

II-VI INC  
Form 424B3  
February 08, 2019  
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**Filed Pursuant to Rule 424(b)(3)**  
**Registration No. 333-229052**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

February 7, 2019

Dear Shareholders of II-VI Incorporated and Stockholders of Finisar Corporation:

II-VI Incorporated ( II-VI ) and Finisar Corporation ( Finisar ) have entered into an Agreement and Plan of Merger, dated as of November 8, 2018 (the Merger Agreement ). Pursuant to the terms of the Merger Agreement, Mutation Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of II-VI, will be merged with and into Finisar, and Finisar will continue as the surviving corporation in the merger and a wholly owned subsidiary of II-VI (the Merger ).

If the Merger is consummated as described in the accompanying joint proxy statement/prospectus, Finisar stockholders will be entitled to receive, at their election, consideration per share of common stock of Finisar (the Finisar Common Stock ) consisting of (i) \$26.00 in cash, without interest (subject to the proration adjustment procedures described in the accompanying joint proxy statement/prospectus, the Cash Election Consideration ), (ii) 0.5546 validly issued, fully paid and nonassessable shares of II-VI common stock (the shares, the II-VI Common Stock, and the consideration, subject to the proration adjustment procedures described in the accompanying joint proxy statement/prospectus, the Stock Election Consideration, respectively), or (iii) a combination of \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and nonassessable shares of II-VI Common Stock (the Mixed Election Consideration, and, together with the Cash Election Consideration and the Stock Election Consideration, the Merger Consideration ). If no election is made as to a share of Finisar Common Stock, the holder of that share will receive the Mixed Election Consideration. The Cash Election Consideration and the Stock Election Consideration are subject to proration adjustment pursuant to the terms of the Merger Agreement such that the aggregate Merger Consideration will consist of approximately 60% cash and approximately 40% II-VI Common Stock (with the II-VI Common Stock valued at the closing price as of November 8, 2018), as further described under the heading The Merger Agreement Merger Consideration beginning on page 140 of the accompanying joint proxy statement/prospectus.

Based on the closing price for II-VI Common Stock on the Nasdaq Global Select Market on February 7, 2019, the most recent practicable date for which such information was available, the Stock Election Consideration represented approximately \$20.26 in value per share of Finisar Common Stock (before giving effect to any proration adjustment), and the Mixed Election Consideration represented approximately \$23.70 in value per share of Finisar Common Stock. The Cash Election Consideration represents a premium of approximately 37.7% over the closing price for Finisar

Common Stock on the Nasdaq Global Select Market on November 8, 2018 (before giving effect to any proration adjustment). The value of the Stock Election Consideration and Mixed Election Consideration will fluctuate based on the market price of II-VI Common Stock until the completion of the Merger. Shares of II-VI Common Stock are traded on the Nasdaq Global Select Market under the ticker symbol **IIVI**, and shares of Finisar Common Stock are traded on the Nasdaq Global Select Market under the ticker symbol **FNSR**. We urge you to obtain current market quotations for the shares of II-VI Common Stock and Finisar Common Stock.

Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the treatment of shares of Finisar Common Stock and Finisar equity awards in the Merger, and assuming no conversions of the Finisar Convertible Notes, II-VI expects to issue approximately 26.38 million shares of II-VI Common Stock to holders of Finisar Common Stock and Finisar equity awards upon completion of the Merger. The actual number of shares of II-VI Common Stock to be issued upon completion of the Merger will be determined at the completion of the Merger based on, among other things, the number of shares of Finisar

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Common Stock outstanding at that time. Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the number of shares of II-VI Common Stock outstanding as of February 5, 2019, it is expected that, immediately after completion of the Merger, former holders of Finisar Common Stock and Finisar equity awards will own approximately 29.27% of the outstanding shares of II-VI Common Stock.

At the special meeting of II-VI shareholders described in the accompanying joint proxy statement/prospectus (the II-VI Special Meeting ), II-VI shareholders will be asked to consider and vote on the following matters:

a proposal to approve the issuance of II-VI Common Stock in connection with the Merger (the Share Issuance Proposal ); and

a proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal (the II-VI Adjournment Proposal ).

Approval of the Share Issuance Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast (assuming a quorum is present). This vote will satisfy the vote requirements of Listing Rule 5635(d) of the Nasdaq Stock Market with respect to the Share Issuance Proposal. Approval of the II-VI Adjournment Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast, whether or not a quorum is present.

At the special meeting of Finisar stockholders described in the accompanying joint proxy statement/prospectus (the Finisar Special Meeting ), Finisar stockholders will be asked to consider and vote on the following matters:

a proposal to adopt the Merger Agreement (the Merger Proposal );

a proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal (the Finisar Adjournment Proposal ); and

a proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar s named executive officers in connection with the Merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such compensation may be paid or become payable (the Compensation Proposal ).

Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock. Approval of the Finisar Adjournment Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. Approval of the Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting.

The Merger cannot be completed unless, among other things, II-VI shareholders approve the Share Issuance Proposal and Finisar stockholders approve the Merger Proposal. **Your vote is very important, regardless of the number of**

**shares you own.** Even if you plan to attend the II-VI Special Meeting or the Finisar Special Meeting, as applicable, in person, please complete, sign, date and return, as promptly as possible, the enclosed proxy or voting instruction card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the II-VI Special Meeting or Finisar Special Meeting, as applicable, to ensure that your shares will be represented at the II-VI Special Meeting or the Finisar Special Meeting, as applicable, if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

**After careful consideration, the II-VI board of directors unanimously approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger**

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and the issuance of shares of II-VI Common Stock issuable in connection with the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of II-VI and its shareholders. The II-VI board of directors accordingly unanimously recommends that II-VI shareholders vote **FOR** each of the Share Issuance Proposal and the II-VI Adjournment Proposal.

After careful consideration, the Finisar board of directors, by unanimous vote, approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders. The Finisar board of directors accordingly recommends that Finisar stockholders vote **FOR** each of the Merger Proposal, the Finisar Adjournment Proposal and the Compensation Proposal. In considering the recommendation of the Finisar board of directors, you should be aware that directors and executive officers of Finisar have certain interests in the Merger that may be different from, or in addition to, the interests of Finisar stockholders generally. See the sections entitled **Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers** beginning on page 189 of the accompanying joint proxy statement/prospectus and **Interests of Finisar's Directors and Executive Officers in the Merger** beginning on page 166 of the accompanying joint proxy statement/prospectus for a more detailed description of these interests.

We urge you to read the accompanying joint proxy statement/prospectus, including the annexes and the documents incorporated by reference, carefully and in its entirety. **In particular, we urge you to read carefully the section entitled Risk Factors beginning on page 48 of the accompanying joint proxy statement/prospectus.**

On behalf of the respective boards of directors of II-VI and Finisar, thank you for your consideration and continued support.

Sincerely,

Francis J. Kramer  
Chairman of the Board  
II-VI Incorporated

Robert N. Stephens  
Chairman of the Board  
Finisar Corporation

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THE ATTACHED JOINT PROXY STATEMENT/PROSPECTUS OR THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER DESCRIBED UNDER THE ATTACHED JOINT PROXY STATEMENT/PROSPECTUS NOR HAVE THEY DETERMINED IF THE ATTACHED JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The accompanying joint proxy statement/prospectus is dated February 7, 2019 and is first being mailed to II-VI shareholders and Finisar stockholders on or about February 14, 2019.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

Dear Shareholders of II-VI Incorporated:

You are cordially invited to attend a special meeting of II-VI Incorporated ( II-VI ) shareholders. The special meeting, as described in the accompanying joint proxy statement/prospectus (the II-VI Special Meeting ), will be held on March 26, 2019, at 2:00 p.m. local time, at 5000 Ericsson Drive, Warrendale, Pennsylvania 15086, to consider and vote on the following matters:

1. a proposal to approve the issuance of II-VI common stock, no par value ( II-VI Common Stock ), in connection with the merger contemplated by the Agreement and Plan of Merger, dated as of November 8, 2018, as may be amended from time to time (the Merger Agreement ), by and among II-VI, a Pennsylvania corporation, Mutation Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of II-VI, and Finisar Corporation ( Finisar ), a Delaware corporation (the Share Issuance Proposal ); and
2. a proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal (the II-VI Adjournment Proposal ).

The record date for the II-VI Special Meeting is February 5, 2019 (the II-VI Record Date ). Only shareholders of record of II-VI as of the close of business on the II-VI Record Date are entitled to notice of, and to vote at, the II-VI Special Meeting and any adjournments or postponements thereof. The merger contemplated by the Merger Agreement (the Merger ) cannot be completed unless the Share Issuance Proposal receives the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast (assuming a quorum is present). Approval of the II-VI Adjournment Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast, whether or not a quorum is present. **Your vote is very important, regardless of the number of shares of II-VI Common Stock that you own.**

**The II-VI board of directors unanimously recommends that you vote FOR each of the Share Issuance Proposal and the II-VI Adjournment Proposal.**

**EVEN IF YOU PLAN TO ATTEND THE II-VI SPECIAL MEETING IN PERSON, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD OR VOTING INSTRUCTION CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET PRIOR TO THE II-VI SPECIAL MEETING TO ENSURE THAT YOUR SHARES OF II-VI COMMON STOCK WILL BE REPRESENTED AT THE II-VI SPECIAL MEETING IF YOU ARE UNABLE TO ATTEND. IF YOU HOLD YOUR SHARES IN STREET NAME THROUGH A BANK, BROKERAGE FIRM OR OTHER NOMINEE, YOU SHOULD FOLLOW THE PROCEDURES PROVIDED BY YOUR BANK, BROKERAGE FIRM OR OTHER NOMINEE TO**

**VOTE YOUR SHARES. IF YOU ATTEND THE II-VI SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

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We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger or the other transactions contemplated thereby, the II-VI Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus, or need help submitting a proxy to vote, please contact II-VI:

II-VI Incorporated

375 Saxonburg Boulevard

Saxonburg, PA 16056

Attention: Mark Lourie

(724) 352-4455

By Order of the Board of Directors,

JO ANNE SCHWENDINGER  
Chief Legal and Compliance Officer and  
Secretary

February 7, 2019



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**FINISAR CORPORATION**

**1389 Moffett Park Drive**

**Sunnyvale, California 94089**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

Dear Stockholders of Finisar Corporation:

You are cordially invited to attend a special meeting of Finisar Corporation ( Finisar ) stockholders. The special meeting, as described in the accompanying joint proxy statement/prospectus (the Finisar Special Meeting ), will be held on March 26, 2019, at 11:00 a.m. local time, at 2765 Sand Hill Road, Menlo Park, California 94025, to consider and vote on the following matters:

1. a proposal to adopt the Agreement and Plan of Merger, dated as of November 8, 2018, as may be amended from time to time (the Merger Agreement ), by and among II-VI Incorporated, a Pennsylvania corporation ( II-VI ), Mutation Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of II-VI, and Finisar, a Delaware corporation (the Merger Proposal );
2. a proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal (the Finisar Adjournment Proposal ); and
3. a proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar s named executive officers in connection with the merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such compensation may be paid or become payable (the Compensation Proposal ).

The record date for the Finisar Special Meeting is February 5, 2019 (the Finisar Record Date ). Only stockholders of record of Finisar as of the close of business on the Finisar Record Date are entitled to notice of, and to vote at, the Finisar Special Meeting and any adjournments or postponements thereof. The merger contemplated by the Merger Agreement (the Merger ) cannot be completed unless the Merger Proposal receives the affirmative vote of holders of a majority of the outstanding shares of Finisar common stock. Approval of the Finisar Adjournment Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. Approval of the Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. **Your vote is very important, regardless of the number of shares of Finisar common stock that you own.**

**The Finisar board of directors unanimously recommends that you vote FOR each of the Merger Proposal, the Finisar Adjournment Proposal and the Compensation Proposal. In considering the recommendation of the Finisar board of directors, you should be aware that directors and executive officers of Finisar have certain interests in the Merger that may be different from, or in addition to, the interests of Finisar stockholders generally. See the sections entitled Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related**

**Compensation for Finisar's Named Executive Officers beginning on page 189 of the accompanying joint proxy statement/prospectus and Interests of Finisar's Directors and Executive Officers in the Merger beginning on page 166 of the accompanying joint proxy statement/prospectus for a more detailed description of these interests.**

**EVEN IF YOU PLAN TO ATTEND THE FINISAR SPECIAL MEETING IN PERSON, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD OR VOTING INSTRUCTION CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET PRIOR TO THE FINISAR SPECIAL MEETING TO ENSURE THAT YOUR SHARES OF FINISAR COMMON STOCK**

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**WILL BE REPRESENTED AT THE FINISAR SPECIAL MEETING IF YOU ARE UNABLE TO ATTEND. IF YOU HOLD YOUR SHARES IN STREET NAME THROUGH A BANK, BROKERAGE FIRM OR OTHER NOMINEE, YOU SHOULD FOLLOW THE PROCEDURES PROVIDED BY YOUR BANK, BROKERAGE FIRM OR OTHER NOMINEE TO VOTE YOUR SHARES. IF YOU ATTEND THE FINISAR SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger or the other transactions contemplated thereby, the Finisar Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus, or need help submitting a proxy to vote, please contact:

Finisar Corporation

1389 Moffett Park Drive

Sunnyvale, CA 94089

Attention: Investor Relations

(408) 548-1000

OR

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, NY 10005

Banks and Brokers, call collect: (212) 269-5550

All others, call toll free: (866) 356-7813

Email: [FNSR@dfking.com](mailto:FNSR@dfking.com)

By Order of the Board of Directors,

**CHRISTOPHER E. BROWN**  
Executive Vice President, Chief Counsel and  
Secretary

February 7, 2019

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**REFERENCES TO ADDITIONAL INFORMATION**

The accompanying joint proxy statement/prospectus incorporates important business and financial information about II-VI and Finisar from other documents that II-VI Incorporated ( II-VI ) and Finisar Corporation ( Finisar ) have filed with the U.S. Securities and Exchange Commission (the SEC ) that are not included in or delivered with the accompanying joint proxy statement/prospectus. For a listing of documents incorporated by reference into the accompanying joint proxy statement/prospectus, please see the section entitled Where You Can Find More Information beginning on page 223 of the accompanying joint proxy statement/prospectus. This information is available for you to review through the SEC s website at [www.sec.gov](http://www.sec.gov).

