of the Board of Directors of Skyline; Reasons for the Exchange</u>	10
<u>Opinion of Skyline's Financial Advisor</u>	11
<u>Overview of the Exchange Agreement</u>	11
<u>Voting Agreement</u>	12
<u>Ancillary Agreements to be Entered into in Connection With the Exchange</u>	13
<u>Management Following the Exchange</u>	14
<u>Interests of Certain Directors, Officers, and Affiliates of Skyline</u>	14
<u>Indemnification of Skyline's Directors and Officers</u>	15
<u>Material U.S. Federal Income Tax Consequences of the Exchange</u>	15
<u>Risk Factors</u>	16
<u>Regulatory Approvals</u>	16
<u>Stock Market Listing</u>	16
<u>Anticipated Accounting Treatment</u>	16
<u>No Dissenters' Rights</u>	17
<u>Additional Information</u>	17
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SKYLINE</u>	18
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CHAMPION HOLDINGS</u>	19
<u>SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF SKYLINE AND CHAMPION HOLDINGS</u>	20
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	22
<u>MARKET PRICE AND SHARE INFORMATION</u>	24
<u>RISK FACTORS</u>	25
<u>Risks Relating to the Exchange</u>	25
<u>Risks Relating to Skyline</u>	32
<u>Risks Relating to Champion Holdings</u>	34
<u>CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION</u>	42
<u>THE SPECIAL MEETING OF SKYLINE'S SHAREHOLDERS</u>	44
<u>General</u>	44
<u>Date, Time, and Place</u>	44
<u>Purpose of the Special Meeting</u>	44
<u>Recommendation of Skyline's Board of Directors</u>	44
<u>Record Date and Voting; Quorum</u>	45
<u>Vote Required</u>	45
<u>Shares Held by Officers and Directors</u>	46

<u>Voting Procedures</u>	46
<u>Other Business</u>	47
<u>Revocation of Proxies</u>	48

	Page
<u>Solicitation of Proxies; Expenses</u>	48
<u>Assistance</u>	48
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT OF SKYLINE</u>	49
<u>COMBINED COMPANY SECURITY OWNERSHIP</u>	51
<u>THE EXCHANGE</u>	53
<u>General Description of the Exchange</u>	53
<u>Background of the Exchange</u>	54
<u>Skyline's Reasons for the Exchange; Recommendation of Skyline's Board of Directors</u>	66
<u>Champion Holdings' Reasons for the Exchange</u>	69
<u>Negotiations, Transactions, or Material Contacts</u>	69
<u>Opinion of the Financial Advisor to the Skyline Board of Directors</u>	70
<u>Certain Projected Financial Information</u>	76
<u>Interests of the Skyline Directors and Executive Officers in the Exchange</u>	78
<u>Plans for Skyline After the Exchange</u>	85
<u>Ownership of Skyline After the Exchange</u>	85
<u>Effects on Skyline if the Exchange is Not Consummated</u>	86
<u>Changes to the Rights of Skyline's Shareholders</u>	86
<u>Limitations of Liability and Indemnification of the Skyline and Champion Holdings Officers and Directors</u>	86
<u>Exchange Consideration</u>	86
<u>The Exchange Shares</u>	86
<u>Completion of the Exchange</u>	87
<u>Regulatory Approvals</u>	87
<u>Voting Agreement</u>	88
<u>Accounting Treatment</u>	89
<u>Stock Market Listing</u>	89
<u>Material U.S. Federal Income Tax Consequences of the Exchange to Holders of Skyline Common Stock</u>	89
<u>Material U.S. Federal Income Tax Consequences of the Pre-Closing Special Dividend to</u>	
<u> Holders of Skyline Common Stock</u>	90
<u> Federal Securities Law Consequences</u>	91
<u> No Dissenters' or Appraisal Rights</u>	91
<u>THE EXCHANGE AGREEMENT</u>	92
<u>Terms of the Exchange</u>	92
<u>Completion of the Exchange</u>	92
<u>Directors and Officers</u>	92
<u>Amendments to the Restated Articles of Incorporation of Skyline</u>	93
<u>Representations and Warranties</u>	93
<u>Material Adverse Effect</u>	94
<u>Certain Covenants of the Parties</u>	96
<u>No Solicitation</u>	106
<u>Board Recommendations</u>	108
<u>Special Meeting of Shareholders</u>	109
<u>Indemnification of Directors and Officers</u>	109

<u>Governance Matters Upon Completion of the Exchange</u>	110
<u>Conditions to the Completion of the Exchange</u>	110
<u>Termination of the Exchange Agreement</u>	112
<u>Termination Fees and Expenses</u>	113

	Page
<u>Amendments</u>	114
<u>Governing Law</u>	114
<u>ANCILLARY AGREEMENTS TO BE ENTERED INTO IN CONNECTION WITH THE EXCHANGE</u>	115
<u>Registration Rights Agreement</u>	115
<u>Investor Rights Agreement</u>	115
<u>Transition Services Agreement</u>	115
<u>INFORMATION ABOUT SKYLINE S BUSINESS</u>	115
<u>COMPARISON OF THE MATERIAL TERMS OF SKYLINE S CURRENT RESTATED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED ARTICLES OF INCORPORATION</u>	116
<u>INFORMATION ABOUT CHAMPION HOLDINGS BUSINESS</u>	116
<u>Overview</u>	116
<u>Products and Services</u>	117
<u>Champion Holdings Competitive Strengths</u>	118
<u>Champion Holdings Strategy</u>	119
<u>Sales and Marketing</u>	120
<u>Purchasing</u>	121
<u>Customers</u>	121
<u>Competition</u>	121
<u>Employees</u>	121
<u>Properties</u>	121
<u>Corporate Information</u>	122
<u>MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF CHAMPION HOLDINGS</u>	123
<u>PROPOSAL #1 APPROVAL OF CHARTER AMENDMENT</u>	146
<u>PROPOSAL #2 SHARES ISSUANCE PROPOSAL</u>	149
<u>PROPOSAL #3 NON-BINDING ADVISORY VOTE ON EXCHANGE-RELATED COMPENSATION</u>	150
<u>PROPOSAL #4 ADJOURNMENT OF THE SPECIAL MEETING</u>	151
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF SKYLINE CHAMPION CORPORATION</u>	152
<u>DEBT FINANCING</u>	167
<u>EXECUTIVE OFFICERS AND DIRECTORS FOLLOWING THE EXCHANGE</u>	169
<u>Executive Officers and Directors</u>	169
<u>Family Relationships</u>	171
<u>Director Independence</u>	172
<u>Executive and Director Compensation</u>	173
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	174
<u>HOUSEHOLDING</u>	174
<u>FUTURE SHAREHOLDER PROPOSALS</u>	174
<u>INFORMATION INCORPORATED BY REFERENCE</u>	175

	Page
<u>CHAMPION ENTERPRISES HOLDINGS, LLC AND SUBSIDIARIES INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1
APPENDICES	
Appendix A <u>Share Contribution & Exchange Agreement by and among Skyline Corporation and Champion Enterprises Holdings, LLC dated as of January 5, 2018</u>	A-1
Appendix B <u>Amended and Restated Articles of Incorporation of Skyline Champion Corporation</u>	B-1
Appendix C <u>Opinion of Jefferies LLC</u>	C-1
Appendix D <u>Voting Agreement</u>	D-1

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 66.

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 163 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 \$8.0 million, or \$0.95 per share of Skyline Common Stock outstanding as of April 18, 2018. 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 174. 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 116 and 123, 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.