



**Vectren Corporation Annual Incentive Payment Recoupment Policy  
Adopted March 2, 2011**

It is the policy of the Compensation and Benefits committee (Committee) of the board of directors (Board) of Vectren Corporation that the company, including its subsidiaries and affiliates (collectively for the purpose of this policy, the Company), shall, to the extent permitted by governing law, seek full or partial reimbursement of any annual incentive paid under the Vectren Corporation At Risk Compensation Plan, as amended, as well as any annual incentive paid under any incentive plan in place for a subsidiary or affiliate of the Company (collectively for the purpose of this policy, the Plan), from any current or former officer of the Company in accordance with the terms hereof. If the Company is required to prepare an accounting restatement due to material non-compliance by the Company with any financial reporting requirement under the securities laws (Restatement) of its consolidated financial statements, the Company will require reimbursement from such officers of annual incentive payments made under the Plan during the three-year period preceding the date on which the Company is required to prepare the Restatement. For further clarification, the restatement of financials as prescribed by a change in applicable accounting rules or interpretations is not deemed to be non-compliance under this policy. The annual incentive payments recovered shall equal the amount by which the annual incentive payments, cumulative or net as the case may be, received by such officer exceed what would have been paid under the Restatement. The Committee's determination of the amount to be recovered pursuant to this policy shall be final and binding on such officer.

The Committee shall administer and interpret this policy and have the full authority and discretion necessary to accomplish its purpose, including, without limitation, the determination of the amount of, and manner in which, prior annual incentive payments are recovered, in accordance with applicable laws, including, without limitation, by seeking repayment or by offsetting any salary or other compensation due under any compensation plan, program or arrangement maintained by the Company; provided that any offsets against amounts under nonqualified compensation plans (as defined in Section 409A of the Internal Revenue Code) shall be made in compliance with Section 409A and any compensation offsets shall be made in compliance with applicable law. The Committee may delegate to officers of the Company the enforcement of any determination to recover compensation.

In adopting this policy, the Committee acknowledges that the Securities and Exchange Commission (SEC) has yet to release its final guidance regarding this subject as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Following the receipt and consideration of that guidance, the Committee will revise or restate this policy, if necessary or advisable, to conform to that action.

The officers listed on Exhibit A to this policy are subject to its provisions. The Committee may from time to time designate the officers of the Company who are subject to this policy.

## Vectren Corporation Annual Incentive Payment Recoupment Policy Exhibit A

The officers listed on this Exhibit A are subject to the policy provisions.

<u>Vectren Corporation</u> Chief Executive Officer Presidents Executive Vice Presidents Vice Presidents	<u>Miller Pipeline Corporation</u> Chief Executive Officer Presidents Executive Vice Presidents Vice Presidents
<u>Vectren Enterprises, Inc.</u> Presidents Vice Presidents	<u>Vectren Retail, LLC</u> Presidents Vice Presidents
<u>Vectren Energy Marketing</u> Presidents Vice Presidents	<u>Energy Systems Group</u> Presidents Vice Presidents
<u>Vectren Energy Services</u> Presidents Vice Presidents	<u>Vectren Fuels, Inc.</u> Presidents Vice Presidents
<u>Vectren Utility Holdings, Inc.</u> Presidents Vice Presidents	<u>Vectren Energy Delivery of Ohio, Inc.</u> Presidents Vice Presidents
<u>Southern Indiana Gas and Electric Company</u> Presidents Vice Presidents	<u>Indiana Gas Company, Inc.</u> Presidents Vice Presidents
<u>Vectren Infrastructure Services</u> Presidents Vice Presidents	