**You may request copies of the accompanying joint proxy statement/prospectus and any of the documents incorporated by reference into the accompanying joint proxy statement/prospectus or other information concerning II-VI, without charge, by written or telephonic request directed to II-VI Incorporated, 375 Saxonburg Boulevard, Saxonburg, PA 16056, Attention: Mark Lourie, Telephone (724) 352-4455.**

**You may also request a copy of the accompanying joint proxy statement/prospectus and any of the documents incorporated by reference into the accompanying joint proxy statement/prospectus or other information concerning Finisar, without charge, by written or telephonic request directed to Finisar Corporation, 1389 Moffett Park Drive, Sunnyvale, CA 94089, Attention: Investor Relations, Telephone (408) 548-1000.**

**In order for you to receive timely delivery of the documents in advance of the special meeting of II-VI shareholders or Finisar stockholders, as applicable, you must request the information no later than five business days prior to the date of the applicable special meeting (i.e., by March 19, 2019).**

**ABOUT THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS**

The accompanying document, which forms part of a registration statement on Form S-4 filed with the SEC by II-VI (File No. 333-229052), constitutes a prospectus of II-VI under Section 5 of the Securities Act of 1933, as amended (the Securities Act ), with respect to the shares of common stock, no par value, of II-VI ( II-VI Common Stock ) to be issued pursuant to the Agreement and Plan of Merger, dated as of November 8, 2018, as it may be amended from time to time (the Merger Agreement ), by and among II-VI, Mutation Merger Sub Inc. ( Merger Sub ) and Finisar. The accompanying document also constitutes a joint proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended. It also constitutes a notice of meeting with respect to the special meeting of II-VI shareholders described in the accompanying joint proxy statement/prospectus and a notice of meeting with respect to the special meeting of Finisar stockholders described in the accompanying joint proxy statement/prospectus.

II-VI has supplied all information contained or incorporated by reference into the accompanying joint proxy statement/prospectus relating to II-VI and Merger Sub, as well as all pro forma financial information, and Finisar has supplied all such information relating to Finisar.

II-VI and Finisar have not authorized anyone to provide you with information other than the information that is contained in, or incorporated by reference into, the accompanying joint proxy statement/prospectus. II-VI and Finisar take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. The accompanying joint proxy statement/prospectus is dated February 7, 2019, and you should not assume that the information contained in the accompanying joint proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the information incorporated by reference into the accompanying joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to II-VI shareholders or Finisar stockholders, nor the issuance by

II-VI of shares of II-VI Common Stock in connection with the Merger Agreement will create any implication to the contrary.

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Unless otherwise indicated or as the context otherwise requires, all references in the accompanying joint proxy statement/prospectus to:

2033 Notes means the outstanding 0.50% Convertible Senior Notes due 2033 of Finisar;

2036 Notes means the outstanding 0.50% Convertible Senior Notes due 2036 of Finisar;

Compensation Proposal means the proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar's named executive officers in connection with the Merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such compensation may be paid or become payable;

DGCL means the General Corporation Law of the State of Delaware;

Exchange Act means the Securities Exchange Act of 1934, as amended;

Exchange Agent means American Stock Transfer and Trust Company;

Finisar means Finisar Corporation, a Delaware corporation;

Finisar Adjournment Proposal means the proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal;

Finisar Convertible Notes means the 2033 Notes and the 2036 Notes, together;

Finisar Board means the Board of Directors of Finisar;

Finisar Bylaws means the Amended and Restated Bylaws of Finisar;

Finisar Charter means the Restated Certificate of Incorporation of Finisar;

Finisar Common Stock means the common stock, \$0.001 par value, of Finisar;

**Finisar Special Meeting** means the special meeting of Finisar's stockholders described in the accompanying joint proxy statement/prospectus;

**II-VI** means II-VI Incorporated, a Pennsylvania corporation;

**II-VI Adjournment Proposal** means the proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal;

**II-VI Board** means the Board of Directors of II-VI;

**II-VI By-Laws** means the Amended and Restated By-Laws of II-VI;

**II-VI Charter** means the Amended and Restated Articles of Incorporation of II-VI;

**II-VI Common Stock** means the common stock, no par value, of II-VI;

**II-VI Special Meeting** means the special meeting of II-VI's shareholders described in the accompanying joint proxy statement/prospectus;

**Merger** means the merger of Merger Sub with and into Finisar in accordance with the terms of the Merger Agreement, with Finisar surviving the merger and becoming a wholly owned subsidiary of II-VI;

**Merger Agreement** means the Agreement and Plan of Merger, dated as of November 8, 2018, as it may be amended from time to time, by among II-VI, Merger Sub and Finisar, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus;

**Merger Proposal** means the proposal that Finisar stockholders adopt the Merger Agreement;

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Merger Sub means Mutation Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of II-VI;

Securities Act means the Securities Act of 1933, as amended;

Share Issuance Proposal means the proposal that II-VI shareholders approve the issuance of II-VI Common Stock in connection with the Merger;

Special Meetings means the II-VI Special Meeting and the Finisar Special Meeting, collectively; and

Surviving Corporation means Finisar, as the surviving corporation in the Merger.



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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

The following questions and answers are intended to briefly address some commonly asked questions regarding the Merger and matters to be addressed at the Special Meetings. These questions and answers may not address all questions that may be important to II-VI shareholders and Finisar stockholders. Please refer to the section entitled **Summary** beginning on page 20 of this joint proxy statement/prospectus and the more detailed information contained elsewhere in this joint proxy statement/prospectus, the annexes to this joint proxy statement/prospectus and the documents referred to in this joint proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions under the section entitled **Where You Can Find More Information** beginning on page 223 of this joint proxy statement/prospectus.

**Q: Why am I receiving this joint proxy statement/prospectus and what am I being asked to vote on?**

A: On November 8, 2018, II-VI, Merger Sub and Finisar entered into the Merger Agreement that is described in this joint proxy statement/prospectus. A copy of the Merger Agreement is attached as **Annex A** to this joint proxy statement/prospectus and is incorporated by reference herein. In order to complete the Merger, among other things, II-VI shareholders must approve the Share Issuance Proposal and Finisar stockholders must approve the Merger Proposal.

II-VI is holding the II-VI Special Meeting to obtain the requisite approval of its shareholders for the Share Issuance Proposal. The Merger cannot be completed unless, among other things, the Share Issuance Proposal receives the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast (assuming a quorum is present). In addition, II-VI shareholders also will be asked to approve the II-VI Adjournment Proposal.

Finisar is holding the Finisar Special Meeting to obtain the requisite approval of its stockholders for the Merger Proposal. The Merger cannot be completed unless, among other things, the Merger Proposal receives the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock. In addition, Finisar stockholders also will be asked to approve the Finisar Adjournment Proposal and the Compensation Proposal.

This joint proxy statement/prospectus serves as a proxy statement of II-VI, a proxy statement of Finisar and a prospectus of II-VI in connection with the issuance of shares of II-VI Common Stock as part of the aggregate Merger Consideration (as defined below).

**Your vote is very important. We encourage you to complete, sign, date and submit a proxy card to vote your shares of II-VI Common Stock or Finisar Common Stock, as applicable, as soon as possible.**

For more information regarding the II-VI Special Meeting, the Share Issuance Proposal, and the II-VI Adjournment Proposal, see the section entitled **Information About the II-VI Special Meeting** beginning on page 71 of this joint proxy statement/prospectus. For more information regarding the Finisar Special Meeting, the Merger Proposal, the Finisar Adjournment Proposal, and the Compensation Proposal, see the section entitled **Information About the Finisar Special Meeting** beginning on page 65 of this joint proxy statement/prospectus.

**Q: What will happen in the Merger?**

A: If each of the requisite conditions to closing under the Merger Agreement is satisfied or waived, Merger Sub will merge with and into Finisar in the Merger, and Finisar will continue as the surviving corporation, and become a wholly owned subsidiary of II-VI. Following the effective time of the Merger (the **Effective Time** ), Finisar Common Stock will be delisted from the Nasdaq Global Select Market, deregistered under the Exchange Act and cease to be publicly traded. See the section entitled **The Merger Agreement Structure and Effects of the Merger** beginning on page 139 of this joint proxy statement/prospectus and the Merger Agreement attached as **Annex A** to this joint proxy statement/prospectus for more information about the Merger.

**Table of Contents****Q: What will Finisar stockholders receive if the Merger is completed?**

A: At the Effective Time, each outstanding share of Finisar Common Stock (other than any (i) shares held by a Finisar stockholder who is entitled to demand, and has properly demanded, appraisal for such shares ( Dissenting Stockholder Shares ) and (ii) shares owned by II-VI or Finisar or any of their wholly owned subsidiaries ( Excluded Shares )), will be converted into the right to receive, at the election of the holder of such share of Finisar Common Stock, consideration consisting of (i) \$26.00 in cash, without interest (subject to the proration adjustment procedures described in this joint proxy statement/prospectus, the Cash Election Consideration ), (ii) 0.5546 validly issued, fully paid and nonassessable shares of II-VI Common Stock (subject to the proration adjustment procedures described in this joint proxy statement/prospectus, the Stock Election Consideration ), or (iii) a combination of \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and nonassessable shares of II-VI Common Stock (the Mixed Election Consideration, and, together with the Cash Election Consideration and the Stock Election Consideration, the Merger Consideration ). If no election is made as to a share of Finisar Common Stock, the holder of that share will receive the Mixed Election Consideration.

If you otherwise would be entitled to receive a fractional share of II-VI Common Stock as part of your Merger Consideration, you will receive cash in lieu of the fractional share of II-VI Common Stock to which you would otherwise be entitled, and you will not be entitled to dividends, voting rights or any other rights in respect of such fractional share. For more information regarding allocation and proration procedures, see the section entitled The Merger Agreement Merger Consideration beginning on page 140 of this joint proxy statement/prospectus.

Because the exchange ratios for the shares of II-VI Common Stock that will be issued in the Merger as part of the Stock Election Consideration and the Mixed Election Consideration are fixed and there will be no adjustment to such exchange ratios, the aggregate value of the Merger Consideration received by Finisar stockholders who receive II-VI Common Stock as Merger Consideration will depend on the then-current market price of shares of II-VI Common Stock at the Effective Time. As a result, the value of the Merger Consideration that Finisar stockholders will receive in the Merger could be greater than, less than, or the same as, the value of such Merger Consideration on the date of this joint proxy statement/prospectus or at the time of the Finisar Special Meeting.

For more information regarding the Stock Election Consideration, Cash Election Consideration, or Mixed Election Consideration, as applicable, to be provided to Finisar stockholders, see the section entitled The Merger Agreement Merger Consideration beginning on page 140 of this joint proxy statement/prospectus. For more information regarding election mechanics, see the sections entitled The Merger Agreement Election Procedures beginning on page 142 of this joint proxy statement/prospectus and The Merger Agreement Exchange Procedures beginning on page 143 of this joint proxy statement/prospectus.

**Q: What will holders of Finisar Stock Options receive if the Merger is completed?**

A: At the Effective Time, each option granted pursuant to Finisar's 2005 Stock Incentive Plan (each, a Finisar Stock Option ) (or portion thereof) that is outstanding and unexercised will be cancelled and terminated and converted into the right to receive an amount of Mixed Election Consideration that would be payable to a holder of such number of shares of Finisar Common Stock equal to the quotient of (i) the product of (a) the excess, if any, of \$26.00 over the exercise price per share of such Finisar Stock Option *multiplied by* (b) the number of shares of Finisar Common Stock subject to such Finisar Stock Option, *divided by* (ii) \$26.00 (the Net Option Shares ). Each Finisar Stock Option that is outstanding and unexercised as of immediately prior to the Effective Time with an



exercise price per share that is in excess of \$26.00 will be cancelled and extinguished without any present or future right to receive the Merger Consideration or any other payment.

For more information regarding the treatment of holders of Finisar Stock Options, see the section entitled "The Merger Agreement - Treatment of Finisar Employee Stock Plans - Stock Options" beginning on page 144 of this joint proxy statement/prospectus.

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**Q: What will holders of Finisar Restricted Stock Units receive if the Merger is completed?**

A: As of the Effective Time, each restricted stock unit granted pursuant to Finisar's 2005 Stock Incentive Plan (each, a Finisar Restricted Stock Unit) (or portion thereof) that is outstanding and subject to a performance-based vesting condition that relates solely to the value of Finisar Common Stock will, to the extent such Finisar Restricted Stock Unit vests in accordance with its terms in connection with the Merger (the Participating RSUs), be cancelled and extinguished and converted into the right to receive the Cash Election Consideration, the Stock Election Consideration or the Mixed Election Consideration at the election of the holder of such Participating RSUs, subject to the proration adjustment procedures described in this joint proxy statement/prospectus (as applicable, the Cash Election RSUs, the Stock Election RSUs or the Mixed Election RSUs).

As of the Effective Time, each Finisar Restricted Stock Unit (or portion thereof) that is subject to a performance-based vesting condition that relates solely to the value of Finisar Common Stock but does not vest in accordance with its terms in connection with the Merger will be cancelled and extinguished without any right to receive the Merger Consideration or any other payment.

At the Effective Time, each Finisar Restricted Stock Unit (or portion thereof) that is outstanding and unvested and does not vest in accordance with its terms in connection with the Merger and is either (x) subject to time-based vesting requirements only or (y) subject to a performance-based vesting condition other than the value of Finisar Common Stock will be assumed by II-VI (each, an Assumed RSU). Each Assumed RSU will be subject to substantially the same terms and conditions as applied to the related Finisar Restricted Stock Unit immediately prior to the Effective Time, except that the number of shares of II-VI Common Stock subject to such Assumed RSU will be adjusted as described below under The Merger Agreement Treatment of Finisar Employee Stock Plans Restricted Stock Units.

For more information regarding the treatment of holders of Finisar Restricted Stock Units, see the section entitled The Merger Agreement Treatment of Finisar Employee Stock Plans Restricted Stock Units beginning on page 144 of this joint proxy statement/prospectus.

**Q: I own shares of Finisar Common Stock or am otherwise entitled to elect my form of Merger Consideration. How do I make an election to receive Cash Election Consideration, Stock Election Consideration or Mixed Election Consideration for my shares of Finisar Common Stock or other equity awards?**

A: Prior to the closing of the Merger, II-VI will provide a form of election to holders of record of shares of Finisar Common Stock (not including the Dissenting Stockholder Shares or the Excluded Shares, but including holders of Participating RSUs) advising such holders of the procedure for exercising their right to make an election. Elections to receive Cash Election Consideration (each, a Cash Election) and elections to receive Stock Election Consideration (each, a Stock Election) are subject to the proration adjustment procedures set forth in the Merger Agreement to ensure that the aggregate Merger Consideration will consist of approximately 60% cash and approximately 40% II-VI Common Stock (with the II-VI Common Stock valued at the closing price as of November 8, 2018).

For more information regarding the election procedures, see the section entitled The Merger Agreement Election Procedures beginning on page 142 of this joint proxy statement/prospectus.

**Q: I own shares of Finisar Common Stock or am otherwise entitled to elect my form of Merger Consideration. What is the deadline for submitting my election?**

A: To be effective, a form of election must be properly completed, signed and submitted to the Exchange Agent by the Election Deadline (as defined below). Each holder of record of shares of Finisar Common Stock (not including the Dissenting Stockholder Shares or the Excluded Shares, but including holders of Participating

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RSUs) will have the right, subject to the terms of the Merger Agreement, to submit an election on or prior to 5:00 p.m., New York time, on the date that the parties to the Merger Agreement agree is as near as practicable to two business days prior to the closing date of the Merger (the Election Deadline). The parties to the Merger Agreement will cooperate to issue a press release announcing the Election Deadline not more than 15 business days before, and at least five business days prior to, the Election Deadline. Finisar stockholders are urged to promptly submit their properly completed and signed forms of election, together with the necessary transmittal materials, as soon as those materials become available, and not wait until the Election Deadline.

**Q: I own shares of Finisar Common Stock or am otherwise entitled to elect my form of Merger Consideration. How can I change or revoke my election?**

A: You can change or revoke your election before the Election Deadline by written notice that is sent to and received by the Exchange Agent prior to the Election Deadline accompanied by a properly completed and signed revised form of election.

**Q: I own shares of Finisar Common Stock or am otherwise entitled to elect my form of Merger Consideration. What happens if I don't make an election?**

A: A holder of record of shares of Finisar Common Stock (not including the Dissenting Stockholder Shares or the Excluded Shares, but including holders of Participating RSUs) who makes no election or makes an untimely election, or is otherwise deemed not to have submitted an effective form of election, or who has validly revoked the holder's election but has not properly submitted a new duly completed form of election, will be deemed to have made an election to receive Mixed Election Consideration (a Mixed Election).

**Q: I own shares of Finisar Common Stock. Can I sell my shares of Finisar Common Stock after I make my election?**

A: Yes, but, after an election is validly made, any subsequent transfer of Finisar Common Stock will automatically revoke such election. Following such a revocation, unless a subsequent election is made, the holder of such shares will be deemed to have made a Mixed Election with respect to such shares, regardless of the subsequent holder's preference.

**Q: I own shares of Finisar Common Stock or am otherwise entitled to elect my form of Merger Consideration. If I make a Cash Election or a Stock Election, under what circumstances will the Merger Consideration that I elect to receive be adjusted, and how will any proration adjustment be calculated?**

A: If you make a Cash Election, the Merger Consideration that you will receive will be adjusted if the Cash Election Amount exceeds the Available Cash Election Amount, each as defined below. If the Cash Election Amount exceeds the Available Cash Election Amount, then the following Merger Consideration will be paid in respect of each share of Finisar Common Stock with respect to which a Cash Election was

made and not revoked or lost in accordance with the terms of the Merger Agreement (each, and as applicable with each Cash Election RSU, a Cash Electing Share ):

an amount of cash equal to the quotient of (1) the Available Cash Election Amount *divided by* (ii) the number of Cash Electing Shares; and

a number of shares of II-VI Common Stock equal to the quotient of (1) the difference of the Available Stock Election Amount *less* the Stock Election Amount *divided by* (2) the number of Cash Electing Shares. If you make a Stock Election, the Merger Consideration that you will receive will be adjusted if the Available Cash Election Amount exceeds the Cash Election Amount. If the Available Cash Election

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Amount exceeds the Cash Election Amount, then the following Merger Consideration will be paid in respect of each share of Finisar Common Stock with respect to which a Stock Election was made and not revoked or lost in accordance with the terms of the Merger Agreement (each, and as applicable with each Stock Election RSU, a Stock Electing Share ):

an amount of cash equal to the quotient of (1) the difference of the Available Cash Election Amount *less* the Cash Election Amount *divided by* (2) the number of Stock Electing Shares; and

a number of shares of II-VI Common Stock equal to the quotient of (1) the Available Stock Election Amount *divided by* (2) the number of Stock Electing Shares.

The Available Cash Election Amount means (i) the product of \$15.60 *multiplied by* the number of total outstanding shares of Finisar Common Stock as of the Effective Time (excluding the Excluded Shares, but including the number of Dissenting Stockholder Shares, Net Option Shares, and Participating RSUs) *minus* (ii) the aggregate amount of cash to be paid in respect of all shares of Finisar Common Stock with respect to which either a Mixed Election was made and not revoked or with respect to which no election was made (together with the Mixed Election RSUs, the Mixed Consideration Shares ) (assuming that all Dissenting Stockholder Shares and all Net Option Shares are Mixed Consideration Shares).

The Available Stock Election Amount means (i) the product of 0.2218 *multiplied by* the number of total outstanding shares of Finisar Common Stock as of the Effective Time (excluding the Excluded Shares, but including the number of Dissenting Stockholder Shares, Net Option Shares, and Participating RSUs) *minus* (ii) the aggregate number of shares of II-VI Common Stock to be paid in respect of all Mixed Consideration Shares (assuming that all Dissenting Stockholder Shares and all Net Option Shares are Mixed Consideration Shares).

The Cash Election Amount means the product of (i) the number of Cash Electing Shares *multiplied by* (ii) the Cash Election Consideration (before giving effect to any proration adjustment).

The Stock Election Amount means the product of (i) the number of Stock Electing Shares *multiplied by* (ii) the Stock Election Consideration (before giving effect to any proration adjustment).

For more information regarding the proration adjustments, see the section entitled The Merger Agreement Merger Consideration beginning on page 140 of this joint proxy statement/prospectus.

**Q: I own shares of Finisar Common Stock. What happens if I am eligible to receive a fraction of a share of II-VI Common Stock as part of the Merger Consideration?**

A: If the aggregate number of shares of II-VI Common Stock that you are entitled to receive as part of the Merger Consideration includes a fraction of a share of II-VI Common Stock, you will receive cash in lieu of that fractional share. See the section entitled The Merger Agreement Merger Consideration beginning on page 140 of this joint proxy statement/prospectus.

**Q: What equity stake will stockholders of Finisar as of immediately prior to the Merger hold in II-VI immediately following completion of the Merger?**

A: Based on the number of shares of II-VI Common Stock and Finisar Common Stock expected to be outstanding immediately prior to the Effective Time, it is expected that former Finisar stockholders and holders of Finisar equity awards that will receive Merger Consideration will hold, in the aggregate, approximately 29.27% of the outstanding shares of II-VI Common Stock immediately following the Effective Time.

**Q: Who is entitled to vote at the II-VI Special Meeting?**

A: All holders of record of II-VI Common Stock as of the close of business on February 5, 2019, the record date for the II-VI Special Meeting (the II-VI Record Date ), are entitled to receive notice of, and to vote at, the

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II-VI Special Meeting and any adjournments or postponements thereof. Each holder of II-VI Common Stock is entitled to cast one vote on each matter properly brought before the II-VI Special Meeting for each share of II-VI Common Stock that such holder owned of record as of the II-VI Record Date. See the section entitled Information About the II-VI Special Meeting Record Date, Outstanding Shares and Quorum beginning on page 71 of this joint proxy statement/prospectus.

**Q: Who is entitled to vote at the Finisar Special Meeting?**

A: All holders of record of Finisar Common Stock as of the close of business on February 5, 2019, the record date for the Finisar Special Meeting (the Finisar Record Date ), are entitled to receive notice of, and to vote at, the Finisar Special Meeting and any adjournments or postponements thereof. Each holder of Finisar Common Stock is entitled to cast one vote on each matter properly brought before the Finisar Special Meeting for each share of Finisar Common Stock that such holder owned of record as of the Finisar Record Date. See the section entitled Information About the Finisar Special Meeting Record Date, Outstanding Shares and Quorum beginning on page 66 of this joint proxy statement/prospectus.

**Q: What if I hold shares in both II-VI and Finisar?**

A: If you are both a II-VI shareholder and a Finisar stockholder, you will receive separate packages of proxy materials from each company. A vote as a Finisar stockholder for the approval of the Merger Proposal (or any other proposal to be considered at the Finisar Special Meeting) will not constitute a vote as a II-VI shareholder to approve the Share Issuance Proposal (or any other proposal to be considered at the II-VI Special Meeting), and vice versa. Therefore, please complete, sign and date and return all proxy cards and/or voting instructions that you receive from II-VI or Finisar, or submit your proxy or voting instructions for each set of voting materials over the Internet or by telephone in order to ensure that all of your shares are voted.

**Q: Does my vote matter?**

A: Yes. The Merger cannot be completed unless, among other things, II-VI shareholders approve the Share Issuance Proposal at the II-VI Special Meeting and Finisar stockholders approve the Merger Proposal at the Finisar Special Meeting. The II-VI Board unanimously recommends that II-VI shareholders vote **FOR** the Share Issuance Proposal, and the Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Merger Proposal.

**Q: When and where will the Special Meetings be held?**

A: The II-VI Special Meeting will be held on March 26, 2019, at 2:00 p.m. local time, at 5000 Ericsson Drive, Warrendale, Pennsylvania 15086.



The Finisar Special Meeting will be held on March 26, 2019, at 11:00 a.m. local time, at 2765 Sand Hill Road, Menlo Park, California 94025.

If you are a II-VI shareholder of record or a Finisar stockholder of record and plan to attend the II-VI Special Meeting or the Finisar Special Meeting, as applicable, in person, please mark the appropriate box on the enclosed proxy card, or enter that information when submitting your voting instructions by telephone or Internet prior to the II-VI Special Meeting or the Finisar Special Meeting, as applicable. II-VI and Finisar would like to know by March 19, 2019 if you plan to attend the II-VI Special Meeting or the Finisar Special Meeting, as applicable, in person. If your shares are held through an intermediary, such as a broker or a bank, you will need to present proof of your ownership as of the close of business on the II-VI Record Date or the Finisar Record Date for admission to the II-VI Special Meeting location or the Finisar Special Meeting location, respectively. Proof of ownership could include a voting instruction form from your bank or broker, or a copy of your account statement. All in-person attendees will need to present valid photo identification for admission. If you are the representative of a corporate or institutional shareholder or stockholder, as applicable, you must present valid photo identification along with proof that you are the

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representative of such shareholder or stockholder, as applicable. The use of recording devices and other electronic devices will not be permitted during the II-VI Special Meeting and the Finisar Special Meeting. For additional information about the II-VI Special Meeting, see the section entitled Information About the II-VI Special Meeting beginning on page 71 of this joint proxy statement/prospectus. For additional information about the Finisar Special Meeting, see the section entitled Information About the Finisar Special Meeting beginning on page 65 of this joint proxy statement/prospectus.

**Q: What are the matters on which II-VI shareholders are being asked to vote?**

A: II-VI shareholders are being asked to vote on:

The ***Share Issuance Proposal***: a proposal to approve the issuance of II-VI Common Stock in connection with the Merger; and

The ***II-VI Adjournment Proposal***: a proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal.

The approval by II-VI shareholders of the Share Issuance Proposal is a condition to the obligations of II-VI and Finisar to complete the Merger. The approval of the II-VI Adjournment Proposal is not a condition to the obligations of II-VI or Finisar to complete the Merger.

Under Pennsylvania law, II-VI shareholders are not required to consider and vote to adopt the Merger Agreement.

**Q: What are the matters on which Finisar stockholders are being asked to vote?**

A: Finisar stockholders are being asked to vote on:

The ***Merger Proposal***: a proposal to adopt the Merger Agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

The ***Finisar Adjournment Proposal***: a proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal; and

The ***Compensation Proposal***: a proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar's named executive officers in connection with the Merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such

compensation may be paid or become payable.

The approval by Finisar stockholders of the Merger Proposal is a condition to the obligations of II-VI and Finisar to complete the Merger. The approval of the Finisar Adjournment Proposal and the Compensation Proposal are not conditions to the obligations of II-VI or Finisar to complete the Merger.

**Q: Why are Finisar stockholders being asked to consider and vote on the Compensation Proposal?**

A: Under SEC rules, Finisar is required to seek a non-binding, advisory vote with respect to certain compensation that may be paid or become payable to Finisar's named executive officers in connection with the Merger and the agreements and understandings pursuant to which such compensation may be paid or become payable. Approval of the Compensation Proposal by the Finisar stockholders is not a condition to completion of the Merger. The vote is an advisory vote and will not be binding on Finisar, the Surviving Corporation or II-VI. If the Merger is completed, the Merger-related executive compensation may be paid to Finisar's named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if Finisar stockholders do not approve, by non-binding, advisory vote, the Compensation Proposal. See the sections entitled "Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers" beginning on page 189 of this joint proxy statement/prospectus.

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**Q: How do I vote?**

A: If you are a holder of record of II-VI Common Stock or Finisar Common Stock, you may vote on the matters to be presented at the applicable special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when submitting your voting instructions by telephone or by Internet. Proxies delivered over the Internet or by telephone must be submitted by 11:59 p.m. Eastern Time on March 25, 2019. Please be aware that if you submit your proxy by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid, pre-addressed reply envelope prior to the applicable special meeting; or

you may attend the applicable special meeting in person and cast your vote there.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the applicable special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

See the sections entitled **Information About the II-VI Special Meeting Voting of Shares, Proxies and Revocation** beginning on page 73 of this joint proxy statement/prospectus and **Information About the Finisar Special Meeting Voting of Shares, Proxies and Revocation** beginning on page 67 of this joint proxy statement/prospectus.

**Q: How does the II-VI Board recommend that II-VI shareholders vote?**

A: **The II-VI Board unanimously recommends that II-VI shareholders vote FOR the Share Issuance Proposal and FOR the II-VI Adjournment Proposal.** See the section entitled **The Merger II-VI s Reasons for the Merger; Recommendations of the II-VI Board** beginning on page 98 of this joint proxy statement/prospectus.

**Q: How does the Finisar Board recommend that Finisar stockholders vote?**

A: **The Finisar Board unanimously recommends that Finisar stockholders vote FOR the Merger Proposal, FOR the Finisar Adjournment Proposal and FOR the Compensation Proposal.** See the section entitled **The Merger Finisar s Reasons for the Merger; Recommendations of the Finisar Board** beginning on page 96 of this joint proxy statement/prospectus.

**Q: Why did the II-VI Board approve the Merger Agreement and the other transactions contemplated thereby, including the issuance of shares of II-VI Common Stock issuable in connection with the Merger?**

A: To review the II-VI Board's reasons for approving the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the issuance of shares of II-VI Common Stock issuable in connection with the Merger, and to recommend that the II-VI shareholders vote **FOR** the approval of the Share Issuance Proposal, see the section entitled "The Merger - II-VI's Reasons for the Merger; Recommendations of the II-VI Board" beginning on page 98 of this joint proxy statement/prospectus.

**Q: Why did the Finisar Board approve the Merger Agreement and the other transactions contemplated thereby, including the Merger?**

A: To review the Finisar Board's reasons for approving the Merger Agreement and the other transactions contemplated thereby, including the Merger, and to recommend that the Finisar stockholders vote **FOR**

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the approval of the Merger Proposal, see the section entitled "The Merger – Finisar's Reasons for the Merger; Recommendations of the Finisar Board" beginning on page 96 of this joint proxy statement/prospectus.

**Q: What constitutes a quorum for the II-VI Special Meeting?**

A: The presence in person or by proxy at the II-VI Special Meeting of a majority of the shares of II-VI Common Stock issued and outstanding on the II-VI Record Date will constitute a quorum at the II-VI Special Meeting. The presence in person or by proxy of at least 31,697,129 shares of II-VI Common Stock will be required to establish a quorum at the II-VI Special Meeting. Proxies received but marked as abstentions will be included as shares of II-VI Common Stock present when determining whether there is a quorum at the II-VI Special Meeting.

There must be a quorum for the vote on the Share Issuance Proposal to be taken at the II-VI Special Meeting. If there is no quorum, the II-VI Special Meeting may be adjourned or postponed to another date if the II-VI Adjournment Proposal is approved, which may subject II-VI to additional expense and delay or prevent the completion of the Merger.

See the section entitled "Information About the II-VI Special Meeting – Record Date, Outstanding Shares and Quorum" beginning on page 71 of this joint proxy statement/prospectus.

**Q: What constitutes a quorum for the Finisar Special Meeting?**

A: The presence in person or by proxy at the Finisar Special Meeting of a majority of the shares of Finisar Common Stock issued and outstanding on the Finisar Record Date will constitute a quorum at the Finisar Special Meeting. The presence in person or by proxy of at least 58,950,457 shares of Finisar Common Stock will be required to establish a quorum at the Finisar Special Meeting. Proxies received but marked as abstentions will be included as shares of Finisar Common Stock present when determining whether there is a quorum at the Finisar Special Meeting.

There must be a quorum for votes on the Merger Proposal, the Finisar Adjournment Proposal and the Compensation Proposal to be taken at the Finisar Special Meeting. If there is no quorum, the Finisar Special Meeting may be adjourned or postponed to another date, which may subject Finisar to additional expense and delay or prevent the completion of the Merger. If a quorum shall fail to attend the Finisar Special Meeting, the chairman of the meeting or the holders of a majority of the shares of Finisar Common Stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time.

See the section entitled "Information About the Finisar Special Meeting – Record Date, Outstanding Shares and Quorum" beginning on page 66 of this joint proxy statement/prospectus.

**Q: What is the vote required to approve each proposal at the II-VI Special Meeting?**

A: Assuming that a quorum is present, approval of the Share Issuance Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by

proxy, are entitled to cast. Accordingly, abstentions will have the same effect as a vote **AGAINST** the Share Issuance Proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the Share Issuance Proposal. This vote will satisfy the vote requirements of Listing Rule 5635(d) of the Nasdaq Stock Market with respect to the Share Issuance Proposal. **II-VI cannot complete the Merger unless, among other things, the II-VI shareholders approve the Share Issuance Proposal.**

Approval of the II-VI Adjournment Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast,

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whether or not a quorum is present. Accordingly, abstentions will have the same effect as a vote **AGAINST** the II-VI Adjournment Proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the II-VI Adjournment Proposal.

See the section entitled "Information About the II-VI Special Meeting - Vote Required" beginning on page 72 of this joint proxy statement/prospectus.

**Q: What is the vote required to approve each proposal at the Finisar Special Meeting?**

A: Assuming that a quorum is present, approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock. If your shares of Finisar Common Stock are not voted on the Merger Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Merger Proposal, your shares will have the effect of a vote **AGAINST** the Merger Proposal. **Finisar cannot complete the Merger, and no Merger Consideration will be paid to Finisar stockholders by II-VI, unless, among other things, the Finisar stockholders approve the Merger Proposal.**

Assuming that a quorum is present, approval of the Finisar Adjournment Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Finisar Adjournment Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Finisar Adjournment Proposal, your shares will have no effect on the Finisar Adjournment Proposal.

Assuming that a quorum is present, approval of the Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Compensation Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Compensation Proposal, your shares will have no effect on the Compensation Proposal.

See the section entitled "Information About the Finisar Special Meeting - Vote Required" beginning on page 66 of this joint proxy statement/prospectus.

**Q: What is the difference between holding shares as a holder of record and as a beneficial owner?**

A: If your shares of common stock are registered directly in your name with the transfer agent of II-VI or Finisar, you are considered the holder of record with respect to those shares. As the holder of record, you have the right to vote or to grant a proxy for your vote directly to II-VI or Finisar, respectively, or to a third party to vote at the applicable special meeting.

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and your bank, brokerage firm or other nominee is considered the holder of record with respect to those shares. Your bank, brokerage firm or other nominee will send to you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your



shares. You are invited to attend the applicable special meeting; however, you may not vote these shares in person at the applicable special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the applicable special meeting.

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**Q: If my shares of II-VI Common Stock or Finisar Common Stock are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee automatically vote those shares for me?**

A: No. If your shares are held in the name of a bank, brokerage firm or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee. If you hold your shares in street name, you must provide instructions to your bank, brokerage firm or other nominee to direct how your shares are to be voted at the II-VI Special Meeting or the Finisar Special Meeting.

Unless your bank, brokerage firm or other nominee has discretionary authority to vote your shares, your bank, brokerage firm or other nominee may not vote your shares without voting instructions from you. In accordance with applicable stock exchange rules, if your shares are held in street name through a brokerage firm, your broker has authority to vote on routine proposals if you have not provided voting instructions. However, your broker is precluded from exercising voting discretion with respect to non-routine matters. All of the proposals to be voted on by II-VI shareholders at the II-VI Special Meeting and Finisar stockholders at the Finisar Special Meeting are non-routine matters. As a result, if your shares are held in street name through a brokerage firm and you do not provide voting instructions, your broker will not have discretionary authority to vote your shares at the II-VI Special Meeting or the Finisar Special Meeting, as applicable, and, accordingly, II-VI and Finisar do not expect any broker non-votes on any of the proposals at the Special Meetings. A broker non-vote occurs on an item when (i) a broker has discretionary authority to vote on at least one routine proposal at a meeting, but under stock exchange rules is not permitted to vote on other non-routine proposals without instructions from the beneficial owner of the shares and (ii) that broker exercises its discretionary authority on the routine proposal after the beneficial owner fails to provide such instructions, resulting in broker non-votes on each of the non-routine proposals.

If you are a Finisar stockholder and you fail to instruct your bank, brokerage firm or other nominee how to vote your shares, your shares will have the same effect as a vote **AGAINST** the Merger Proposal. Your shares will not be counted, and therefore will have no effect, on any of the other proposals voted on at the Special Meetings if you fail to instruct your bank, brokerage firm or other nominee how to vote your shares.

You should therefore provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares of II-VI Common Stock or Finisar Common Stock, as applicable.

Please follow the voting instructions provided by your bank, brokerage firm or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to II-VI or Finisar or by voting in person at your special meeting unless you first obtain a proxy from your bank, brokerage firm or other nominee.

See the sections entitled Information About the II-VI Special Meeting Vote Required beginning on page 72 of this joint proxy statement/prospectus and Information About the Finisar Special Meeting Vote Required beginning on page 66 of this joint proxy statement/prospectus.

**Q: How many votes will holders of II-VI Common Stock have at the II-VI Special Meeting?**

A: Holders of II-VI Common Stock are entitled to one vote for each share of II-VI Common Stock owned as of the II-VI Record Date. As of the II-VI Record Date, there were 63,394,256 shares of II-VI Common Stock outstanding. II-VI does not have any outstanding securities that are entitled to vote at the II-VI Special Meeting other than the II-VI Common Stock.

**Q: How many votes will holders of Finisar Common Stock have at the Finisar Special Meeting?**

A: Holders of Finisar Common Stock are entitled to one vote for each share of Finisar Common Stock owned as of the Finisar Record Date. As of the Finisar Record Date, there were 117,900,912 shares of Finisar Common

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Stock outstanding. Finisar does not have any outstanding securities that are entitled to vote at the Finisar Special Meeting other than the Finisar Common Stock.

**Q: If I submit a proxy, how are my shares voted?**

A: Regardless of whether you are a II-VI shareholder or a Finisar stockholder, and regardless of the method you choose to vote, the individuals named on the enclosed proxy card will vote your shares in the way that you indicate at the applicable special meeting. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares should be voted **FOR** or **AGAINST** or to **ABSTAIN** from voting on all, some or none of the specific items of business to come before the applicable special meeting.

If you are a II-VI shareholder and you properly sign your proxy card but do not mark the boxes showing how your shares of II-VI Common Stock should be voted on a matter, the shares represented by your properly signed proxy will be voted **FOR** the Share Issuance Proposal and **FOR** the II-VI Adjournment Proposal, as applicable.

If you are a Finisar stockholder and you properly sign your proxy card but do not mark the boxes showing how your shares of Finisar Common Stock should be voted on a matter, the shares represented by your properly signed proxy will be voted **FOR** the Merger Proposal, **FOR** the Finisar Adjournment Proposal and **FOR** the Compensation Proposal, as applicable.

If you fail to submit a valid proxy and to attend the applicable special meeting, or if your shares are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares, your shares will not be voted on any of the matters being considered at the applicable Special Meeting and, if you are a Finisar stockholder, will have the effect of a vote **AGAINST** the Merger Proposal.

See the sections entitled Information About the II-VI Special Meeting Voting of Shares, Proxies and Revocation beginning on page 73 of this joint proxy statement/prospectus and Information About the Finisar Special Meeting Voting of Shares, Proxies and Revocation beginning on page 67 of this joint proxy statement/prospectus.

**Q: Can I revoke my proxy or change my voting instructions?**

A: Yes. You may revoke your proxy or change your vote, at any time, before your shares are voted at the II-VI Special Meeting or the Finisar Special Meeting, as applicable.

If you are a holder of record of II-VI Common Stock as of the II-VI Record Date, you can revoke your proxy or change your vote by:

    sending a written notice stating that you revoke your proxy to the Secretary of II-VI, at II-VI's offices at 375 Saxonburg Boulevard, Saxonburg, Pennsylvania 16056, Attention: Secretary, that bears a date later than the date of the previously submitted proxy that you want to revoke and is received by II-VI's Secretary prior to the II-VI Special Meeting;

submitting a valid, later-dated proxy via mail, over the telephone or through the Internet; or

attending the II-VI Special Meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

If you are a holder of record of Finisar Common Stock as of the Finisar Record Date, you can revoke your proxy or change your vote by:

sending a written notice stating that you revoke your proxy to the Secretary of Finisar, at Finisar's offices at 1389 Moffett Park Drive, Sunnyvale, California 94089, Attention: Secretary, that bears a date later than the date of the previously submitted proxy that you want to revoke and is received by Finisar's Secretary prior to the Finisar Special Meeting;

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submitting a valid, later-dated proxy via mail, over the telephone or through the Internet; or

attending the Finisar Special Meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

In either case, if you hold your shares in street name, you must contact your nominee or intermediary to change your vote or obtain a legal proxy to vote your shares if you wish to cast your vote in person at the II-VI Special Meeting or the Finisar Special Meeting.

See the sections entitled **Information About the II-VI Special Meeting Voting of Shares, Proxies and Revocation** beginning on page 73 of this joint proxy statement/prospectus and **Information About the Finisar Special Meeting Voting of Shares, Proxies and Revocation** beginning on page 67 of this joint proxy statement/prospectus.

**Q: What happens if I transfer my shares of II-VI Common Stock before the II-VI Special Meeting?**

A: The II-VI Record Date is earlier than the date of the II-VI Special Meeting and the date that the Merger is expected to be completed. If you transfer your shares of II-VI Common Stock after the II-VI Record Date, but before the II-VI Special Meeting, you will retain your right to vote at the II-VI Special Meeting.

**Q: What happens if I transfer my shares of Finisar Common Stock before the Finisar Special Meeting?**

A: The Finisar Record Date is earlier than the date of the Finisar Special Meeting and the date that the Merger is expected to be completed. If you transfer your shares of Finisar Common Stock after the Finisar Record Date, but before the Finisar Special Meeting, you will retain your right to vote at the Finisar Special Meeting. However, you will have transferred the right to receive the Merger Consideration in the Merger. In order to receive the Merger Consideration, you must hold your shares of Finisar Common Stock through the Effective Time. In addition, after an election is validly made with respect to Merger Consideration, any subsequent transfer of Finisar Common Stock will automatically revoke such election. Following such revocation, unless a subsequent election is made, the holder of such shares of Finisar Common Stock will be deemed to have made a Mixed Election with respect to such shares.

**Q: What do I do if I receive more than one set of voting materials?**

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction forms. This can occur if you hold shares of both II-VI Common Stock and Finisar Common Stock, if your shares of II-VI Common Stock or Finisar Common Stock are held in more than one brokerage account, if you hold your shares of II-VI Common Stock or Finisar Common Stock directly as a holder of record and also in street name, or otherwise through another holder of record, and in certain other circumstances. If you receive more than one set of voting materials, please vote or return each set separately in order to ensure that all of your shares are voted.

**Q: What will happen if all of the proposals to be considered at the II-VI Special Meeting and the Finisar Special Meeting are not approved?**

A: As a condition to completion of the Merger, II-VI shareholders must approve the Share Issuance Proposal at the II-VI Special Meeting, and Finisar stockholders must approve the Merger Proposal at the Finisar Special Meeting. Completion of the Merger is not conditioned or dependent upon the approval of the II-VI Adjournment Proposal at the II-VI Special Meeting or the approval of the Finisar Adjournment Proposal or the Compensation Proposal at the Finisar Special Meeting.

**Q: Am I entitled to exercise appraisal rights?**

A: If you are a holder of II-VI Common Stock, you are not entitled to appraisal rights in connection with the Merger under Pennsylvania law.

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Under Delaware law, record holders of Finisar Common Stock who choose the Stock Election Consideration for their shares of Finisar Common Stock, but receive a mix of cash and II-VI Common Stock for such shares through the proration adjustment mechanism in connection with an oversubscription of the Stock Election Consideration, will be entitled to appraisal rights for such shares if such stockholders have otherwise complied with the requirements of Section 262 of the DGCL. **Appraisal rights will not be available to Finisar stockholders who fail to make an election and receive the Mixed Election Consideration or to Finisar stockholders who choose the Cash Election Consideration or the Mixed Election Consideration.**

In addition, a stockholder who desires to exercise appraisal rights must neither vote in favor of the Merger Proposal nor consent thereto in writing, must continuously hold his, her or its shares of Finisar Common Stock through the effective date of the Merger, must deliver to Finisar a written demand for appraisal prior to the date of the Finisar Special Meeting and must otherwise comply with the procedures set forth in Section 262 of the DGCL.

If the Merger is completed, subject to the provisions of Section 262 of the DGCL, Finisar stockholders who are entitled to, and properly perfect, their appraisal rights will obtain payment in cash of the fair value of their shares of Finisar Common Stock as determined by the Delaware Court of Chancery, instead of receiving the Merger Consideration for their shares. The fair value of shares of Finisar Common Stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the Merger Consideration that Finisar stockholders would otherwise be entitled to receive under the terms of the Merger Agreement.

However, notwithstanding a Finisar stockholder's compliance with the DGCL in perfecting appraisal rights, under Section 262 of the DGCL, assuming Finisar Common Stock remains listed on a national securities exchange immediately prior to the Effective Time, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all Finisar stockholders who are otherwise entitled to appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of Finisar Common Stock, or (ii) the value of the consideration provided in the Merger for such total number of shares entitled to appraisal exceeds \$1 million. To exercise appraisal rights, Finisar stockholders must comply with the procedures prescribed by Section 262 of the DGCL. These procedures are summarized in the section entitled "Appraisal Rights" beginning on page 215 of this joint proxy statement/prospectus. In addition, a copy of the full text of Section 262 of the DGCL is included as [Annex D](#) to this joint proxy statement/prospectus. Failure to comply with these provisions may result in a loss of the right of appraisal.

### **Q: What is the expected timing of the completion of the Merger?**

A: Subject to the satisfaction or waiver of each of the closing conditions described under the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 160 of this joint proxy statement/prospectus, including the approval of the Share Issuance Proposal by II-VI shareholders at the II-VI Special Meeting and the approval of the Merger Proposal by Finisar stockholders at the Finisar Special Meeting, II-VI and Finisar expect that the Merger will be completed approximately in the middle of 2019. However, it is possible that factors outside the control of both companies could result in the Merger being completed at a different time or not at all.

As described in the sections entitled "The Merger Agreement - Conditions to Completion of the Merger" and "The Merger Regulatory Approvals" beginning on pages 160 and 129, respectively, of this joint proxy statement/prospectus, completion of the Merger is conditioned on, among other things, (i) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and (ii) receipt of all other consents under certain specified federal, state, local or foreign antitrust, competition,



premerger notification or trade regulation laws, regulations or orders.

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**Q: Are there any important risks related to the Merger or II-VI's or Finisar's businesses of which I should be aware?**

A: Yes, there are important risks related to the Merger and each of II-VI's and Finisar's businesses. Before making any decision on how to vote, II-VI and Finisar urge you to read carefully and in its entirety the section entitled "Risk Factors" beginning on page 48 of this joint proxy statement/prospectus. You also should read and carefully consider the risk factors relating to II-VI and Finisar contained in the documents that are incorporated by reference into this joint proxy statement/prospectus, including II-VI's Annual Report on Form 10-K for its fiscal year ended June 30, 2018, as updated from time to time in II-VI's subsequent filings with the SEC, and Finisar's Annual Report on Form 10-K for its fiscal year ended April 29, 2018, as updated from time to time in Finisar's subsequent filings with the SEC.

**Q: Do Finisar directors and officers have interests that may differ from those of other Finisar stockholders?**

A: Yes. In considering the recommendation of the Finisar Board that Finisar stockholders vote **FOR** the Merger Proposal, Finisar stockholders should be aware and take into account the fact that certain Finisar directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of Finisar stockholders generally. The Finisar Board was aware of and considered these interests, among other matters, in evaluating the terms and structure, and overseeing the negotiation of, the Merger, in approving the Merger Agreement and in recommending that Finisar stockholders vote **FOR** the adoption of the Merger Proposal. See the section entitled "Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers" beginning on page 189 of this joint proxy statement/prospectus and "Interests of Finisar's Directors and Executive Officers in the Merger" beginning on page 166 of this joint proxy statement/prospectus.

**Q: What are the material U.S. federal income tax consequences of the Merger to U.S. holders of II-VI Common Stock and Finisar Common Stock?**

A: U.S. holders of II-VI Common Stock will not recognize any income, gain or loss as a result of the Merger due solely to their ownership of II-VI Common Stock. U.S. holders of II-VI Common Stock that also hold Finisar Common Stock will be subject to the tax consequences described below with respect to their ownership of Finisar Common Stock.

The exchange of Finisar Common Stock for cash, II-VI Common Stock or both in the Merger generally will be a taxable transaction for U.S. holders of Finisar Common Stock for U.S. federal income tax purposes and may also be taxable under state, local or other tax laws. You should read the section entitled "The Merger Material U.S. Federal Income Tax Consequences" beginning on page 132 of this joint proxy statement/prospectus for more information.

Tax matters can be complicated and the tax consequences of the Merger to you will depend on your particular circumstances. You are urged to consult your tax advisor regarding the U.S. federal income tax consequences of the Merger to you in your particular circumstances, as well as tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

**Q: What are the conditions to completion of the transactions?**

A: In addition to the approval of the Share Issuance Proposal by II-VI shareholders and the approval of the Merger Proposal by Finisar stockholders as described above, completion of the Merger is subject to the satisfaction or, to the extent permissible under applicable law, waiver of a number of other conditions, including, among other things, the receipt of required regulatory approvals, the accuracy of II-VI's and Finisar's respective representations and warranties under the Merger Agreement (subject to certain materiality exceptions) and II-VI's and Finisar's performance of their respective obligations under the

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Merger Agreement. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the Merger, see the section entitled **The Merger Agreement – Conditions to Completion of the Merger** beginning on page 160 of this joint proxy statement/prospectus.

**Q: What happens if the Merger is not completed?**

A: If the Share Issuance Proposal is not approved by II-VI shareholders or the Merger Proposal is not approved by Finisar stockholders, or any of the other conditions to the Merger are not satisfied or waived for any other reason, Finisar stockholders will not receive any Merger Consideration for their shares of Finisar Common Stock. Instead, Finisar will remain an independent public company, Finisar Common Stock will continue to be listed and traded on the Nasdaq Global Select Market and registered under the Exchange Act, and Finisar will continue to file periodic reports with the SEC. Under specified circumstances, II-VI or Finisar may be required to pay the other party a termination fee of \$105.2 million. See the section entitled **The Merger Agreement – Fees and Expenses and Termination Fees** beginning on page 163 of this joint proxy statement/prospectus.

**Q: How will Finisar stockholders receive the Merger Consideration to which they are entitled?**

A: If you hold physical share certificates of Finisar Common Stock, you will be sent a letter of transmittal promptly after the Effective Time describing how you may exchange your shares of Finisar Common Stock for the Merger Consideration to which you are entitled, and the Exchange Agent will forward to you the applicable Merger Consideration to which you are entitled after receiving the proper documentation from you. If you hold your shares of Finisar Common Stock in uncertificated book-entry form, you are not required to take any specific actions to exchange your shares of Finisar Common Stock, and after the completion of the Merger, such shares will be automatically exchanged for the Merger Consideration. For more information on the documentation you are required to deliver to the Exchange Agent, see the sections entitled **The Merger Agreement – Election Procedures** beginning on page 142 of this joint proxy statement/prospectus and **The Merger Agreement – Exchange Procedures** beginning on page 143 of this joint proxy statement/prospectus.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: II-VI will bear the entire cost of proxy solicitation, including preparation, assembly, printing and mailing of the notice of II-VI Special Meeting, proxy card, this joint proxy statement/prospectus and any additional materials furnished to II-VI shareholders. Copies of these materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others to forward to those beneficial owners. In addition, II-VI may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of II-VI Common Stock. II-VI's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies. II-VI has engaged MacKenzie Partners, Inc. ( **MacKenzie** ) to aid in the solicitation of proxies from brokers, bank nominees and other institutional owners for approximately \$25,000, plus reimbursement of related expenses.

Finisar will bear the entire cost of proxy solicitation, including preparation, assembly, printing and mailing of the notice of Finisar Special Meeting, proxy card, this joint proxy statement/prospectus and any additional materials

furnished to Finisar stockholders. Copies of these materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others to forward to those beneficial owners. In addition, Finisar may reimburse the costs of forwarding these materials to those beneficial owners. Finisar also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Finisar Common Stock. Finisar's directors, officers and employees also may solicit proxies by telephone, by

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facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies. Finisar has engaged D.F. King & Co., Inc. to aid in the solicitation of proxies from brokers, bank nominees and other institutional owners for approximately \$12,500, plus reimbursement of related expenses.

**Q: What do I need to do now?**

A: Even if you plan to attend the II-VI Special Meeting or the Finisar Special Meeting in person, after carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote promptly to ensure that your shares are represented at the II-VI Special Meeting or the Finisar Special Meeting, as applicable.

**Q: If I hold physical share certificates representing my shares of Finisar Common Stock, should I send in my share certificates now?**

A: No, please do **NOT** return your share certificate(s) with your proxy. If the Merger is completed, and you hold physical share certificates in respect of your shares of Finisar Common Stock, you will be sent a letter of transmittal promptly after the Effective Time describing how you may exchange your shares of Finisar Common Stock for the applicable Merger Consideration. See the section entitled "The Merger Agreement Exchange Procedures" beginning on page 143 of this joint proxy statement/prospectus.

**Q: Where can I find the voting results of the Special Meetings?**

A: The preliminary voting results will be announced at the Special Meetings. In addition, within four business days following certification of their respective final voting results, II-VI and Finisar each intend to file its final voting results with the SEC in a Current Report on Form 8-K.

**Q: Is the completion of the Merger subject to a financing condition?**

A: No. The receipt of any financing by II-VI is not a condition to completion of the Merger and, except in certain limited circumstances in which II-VI or Finisar may be permitted to terminate the Merger Agreement (as more fully described in "The Merger Agreement Termination of the Merger Agreement"), II-VI will be required to complete the Merger (assuming that all of the conditions to its obligations to complete the Merger under the Merger Agreement are satisfied or waived) whether or not financing is available on acceptable terms or at all. On November 8, 2018, in connection with its entry into the Merger Agreement, II-VI entered into a commitment letter (together with a related fee letter) with Bank of America, N.A. ("Bank of America"), which was subsequently amended and restated on December 7, 2018 and on December 14, 2018 (together with one or more related fee letters, the "Commitment Letter"). Subject to the terms and conditions set forth in the Commitment Letter, Bank of America and the other lender parties thereto (the "Lending Parties") have severally committed to provide 100% of up to \$2.425 billion in aggregate principal amount of senior secured credit facilities of II-VI (the "II-VI Senior Credit

Facilities ) comprised of (i) a term a loan facility of up to \$1.0 billion, a portion of which will be available after the closing of the Merger on a delayed draw basis, (ii) a term b loan facility of up to \$975.0 million and (iii) a revolving credit facility of up to \$450.0 million. The obligation of Bank of America and the other lead arranger parties thereto (the Lead Arrangers ) to provide the debt financing under the Commitment Letter is subject to a number of conditions. II-VI currently intends to pay the cash portion of the aggregate Merger Consideration and pay related fees and expenses in connection with the Merger using the proceeds of draws under the II-VI Senior Credit Facilities and cash and short-term investments of II-VI and Finisar. II-VI currently does not intend to draw on the revolving credit facility in order to fund the cash portion of the aggregate Merger Consideration.

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For more information on the II-VI Senior Credit Facilities, see the section entitled "The Merger - Description of Debt Financing" beginning on page 135 of this joint proxy statement/prospectus.

**Q: What will happen to the Finisar Convertible Notes in connection with the Merger?**

A: As of the date of this joint proxy statement/prospectus, Finisar has outstanding approximately \$1.1 million aggregate principal amount of 2033 Notes and \$575.0 million aggregate principal amount of 2036 Notes. At the consummation of the Merger and pursuant to the Indentures (as defined below), II-VI, the Surviving Corporation and Wells Fargo Bank, National Association, as trustee (the "Trustee"), will enter into supplemental indentures to (i) the Indenture, dated as of December 16, 2013 (the "2033 Notes Indenture"), by and between Finisar and the Trustee, governing the 2033 Notes and (ii) the Indenture, dated as of December 21, 2016 (the "2036 Notes Indenture" and, together with the 2033 Notes Indenture, the "Indentures"), by and between Finisar and the Trustee, governing the 2036 Notes. The respective supplemental indentures will comply with the applicable terms of the Indentures and will, among other things, provide that (y) at and after the Effective Time, the right to convert each \$1,000 principal amount of the applicable Finisar Convertible Notes will be changed into a right to convert such principal amount of the applicable Finisar Convertible Notes into the weighted average of the types and amounts of consideration received by holders of Finisar Common Stock that affirmatively make an election to receive Cash Election Consideration, Stock Election Consideration or Mixed Election Consideration that a holder of a number of shares of Finisar Common Stock equal to the applicable conversion rate immediately prior to the consummation of the Merger would have owned or been entitled to receive in connection with the Merger (the "Reference Property") and (z) II-VI fully and unconditionally guarantees, on a senior unsecured basis, the Finisar Convertible Notes.

Pursuant to the terms of the Indentures, consummation of the Merger will constitute a "Fundamental Change" and a "Make Whole Fundamental Change." As a result, holders of the Finisar Convertible Notes will be permitted to choose, pursuant, and subject, to the terms and conditions of the Indentures (i) to convert their Finisar Convertible Notes, (ii) to require Finisar to repurchase their Finisar Convertible Notes for a price equal to 100% of their principal amount, together with accrued and unpaid interest to, but excluding, the repurchase date, or (iii) to continue holding their Finisar Convertible Notes until maturity or until they are otherwise redeemed, repurchased, or converted pursuant to the terms of the applicable Indenture. Neither II-VI, Merger Sub, Finisar nor any of their respective affiliates or representatives have made, or intend to make, any recommendation to any holder of Finisar Convertible Notes regarding this election.

See the section entitled "The Merger - Treatment of Finisar Convertible Notes" beginning on page 136 of this joint proxy statement/prospectus.

**Q: Will the II-VI Common Stock issued to Finisar stockholders at the time of completion of the Merger be traded on an exchange?**

A: Yes. The shares of II-VI Common Stock to be issued to Finisar stockholders in the Merger will trade on the Nasdaq Global Select Market. Shares of II-VI Common Stock currently trade on the Nasdaq Global Select Market under the ticker symbol "IIVI." See the section entitled "The Merger - Listing of II-VI Common Stock; Delisting and Deregistration of Finisar Common Stock" beginning on page 130 of this joint proxy



statement/prospectus.

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**Q: Who can help answer any other questions I have?**

A: II-VI shareholders and Finisar stockholders who have questions about the Merger, the other matters to be voted on at the Special Meetings or how to submit a proxy, or who need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, should contact:

**II-VI Shareholders:**

II-VI Incorporated  
375 Saxonburg Boulevard  
Saxonburg, PA 16056  
Attention: Mark Lourie  
(724) 352-4455

**Finisar Stockholders:**

Finisar Corporation  
1389 Moffett Park Drive  
Sunnyvale, CA 94089  
Attention: Investor Relations  
(408) 548-1000

OR

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, NY 10005

Banks and Brokers, call collect: (212) 269-5550

All others, call toll free: (866) 356-7813

Email: *FNSR@dfking.com*

**Q: Where can I find more information about II-VI and Finisar?**

A: You can find more information about II-VI and Finisar from the various sources described in the section entitled Where You Can Find More Information beginning on page 223 of this joint proxy statement/prospectus.

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**SUMMARY**

The following summary highlights selected information in this joint proxy statement/prospectus and may not contain all the information that may be important to you as a II-VI shareholder or a Finisar stockholder. Accordingly, we encourage you to read carefully this entire joint proxy statement/prospectus, its annexes and the documents referred to in this joint proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions under the section entitled **Where You Can Find More Information** beginning on page 223 of this joint proxy statement/prospectus.

**The Companies (See page 64)**

***II-VI Incorporated***

375 Saxonburg Boulevard

Saxonburg, Pennsylvania 16056

(724) 352-4455

II-VI Incorporated, a Pennsylvania corporation, is a global leader in engineered materials and optoelectronic components, and is a vertically integrated manufacturing company that develops innovative products for diversified applications in the industrial, optical communications, military, life sciences, semiconductor equipment, and consumer markets. Headquartered in Saxonburg, Pennsylvania, II-VI has research and development, manufacturing, sales, service, and distribution facilities worldwide. II-VI produces a wide variety of application-specific photonic and electronic materials and components, and deploys them in various forms, including integrated with advanced software to enable its customers.

II-VI Common Stock is listed on the Nasdaq Global Select Market under the symbol **IIVI**. II-VI's home page on the Internet is [www.ii-vi.com](http://www.ii-vi.com). The information provided on II-VI's website is not part of this joint proxy statement/prospectus and is not incorporated herein by reference.

This joint proxy statement/prospectus incorporates important business and financial information about II-VI from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see **Where You Can Find More Information** beginning on page 223 of this joint proxy statement/prospectus.

***Mutation Merger Sub Inc.***

c/o II-VI Incorporated

375 Saxonburg Boulevard

Saxonburg, Pennsylvania 16056

(724) 352-4455

Mutation Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of II-VI, was formed solely for the purpose of facilitating the Merger. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the Merger Agreement. By operation of the Merger, Merger Sub will be merged with and into Finisar, with Finisar surviving the Merger as a wholly owned subsidiary of II-VI.

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***Finisar Corporation***

1389 Moffett Park Drive

Sunnyvale, California 94089

(408) 548-1000

Finisar Corporation, a Delaware corporation, is a global technology leader in optical communications, providing components and subsystems to networking equipment manufacturers, data center operators, telecom service providers, consumer electronics and automotive companies. Finisar, incorporated in California in April 1987 and reincorporated in Delaware in November 1999, designs products that meet the increasing demands for network bandwidth, data storage and 3D sensing subsystems. Finisar is headquartered in Sunnyvale, California, with research and development, manufacturing sites, sales and support offices worldwide.

Finisar Common Stock is listed on the Nasdaq Global Select Market under the symbol FNSR. Finisar's home page on the Internet is [www.finisar.com](http://www.finisar.com). The information provided on Finisar's website is not part of this joint proxy statement/prospectus and is not incorporated herein by reference.

This joint proxy statement/prospectus incorporates important business and financial information about II-VI from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see "Where You Can Find More Information" beginning on page 223 of this joint proxy statement/prospectus.

**The Merger (See page 76)**

II-VI, Merger Sub and Finisar have entered into the Merger Agreement. Subject to the terms and conditions of the Merger Agreement and in accordance with applicable law, in the Merger, Merger Sub will be merged with and into Finisar, with Finisar continuing as the Surviving Corporation and a wholly owned subsidiary of II-VI. Upon completion of the Merger, Finisar Common Stock no longer will be publicly traded.

The terms and conditions of the Merger are contained in the Merger Agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus. We encourage you to read the Merger Agreement carefully and in its entirety, as it is the principal document that governs the Merger. If the conditions set forth in the Merger Agreement are satisfied or waived, the Merger will be consummated.

**II-VI Special Meeting (See page 71)**

**Meeting.** The II-VI Special Meeting will be held on March 26, 2019, at 5000 Ericsson Drive, Warrendale, Pennsylvania 15086, at 2:00 p.m. local time. At the II-VI Special Meeting, II-VI shareholders will be asked to consider and vote on the Share Issuance Proposal and the II-VI Adjournment Proposal.

**Record Date.** The II-VI Board has fixed the close of business on February 5, 2019 as the record date for the determination of the II-VI shareholders entitled to notice of and to vote at the II-VI Special Meeting or any adjournment or postponement of the II-VI Special Meeting (the II-VI Record Date). Only II-VI shareholders of record at the II-VI Record Date are entitled to receive notice of, and to vote at, the II-VI Special Meeting or any adjournment or postponement of the II-VI Special Meeting. As of the close of business on the II-VI Record Date, there were 63,394,256 shares of II-VI Common Stock outstanding and entitled to vote at the II-VI Special Meeting. Each holder

of shares of II-VI Common Stock is entitled to one vote for each share of II-VI Common Stock owned at the II-VI Record Date.

***Quorum.*** The presence in person or by proxy at the II-VI Special Meeting of a majority of the shares of II-VI Common Stock issued and outstanding on the II-VI Record Date will constitute a quorum at the II-VI

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Special Meeting. The presence in person or by proxy of at least 31,697,129 shares of II-VI Common Stock will be required to establish a quorum at the II-VI Special Meeting. Proxies received but marked as abstentions will be included as shares of II-VI Common Stock present when determining whether there is a quorum at the II-VI Special Meeting.

There must be a quorum for the vote on the Share Issuance Proposal to be taken at the II-VI Special Meeting. If there is no quorum, the II-VI Special Meeting may be adjourned or postponed to another date if the II-VI Adjournment Proposal is approved, which may subject II-VI to additional expense and delay or prevent the completion of the Merger.

**Required Vote.** Assuming that a quorum is present, approval of the Share Issuance Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast. Accordingly, abstentions will have the same effect as a vote **AGAINST** the Share Issuance Proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the Share Issuance Proposal. This vote will satisfy the vote requirements of Listing Rule 5635(d) of the Nasdaq Stock Market with respect to the Share Issuance Proposal. **II-VI cannot complete the Merger unless, among other things, the II-VI shareholders approve the Share Issuance Proposal.**

Approval of the II-VI Adjournment Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast, whether or not a quorum is present. Accordingly, abstentions will have the same effect as a vote **AGAINST** the II-VI Adjournment Proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the II-VI Adjournment Proposal.

If you hold your shares of II-VI Common Stock in street name, your nominee or intermediary may not vote your shares without instructions from you. If you do not provide voting instructions on the Share Issuance Proposal and the II-VI Adjournment Proposal, your shares will not be deemed in attendance at the II-VI Special Meeting and will not be voted.

**Stock Ownership of and Voting by II-VI Directors and Executive Officers.** At the II-VI Record Date, II-VI's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 1,255,761 shares of II-VI Common Stock at the II-VI Special Meeting, which represents approximately 1.98% of the shares of II-VI Common Stock entitled to vote at the II-VI Special Meeting.

Each of II-VI's directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her shares of II-VI Common Stock **FOR** the Share Issuance Proposal and **FOR** the II-VI Adjournment Proposal, although none of II-VI's directors and executive officers has entered into any agreement requiring them to do so.

For more information, see the section entitled "Information About the II-VI Special Meeting" beginning on page 71 of this joint proxy statement/prospectus.

### **Finisar Special Meeting (See page 65)**

**Meeting.** The Finisar Special Meeting will be held on March 26, 2019, at 2765 Sand Hill Road, Menlo Park, California 94025, at 11:00 a.m. local time. At the Finisar Special Meeting, Finisar stockholders will be asked to

consider and vote on the Merger Proposal, the Finisar Adjournment Proposal and the Compensation Proposal.



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**Record Date.** The Finisar Board has fixed the close of business on February 5, 2019 as the record date for the determination of the Finisar stockholders entitled to notice of and to vote at the Finisar Special Meeting or any adjournment or postponement of the Finisar Special Meeting (the Finisar Record Date ). Only Finisar stockholders of record at the Finisar Record Date are entitled to receive notice of, and to vote at, the Finisar Special Meeting or any adjournment or postponement of the Finisar Special Meeting. As of the close of business on the Finisar Record Date, there were 117,900,912 shares of Finisar Common Stock outstanding and entitled to vote at the Finisar Special Meeting. Each holder of shares of Finisar Common Stock is entitled to one vote for each share of Finisar Common Stock owned at the record date.

**Quorum.** The presence in person or by proxy at the Finisar Special Meeting of a majority of the shares of Finisar Common Stock issued and outstanding on the Finisar Record Date will constitute a quorum at the Finisar Special Meeting. The presence in person or by proxy of at least 58,950,457 shares of Finisar Common Stock will be required to establish a quorum at the Finisar Special Meeting. Proxies received but marked as abstentions will be included as shares of Finisar Common Stock present when determining whether there is a quorum at the Finisar Special Meeting.

There must be a quorum for the votes on the Merger Proposal, the Adjournment Proposal, and the Compensation Proposal to be taken at the Finisar Special Meeting. If there is no quorum, the Finisar Special Meeting may be adjourned or postponed to another date, which may subject Finisar to additional expense and delay or prevent the completion of the Merger. If a quorum shall fail to attend the Finisar Special Meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time.

**Required Vote.** Assuming that a quorum is present, approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock. If your shares of Finisar Common Stock are not voted on the Merger Proposal, whether due to a record holder s failure to vote or a street name holder s failure to provide any voting instructions to such holder s nominee or intermediary, or if you abstain on the Merger Proposal, your shares will have the effect of a vote **AGAINST** the Merger Proposal. **Finisar cannot complete the Merger, and no Merger Consideration will be paid to Finisar stockholders by II-VI, unless, among other things, the Finisar stockholders approve the Merger Proposal.**

Assuming that a quorum is present, approval of the Finisar Adjournment Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Finisar Adjournment Proposal, whether due to a record holder s failure to vote or a street name holder s failure to provide any voting instructions to such holder s nominee or intermediary, or if you abstain on the Finisar Adjournment Proposal, your shares will have no effect on the Finisar Adjournment Proposal.

Assuming that a quorum is present, approval of the Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Compensation Proposal, whether due to a record holder s failure to vote or a street name holder s failure to provide any voting instructions to such holder s nominee or intermediary, or if you abstain on the Compensation Proposal, your shares will have no effect on the Compensation Proposal.

If you hold your shares of Finisar Common Stock in street name, your nominee or intermediary may not vote your shares without instructions from you. If you do not provide voting instructions on the Merger Proposal, the Finisar Adjournment Proposal and the Compensation Proposal, your shares will not be deemed in attendance at the Finisar Special Meeting, will not be voted and will have the effect of a vote **AGAINST** the Merger Proposal.



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***Stock Ownership of and Voting by Finisar Directors and Executive Officers.*** At the Finisar Record Date, Finisar's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 960,451 shares of Finisar Common Stock at the Finisar Special Meeting, which represents approximately .81% of the shares of Finisar Common Stock entitled to vote at the Finisar Special Meeting.

Each of Finisar's directors and executive officers is expected, as of the date of this joint proxy statement/prospectus, to vote his or her shares of Finisar Common Stock **FOR** the Merger Proposal, **FOR** the Finisar Adjournment Proposal and **FOR** the Compensation Proposal, although none of Finisar's directors and executive officers has entered into any agreement requiring them to do so.

For more information, see the section entitled "Information About the Finisar Special Meeting" beginning on page 65 of this joint proxy statement/prospectus.

**What Finisar Stockholders Will Receive in the Merger (See page 139)**

At the Effective Time, each share of Finisar Common Stock (other than Dissenting Stockholder Shares and Excluded Shares) will be converted into the right to receive at the election of the holder of each share (i) Cash Election Consideration, consisting of \$26.00 in cash, without interest (subject to the proration adjustment procedures described in this joint proxy statement/prospectus), (ii) Stock Election Consideration, consisting of 0.5546 validly issued, fully paid and non-assessable shares of II-VI Common Stock (subject to the proration adjustment procedures described in this joint proxy statement/prospectus), or (iii) Mixed Election Consideration, consisting of \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and non-assessable shares of II-VI Common Stock; provided, that Finisar stockholders who are otherwise entitled to receive fractional shares of II-VI Common Stock as part of the Merger Consideration will receive cash in lieu of such fractional shares of II-VI Common Stock.

Each holder of record of shares of Finisar Common Stock (not including the Dissenting Stockholder Shares or the Excluded Shares, but including holders of Participating RSUs) will, until the Election Deadline, be entitled to elect to receive either Cash Election Consideration, Stock Election Consideration or Mixed Election Consideration in exchange for each share of Finisar Common Stock held by him or her that was issued and outstanding immediately prior to the Effective Time (including with respect to such holder's Participating RSUs held by such holder prior to the Effective Time), subject to the proration adjustment procedures described in this joint proxy statement/prospectus. Holders entitled to make an election that fail to do so or that make an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have elected for Mixed Election Consideration.

Stock Elections and Cash Elections are subject to the proration adjustment procedures described in this joint proxy statement/prospectus to ensure that the aggregate Merger Consideration will consist of approximately 60% cash and approximately 40% II-VI Common Stock (with the II-VI Common Stock valued at the closing price as of November 8, 2018).

For more information, see the section entitled "The Merger Agreement - Merger Consideration" beginning on page 140 of this joint proxy statement/prospectus.

**Treatment of Finisar Employee Stock Plans (See page 144)**

At the Effective Time, each Finisar Stock Option (or portion thereof) that is outstanding and unexercised will be cancelled and terminated and converted into the right to receive an amount of Mixed Election Consideration that would be payable to a holder of such number of shares of Finisar Common Stock equal to the quotient of (i) the product of (a) the excess, if any, of \$26.00 over the exercise price per share of such Finisar



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Stock Option *multiplied by* (b) the number of shares of Finisar Common Stock subject to such Finisar Stock Option, *divided by* (ii) \$26.00 (the Net Option Shares ). Each Finisar Stock Option that is outstanding and unexercised as of immediately prior to the Effective Time with an exercise price per share that is in excess of \$26.00 will be cancelled and extinguished without any present or future right to receive the Merger Consideration or any other payment.

As of the Effective Time, each Finisar Restricted Stock Unit (or portion thereof) that is outstanding and subject to a performance-based vesting condition that relates solely to the value of Finisar Common Stock will, to the extent such Finisar Restricted Stock Unit vests in accordance with its terms in connection with the Merger (the Participating RSUs ), be cancelled and extinguished and converted into the right to receive the Cash Election Consideration, the Stock Election Consideration or the Mixed Election Consideration at the election of the holder of such Participating RSUs, subject to the proration adjustment procedures described in this joint proxy statement/prospectus (as applicable, the Cash Election RSUs, the Stock Election RSUs or the Mixed Election RSUs ).

As of the Effective Time, each Finisar Restricted Stock Unit that is subject to a performance-based vesting condition that relates solely to the value of Finisar Common Stock but does not vest in accordance with its terms in connection with the Merger will be cancelled and extinguished at the Effective Time without any right to receive the Merger Consideration or any other payment.

At the Effective Time, each Finisar Restricted Stock Unit (or portion thereof) that is outstanding and unvested and does not vest in accordance with its terms in connection with the Merger and is either (x) subject to time-based vesting requirements only or (y) subject to a performance-based vesting condition other than the value of Finisar Common Stock will be assumed by II-VI (each, an Assumed RSU ). Each Assumed RSU will be subject to substantially the same terms and conditions as applied to the related Finisar Restricted Stock Unit immediately prior to the Effective Time, except that the number of shares of II-VI Common Stock subject to such Assumed RSU will be adjusted as described below under The Merger Agreement Treatment of Finisar Employee Stock Plans Restricted Stock Units.

Except as otherwise provided above, II-VI will not assume any obligations or liabilities under any Finisar Stock Options, Finisar Restricted Stock Units or any other direct or indirect right to acquire equity securities of Finisar. Except as otherwise provided above, neither II-VI nor the Surviving Corporation will substitute any equivalent stock option, warrant or right for any terminated Finisar Stock Option, Finisar Restricted Stock Unit or other direct or indirect right to acquire equity securities of Finisar. Finisar will take all actions necessary or appropriate, including providing any required notices, so that the Finisar Stock Options, Finisar Restricted Stock Units and any other direct or indirect rights to acquire shares of Finisar Common Stock will be terminated as of the Effective Time.

For more information, see the section entitled The Merger Agreement Treatment of Finisar Employee Stock Plans beginning on page 144 of this joint proxy statement/prospectus.

**Recommendations of the II-VI Board (See page 98)**

The II-VI Board unanimously approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger and the issuance of shares of II-VI Common Stock issuable in connection with the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of II-VI and its shareholders. The II-VI Board unanimously recommends that II-VI shareholders vote **FOR** the Share Issuance Proposal. For the factors considered by the II-VI Board in reaching this decision, see The Merger II-VI s Reasons for the Merger; Recommendations of the II-VI Board beginning on page 98 of this joint proxy statement/prospectus.



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The II-VI Board unanimously recommends that II-VI's shareholders vote **FOR** the II-VI Adjournment Proposal. See II-VI Proposal No. 2 Adjournment of the II-VI Special Meeting beginning on page 192 of this joint proxy statement/prospectus.

### **Recommendations of the Finisar Board (See page 96)**

The Finisar Board unanimously approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders. The Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Merger Proposal. For the factors considered by the Finisar Board in reaching this decision, see The Merger Finisar's Reasons for the Merger; Recommendations of the Finisar Board beginning on page 96 of this joint proxy statement/prospectus.

The Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Finisar Adjournment Proposal. See Finisar Proposal No. 2 Adjournment of the Finisar Special Meeting beginning on page 188 of this joint proxy statement/prospectus.

In addition, the Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Finisar Compensation Proposal. See Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers beginning on page 189 of this joint proxy statement/prospectus.

### **Opinion of II-VI's Financial Advisor (See page 112)**

In connection with the Merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated ( BofA Merrill Lynch ), II-VI's financial advisor, delivered to the II-VI Board a written opinion, dated November 8, 2018, as to the fairness, from a financial point of view and as of the date of the opinion, to II-VI of the Merger Consideration to be paid by II-VI in the Merger. The full text of the written opinion, dated November 8, 2018, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. **BofA Merrill Lynch provided its opinion to the II-VI Board (in its capacity as such) for the benefit and use of the II-VI Board in connection with and for purposes of its evaluation of the Merger Consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the Merger and no opinion or view was expressed as to the relative merits of the Merger in comparison to other strategies or transactions that might be available to II-VI or in which II-VI might engage or as to the underlying business decision of II-VI to proceed with or effect the Merger. BofA Merrill Lynch's opinion does not constitute a recommendation to any II-VI shareholder or Finisar stockholder as to how to vote or act in connection with the proposed Merger or any other matter.** For a summary description of BofA Merrill Lynch's opinion, please see the section of this joint proxy statement/prospectus entitled The Merger Opinion of II-VI's Financial Advisor beginning on page 112. The summary of BofA Merrill Lynch's opinion set forth in this joint proxy statement/prospectus under the caption entitled The Merger Opinion of II-VI's Financial Advisor is qualified in its entirety by reference to the full text of BofA Merrill Lynch's opinion attached as Annex B to this joint proxy statement/prospectus.

### **Opinion of Finisar's Financial Advisor (See page 102)**

Finisar engaged Barclays Capital Inc. ( Barclays ) for the purpose of providing financial advisory services with respect to a potential sale of Finisar pursuant to an engagement letter dated October 12, 2018. On November 8, 2018, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the





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Finisar Board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Merger Consideration to be offered to the stockholders of Finisar, other than the holders of any Excluded Shares (as defined in the Merger Agreement), in the proposed transaction was fair, from a financial point of view, to such stockholders.

The full text of Barclays' written opinion, dated as of November 8, 2018, is attached as Annex C to this joint proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. This summary is qualified in its entirety by reference to the full text of the opinion. Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the Finisar Board and addresses only the fairness, from a financial point of view, of the Merger Consideration to be offered to the stockholders of Finisar (other than holders of the Excluded Shares (as defined in the Merger Agreement)) in the proposed transaction and does not constitute a recommendation to any stockholder of Finisar as to how such stockholder should vote or act with respect to the proposed transaction or any other matter. For a description of the opinion that Finisar received from Barclays, see the section entitled "The Merger Opinion of Finisar's Financial Advisor."

**Ownership of II-VI Common Stock After the Merger (See page 76)**

Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the treatment of shares of Finisar Common Stock, Finisar Stock Options and Finisar Restricted Stock Units in the Merger, and assuming no conversions of the Finisar Convertible Notes, II-VI expects to issue approximately 26.38 million shares of II-VI Common Stock to holders of Finisar Common Stock and Finisar equity awards upon completion of the Merger. The actual number of shares of II-VI Common Stock to be issued upon completion of the Merger will be determined at the completion of the Merger based on, among other things, the number of shares of Finisar Common Stock outstanding and the market price of II-VI Common Stock at that time. Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the number of shares of II-VI Common Stock outstanding as of February 5, 2019, it is expected that, immediately after completion of the Merger, former holders of Finisar Common Stock and Finisar equity awards will own approximately 29.27% of the outstanding shares of II-VI Common Stock.

**Governance Matters Following Completion of the Merger (See page 139)**

After completion of the Merger, the directors of Merger Sub and the officers of Finisar immediately prior to completion of the Merger will be the directors and officers, respectively, of the Surviving Corporation.

At the Effective Time, the II-VI Board will appoint three members of the Finisar Board as of November 8, 2018 to serve on the II-VI Board (the "Finisar Designees"). Each Finisar Designee will be mutually agreed upon by II-VI and Finisar, acting in good faith. In addition, the Corporate Governance and Nominating Committee of the II-VI Board previously will have reasonably approved the appointment of the Finisar Designees to the II-VI Board, which also will have previously recommended the appointment of the Finisar Designees to the full II-VI Board. The total number of directors on the II-VI Board at the Effective Time will be no more than 11 persons. As of the date hereof, the identity of the Finisar Designees has not been determined by II-VI and Finisar.

Also at the Effective Time, the II-VI Board will have four committees, consisting of an Audit Committee, a Compensation Committee, a Subsidiary Committee and a Corporate Governance and Nominating Committee. Each such committee will include at least one Finisar Designee.

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For information on II-VI's and Finisar's current directors, please see II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, filed with the SEC on August 28, 2018, and Finisar's Definitive Proxy

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Statement for its 2018 Annual Meeting of stockholders filed with the SEC on July 26, 2018. See [Where You Can Find More Information](#).

**Interests of Finisar's Directors and Executive Officers in the Merger (See page 166)**

In considering the recommendation of the Finisar Board that Finisar stockholders vote to adopt the Merger Agreement, Finisar stockholders should be aware that, aside from their interests as Finisar stockholders, Finisar's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of Finisar stockholders generally. These interests include, among others, potential severance benefits and other payments, the treatment of outstanding equity awards pursuant to the Merger Agreement, and certain indemnification rights of Finisar directors and officers under the Merger Agreement. Members of the Finisar Board were aware of and considered these interests, among other matters, at the time of evaluating and negotiating the Merger Agreement and the Merger, approving the Merger Agreement and the Merger, and recommending to Finisar stockholders that the Merger Agreement be adopted.

For more information, see the sections entitled [The Merger Background of the Merger](#) and [The Merger Finisar's Reasons for the Merger; Recommendations of the Finisar Board](#) beginning on pages 77 and 96, respectively, of this joint proxy statement/prospectus. These interests are described in more detail below section entitled [Interests of Finisar's Directors and Executive Officers in the Merger](#) beginning on page 166 of this joint proxy statement/prospectus, and certain of them are quantified in the narrative of the section entitled [Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers Golden Parachute Compensation](#) beginning on page 189 of this this joint proxy statement/prospectus.

**Listing of II-VI Common Stock; Delisting and Deregistration of Finisar Common Stock (See page 130)**

II-VI will file a notification of listing of additional shares (or such other form as may be required) with the Nasdaq Global Select Market, where II-VI Common Stock currently is traded, with respect to the shares of II-VI Common Stock to be issued in the Merger. If the Merger is completed, Finisar Common Stock will be delisted from the Nasdaq Global Select Market and will be deregistered under the Exchange Act. See the section entitled [The Merger Listing of II-VI Common Stock; Delisting and Deregistration of Finisar Common Stock](#) beginning on page 130 of this joint proxy statement/prospectus.

**Comparison of Shareholder Rights (See page 196)**

Finisar stockholders will have different rights once they become II-VI shareholders due to differences between the organizational documents of, and the applicable state laws governing, Finisar and II-VI. See [Comparison of Shareholders' Rights](#) beginning on page 196 of this joint proxy statement/prospectus.

**Appraisal Rights Available to Finisar Stockholders (See page 215)**

Pursuant to Section 262 of the DGCL, a Finisar stockholder at the Finisar Record Date who chooses the Stock Election Consideration for his, her or its shares of Finisar Common Stock, but receives a mix of II-VI Common Stock and cash for such shares through the proration adjustment mechanism in connection with an oversubscription of the Stock Election Consideration, will be entitled to appraisal rights for such shares if such stockholder otherwise complies with the requirements of Section 262 of the DGCL. Appraisal rights will not be available to Finisar stockholders who fail to make an election and receive the Mixed Election Consideration or to Finisar stockholders who choose the Cash Election Consideration or the Mixed Election Consideration.

Finisar stockholders who wish to exercise the right to seek an appraisal of their shares must not vote in favor of the Merger Proposal nor consent thereto in writing, must continuously hold their shares of Finisar Common

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Stock through the effective date of the Merger, must deliver to Finisar a written demand for appraisal prior to the date of the Finisar Special Meeting and must otherwise comply with the applicable requirements of Section 262 of the DGCL. The appraisal remedy offers eligible stockholders the right to seek appraisal of the fair value of their shares of Finisar Common Stock, as determined by the Delaware Court of Chancery, if the Merger is completed. The fair value of shares of Finisar Common Stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the Merger Consideration that Finisar stockholders would otherwise be entitled to receive under the terms of the Merger Agreement.

The right to seek appraisal will be lost if a Finisar stockholder votes **FOR** the Merger Proposal. However, abstaining or voting against the Merger Proposal is not in itself sufficient to perfect appraisal rights because additional actions must also be taken to perfect such rights.

Finisar stockholders who wish to exercise the right to seek an appraisal of their shares must so advise Finisar by submitting a written demand for appraisal prior to the taking of the vote on the Merger Proposal at the Finisar Special Meeting, and must otherwise follow the procedures prescribed by Section 262 of the DGCL. A person having a beneficial interest in shares of Finisar Common Stock held of record in the name of another person, such as a nominee or intermediary, must act promptly to cause the record holder to follow the steps required by Section 262 of the DGCL and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, Finisar stockholders that may wish to pursue appraisal rights are urged to consult their legal and financial advisors.

However, notwithstanding a Finisar stockholder's compliance with the DGCL in perfecting appraisal rights, under Section 262 of the DGCL, assuming Finisar Common Stock remains listed on a national securities exchange immediately prior to the Effective Time, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all stockholders who are otherwise entitled to appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of Finisar Common Stock, or (ii) the value of the consideration provided in the Merger for the total number of shares of Finisar Common Stock entitled to appraisal exceeds \$1 million. These procedures are summarized in the section entitled "Appraisal Rights" beginning on page 215 of this joint proxy statement/prospectus. In addition, a copy of the full text of Section 262 of the DGCL is included as Annex D to this joint proxy statement/prospectus.

**Conditions to Completion of the Merger (See page 160)**

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the obligation of each of II-VI and Merger Sub, on the one hand, and Finisar, on the other hand, to complete the Merger is subject to the satisfaction (or, to the extent permissible under applicable law, waiver) of a number of conditions, including the following:

approval of the Share Issuance Proposal by the II-VI shareholders at the II-VI Special Meeting;

approval of the Merger Proposal by the Finisar stockholders at the Finisar Special Meeting;

the absence of any temporary restraining order or preliminary or permanent injunction preventing, prohibiting, enjoining or rendering illegal the consummation of the Merger, and the absence of any applicable law of a governmental authority of competent jurisdiction prohibiting or rendering illegal the

consummation of the Merger;

approvals and expiration or termination of any applicable waiting period necessary under the HSR Act and the receipt of consents from regulators in certain specified non-U.S. jurisdictions (or deemed receipt by virtue of the expiration or termination of any applicable waiting period);

effectiveness of, and absence of any stop order initiated by the SEC with respect to, the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part;

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approval for the listing on the Nasdaq Global Select Market of the shares of II-VI Common Stock to be issued in the Merger, subject to official notice of issuance;

accuracy of the representations and warranties made in the Merger Agreement by the other party, subject to certain materiality exceptions;

performance (or cure of any non-performance) in all material respects by the other party of the covenants and agreements required to be performed by it prior to completion of the Merger; and

the absence of a material adverse effect on the other party (see The Merger Agreement Representations and Warranties beginning on page 145 of this joint proxy statement/prospectus for the definition of material adverse effect).

In addition to the conditions to all parties' obligations, the obligation of Finisar to complete the Merger is subject to II-VI, Finisar and the Trustee entering into supplemental indentures to the 2033 Notes Indenture and the 2036 Notes Indenture, as more fully described in the section entitled The Merger Treatment of Finisar Convertible Notes beginning on page 136 of this joint proxy statement/prospectus.

II-VI and Finisar cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed.

**Required Regulatory Approvals (See page 129)**

Completion of the Merger is conditioned upon (i) the expiration or early termination of the waiting period relating to the Merger under the HSR Act and (ii) obtaining all consents, approvals, licenses, permits, certificates, orders or authorizations of any governmental authority under certain specified federal, state, local or foreign antitrust, competition, premerger notification or trade regulation laws, regulations or orders.

Under the HSR Act, certain transactions, including the Merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission (the "FTC") and the Antitrust Division of the U.S. Department of Justice (the "DOJ"). A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filings of their respective HSR Act notification forms or the early termination of that waiting period.

Other specified federal, state, local or foreign antitrust, competition, premerger notification or trade regulation laws, regulations or orders pursuant to which completion of the Merger is conditioned include the following:

Anti-monopoly Law of the People's Republic of China of 2008 (as amended);

Act against Restraints of Competition of 1958 (*Gesetz gegen Wettbewerbsbeschränkungen*) (as amended);

Federal Economic Competition Law of 2014 (*Ley Federal de Competencia Económica*) and its regulations (*Disposiciones Regulatorias de la Ley Federal de Competencia Económica*); and

Competition Law no. 21/1996 (*Lege nr. 21 din 10 aprilie 1996 a Concurenței Republicare*) (as amended) and Regulation on Economic Concentrations approved by Romanian Competition Council Order No. 431/2017 (*Ordinul nr. 431/2017 pentru punerea în aplicare a Regulamentului privind concentrările economice*).

Neither II-VI nor Finisar is aware of any material governmental approvals or actions that are required for completion of the Merger other than those described above. It is presently contemplated that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.



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II-VI and Finisar have agreed to use their respective reasonable best efforts to cause the closing of the Merger to occur, which reasonable best efforts of II-VI include promptly opposing any motion or action for an injunction against the Merger or any portion thereof, including any legislative, administrative or judicial action, and taking any and all steps necessary to have vacated, lifted, reversed, overturned, avoided, eliminated or removed any decree, judgment, injunction or other order that restricts, prevents or prohibits the consummation of the Merger or any other transactions contemplated by the Merger Agreement under the HSR Act, or other federal, state, local or foreign antitrust, competition, premerger notification or trade regulation laws, regulations or orders; provided that such efforts shall not require II-VI, its subsidiaries or its affiliates to make certain divestitures or agree to make certain divestitures or other limitations or take any other action that, individually or in the aggregate, would have a material adverse effect on II-VI, Finisar and their respective subsidiaries, taken as a whole, after the consummation of the transactions contemplated by the Merger Agreement.

For more information, see the section entitled **The Merger Regulatory Approvals** beginning on page 129 of this joint proxy statement/prospectus.

**Expected Completion Date for the Merger (See page 139)**

The parties expect that the Merger will be completed approximately in the middle of 2019. However, it is possible that factors outside the control of both companies could result in the Merger being completed at a different time or not at all.

**Material U.S. Federal Income Tax Consequences of the Merger (See page 132)**

The exchange of Finisar Common Stock for cash, II-VI Common Stock or both in the Merger generally will be a taxable transaction for U.S. federal income tax purposes and also may be taxable under state and local and other tax laws. You should read the section entitled **The Merger Material U.S. Federal Income Tax Consequences** beginning on page 132 of this joint proxy statement/prospectus. Tax matters can be complicated and the tax consequences of the Merger to you will depend on your particular circumstances. You are urged to consult your tax advisor regarding the U.S. federal income tax consequences of the Merger to you in your particular circumstances, as well as tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

**Accounting Treatment of the Merger (See page 135)**

In accordance with United States generally accepted accounting principles ( GAAP ), II-VI will account for the Merger using the acquisition method of accounting, with II-VI being considered the acquirer of Finisar for accounting purposes. This means that II-VI will allocate the purchase price to the fair value of Finisar tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price, if any, being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually. The operating results of Finisar will be reported as part of the combined company beginning on the closing date of the Merger. The final valuation of the tangible and identifiable intangible assets acquired and liabilities assumed has not yet been completed and is not required to be completed under applicable guidance until 12 months after completion of the Merger. The finalization of the valuation could result in significantly different amortization expenses and balance sheet classifications than those presented in II-VI's unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus.

For more information, see the section entitled **The Merger Accounting Treatment of the Merger** beginning on page 135 of this joint proxy statement/prospectus.



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**Non-Solicitation Obligations (See page 151)**

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, and subject to the exceptions described below and in the Merger Agreement, Finisar has agreed not to, among other things, (i) solicit, initiate or knowingly encourage or knowingly facilitate any inquiries or offers that constitute or would reasonably be expected to lead to takeover proposal from a third party, (ii) enter into, continue or otherwise participate in any negotiations or discussions with any third party regarding any takeover proposal or that would reasonably be expected to lead to a takeover proposal, (iii) furnish any nonpublic information to a third person in connection with any takeover proposal or any inquiry, indication of interest, proposal or offer that would reasonably be expected to lead to a takeover proposal, (iv) release any provision of any confidentiality or similar provision of any agreement to which Finisar is a party, (v) approve any transaction under, or any person becoming an interested stockholder under, Section 203 of the DGCL, or (vi) enter into a letter of intent, agreement in principle, merger agreement or other similar agreement contemplating or otherwise relating to a takeover proposal. Finisar will also be liable for a breach of its representatives of the non-solicitation provisions in the Merger Agreement

However, at any time prior to the approval of the Merger Proposal by Finisar stockholders, subject to the terms and conditions described in the Merger Agreement, Finisar may, in response to an unsolicited, bona fide, written takeover proposal that the Finisar Board concludes in good faith, after consultation with its advisors, is, or is reasonably likely to lead to, a superior proposal, (i) furnish any information (including nonpublic information) and access relating to Finisar or any of its subsidiaries to the person making the takeover proposal and (ii) enter into, engage and participate in discussions or negotiations with such person and its representatives (subject to promptly notifying II-VI in writing of the identity of the person making the takeover proposal, the material terms thereof and a copy of any written proposal or definitive agreement relating to the takeover proposal); provided, in each case, that such takeover proposal did not result from a breach of the non-solicitation provisions in the Merger Agreement, Finisar enters into a confidentiality agreement with such third party that is no less favorable than the confidentiality agreement entered into with II-VI, except that such confidentiality agreement may contain a less restrictive or no standstill or similar restriction, and Finisar provides to II-VI any nonpublic information made available to such third party that was not previously made available to II-VI.

For more information, see the section entitled "The Merger Agreement - No Solicitation of Alternative Proposals" beginning on page 151 of this joint proxy statement/prospectus.

**Termination of the Merger Agreement (See page 161)**

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, and subject to the terms and conditions set forth in the Merger Agreement, the Merger Agreement may be terminated at any time before completion of the Merger in any of the following ways:

by mutual written consent of II-VI and Finisar; or

by either II-VI or Finisar, if:

there is any law or order of any governmental authority restraining, enjoining or otherwise prohibiting or making illegal the consummation of the Merger that has become final and non-applicable; provided

that this termination right is not available to II-VI or Finisar, as applicable, if II-VI s or Finisar s, as applicable, failure to comply with the Merger Agreement is a principal cause of or resulted in the imposition of such law or order;

the Merger has not been completed on or before November 8, 2019; provided that this termination right is not available to II-VI or Finisar, as applicable, if II-VI s or Finisar s, as applicable, failure to comply with the Merger Agreement is a principal cause of or results in the failure of the Merger to occur before November 8, 2019;

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Finisar stockholders fail to approve the Merger Proposal at the Finisar Special Meeting;

II-VI shareholders fail to approve the Share Issuance Proposal at the II-VI Special Meeting; or

there has been a breach of any of the (i) covenants or agreements or (ii) representations or warranties on the part of Finisar, on the one hand, or II-VI or Merger Sub, on the other hand, that would, in either case, individually or in the aggregate, cause Finisar, on the one hand, or II-VI or Merger Sub, on the other hand, to fail to satisfy the applicable condition to completion of the Merger related to performance of covenants and agreements or accuracy of representations and warranties, as applicable, and that breach either is incapable of being cured by November 8, 2019 or has not been cured within 30 days following notice from the non-breaching party of such breach; provided that II-VI and Merger Sub or Finisar, as applicable, is not then in material breach of its applicable representations, warranties, covenants or agreements in the Merger Agreement; provided further that this termination right is not exercisable in respect of any such breach (1) at any time during such thirty day period, if applicable, and (2) at any time after such thirty day period if such breach is cured within such thirty day period; or

by II-VI (within certain time limitations as set forth in the Merger Agreement) if, prior to the date the Finisar stockholders adopt the Merger Proposal:

the Finisar Board fails to include the recommendation that Finisar stockholders adopt the Merger Proposal in this joint proxy statement/prospectus; provided that II-VI terminates within the earlier of (i) 15 business days after obtaining actual knowledge of such actions and (ii) the day immediately preceding the Finisar Special Meeting;

the Finisar Board withdraws, amends or modifies (or publicly proposes to withdraw, amend or modify) in a manner adverse to II-VI its recommendation that Finisar stockholders adopt the Merger Proposal or approves, endorses, recommends or otherwise declares advisable (publicly or otherwise) or publicly proposes to approve, endorse or recommend, or otherwise declare advisable, any takeover proposal; provided that II-VI terminates within the earlier of (i) 15 business days after obtaining actual knowledge of such actions and (ii) the day immediately preceding the Finisar Special Meeting; or

Finisar has willfully breached in any material respect any of its non-solicitation obligations under the Merger Agreement; provided that II-VI terminates within the earlier of (i) 15 business days after obtaining actual knowledge of such actions and (ii) the day immediately preceding the Finisar Special Meeting; or

by Finisar (within certain time limitations as set forth in the Merger Agreement):

if, prior to the date the II-VI shareholders adopt the Share Issuance Proposal, the II-VI Board fails to include the recommendation that II-VI shareholders adopt the Share Issuance Proposal in this joint

proxy statement/prospectus; provided that Finisar terminates within the earlier of (i) 15 business days after obtaining actual knowledge of such actions and (ii) the day immediately preceding the II-VI Special Meeting;

if, prior to the date the II-VI shareholders adopt the Share Issuance Proposal, the II-VI Board withdraws, amends or modifies (or publicly proposes to withdraw, amend or modify) in a manner adverse to Finisar its recommendation that II-VI shareholders approve the Share Issuance Proposal; provided that Finisar terminates within the earlier of (i) 15 business days after obtaining actual knowledge of such actions and (ii) the day immediately preceding the II-VI Special Meeting; or

at any time prior to the date the Finisar stockholders adopt the Merger Proposal, in order to enter into a written definitive agreement with respect to a superior proposal (which definitive agreement

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must be entered into concurrently with, or immediately following, the termination of the Merger Agreement); provided that Finisar concurrently pays to II-VI the applicable termination fee.

For more information, see the section entitled "The Merger Agreement – Termination of the Merger Agreement" beginning on page 161 of this joint proxy statement/prospectus.

**Termination Fees (See page 163)**

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, and subject to the terms and conditions of the Merger Agreement, Finisar has agreed to pay II-VI a termination fee of \$105.2 million if the Merger Agreement is terminated pursuant to its terms under any of the following circumstances:

by II-VI because the Finisar Board fails to include the recommendation that Finisar stockholders adopt the Merger Proposal in this joint proxy statement/prospectus;

by II-VI because the Finisar Board withdraws, amends or modifies (or publicly proposes to withdraw, amend or modify) in a manner adverse to II-VI its recommendation that Finisar stockholders adopt the Merger Proposal or approves, endorses, recommends or otherwise declares advisable (publicly or otherwise) or publicly proposes to approve, endorse or recommend, or otherwise declare advisable, any takeover proposal;

by II-VI because Finisar has willfully breached in any material respect any of its non-solicitation obligations under the Merger Agreement; or

by Finisar in order to enter into a written definitive agreement with respect to a superior proposal; In addition, subject to the terms and conditions of the Merger Agreement, Finisar has agreed to pay II-VI a termination fee of \$105.2 million if the Merger Agreement is terminated pursuant to its terms under any of the following circumstances:

by either party because the Merger has not been completed on or before November 8, 2019, and Finisar was not otherwise entitled to terminate the Merger Agreement pursuant to its terms due to a breach of any of the covenants or agreements or any of the representations or warranties of II-VI;

by II-VI because there has been a breach of any of the (i) covenants or agreements or (ii) representations or warranties on the part of Finisar that would, in either case, individually or in the aggregate, cause Finisar to fail to satisfy the applicable condition to completion of the Merger related to performance of covenants and agreements or accuracy of representations and warranties, as applicable, and that breach either is incapable of being cured by November 8, 2019 or has not been cured within 30 days following notice from II-VI of such breach; provided that neither II-VI nor Merger Sub is then in material breach of its applicable representations, warranties, covenants or agreements in the Merger Agreement; or

by either party because Finisar stockholders fail to approve the Merger Proposal at the Finisar Special Meeting;  
*and*, subject to various conditions set forth in the Merger Agreement, within 12 months after such termination Finisar enters into a written definitive agreement providing for the completion of a Finisar takeover proposal (which transaction is subsequently consummated).

Subject to the terms and conditions of the Merger Agreement, II-VI has agreed to pay Finisar a termination fee of \$105.2 million if Finisar terminates the Merger Agreement pursuant to its terms under any of the following circumstances:

the II-VI Board fails to include the recommendation that II-VI shareholders adopt the Share Issuance Proposal in this joint proxy statement/prospectus; or



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the II-VI Board withdraws, amends or modifies (or publicly proposes to withdraw, amend or modify) in a manner adverse to Finisar its recommendation that II-VI shareholders approve the Share Issuance Proposal. For more information, see the section entitled "The Merger Agreement - Fees and Expenses and Termination Fees" beginning on page 163 of this joint proxy statement/prospectus.

**Specific Performance; Remedies (See page 165)**

Under the Merger Agreement, each of II-VI and Finisar is entitled to an injunction or injunctions to prevent breaches of the Merger Agreement and to specifically enforce the terms and provisions of the Merger Agreement. See the section entitled "The Merger Agreement - Specific Performance" beginning on page 165 of this joint proxy statement/prospectus.

**Description of Debt Financing (See page 135)**

On November 8, 2018, in connection with its entry into the Merger Agreement, II-VI entered into the Commitment Letter, which was subsequently amended and restated on December 7, 2018 and on December 14, 2018. Subject to the terms and conditions set forth in the Commitment Letter, the Lending Parties have severally committed to provide 100% of up to \$2.425 billion in aggregate principal amount of the II-VI Senior Credit Facilities, comprised of (i) a term a loan facility of up to \$1.0 billion, a portion of which will be available after the closing of the Merger on a delayed draw basis, (ii) a term b loan facility of up to \$975.0 million and (iii) a revolving credit facility of up to \$450.0 million. II-VI currently intends to pay the cash portion of the aggregate Merger Consideration and pay related fees and expenses in connection with the Merger using the proceeds of draws under the II-VI Senior Credit Facilities and cash and short-term investments of II-VI and Finisar. II-VI currently does not intend to draw on the revolving credit facility in order to fund the cash portion of the aggregate Merger Consideration.

The commitments of the Lead Arrangers with respect to the II-VI Senior Credit Facilities will automatically terminate at 11:59 p.m., New York City time, on the first to occur of (i) November 8, 2019 (unless the Merger occurs on or prior thereto), (ii) the date of closing of the Merger without the use of proceeds from the II-VI Senior Credit Facilities or (iii) the date on which II-VI delivers written notice to terminate its obligations under the Merger Agreement pursuant to the terms thereof or the date that the Merger Agreement is terminated.

The documentation governing the II-VI Senior Credit Facilities has not been finalized and, accordingly, the actual terms of the II-VI Senior Credit Facilities may differ from those described herein or in the Commitment Letter as a result of the syndication process. Although the debt financing described in this joint proxy statement/prospectus is not subject to a due diligence or market out, such financing may not be considered assured. The obligation of the Lead Arrangers to provide the debt financing under the Commitment Letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the II-VI Senior Credit Facilities may not be funded when required or at all. As of the date of this joint proxy statement/prospectus, no alternative financing arrangements have been made in the event the II-VI Senior Credit Facilities are not available, and any such alternative financing arrangements may not be available on acceptable terms, or at all, if the II-VI Senior Credit Facilities are not consummated.

See the section entitled "The Merger - Description of Debt Financing" beginning on page 135 of this joint proxy statement/prospectus.



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**Treatment of Finisar Convertible Notes (See page 136)**

As of the date of this joint proxy statement/prospectus, Finisar has outstanding approximately \$1.1 million aggregate principal amount of 2033 Notes and \$575.0 million aggregate principal amount of 2036 Notes.

At the consummation of the Merger and pursuant to the Indentures, II-VI, the Surviving Corporation and the Trustee will enter into supplemental indentures to the Indentures. The respective supplemental indentures will comply with the applicable terms of the Indentures and will, among other things, provide that (y) at and after the Effective Time, the right to convert each \$1,000 principal amount of the applicable Finisar Convertible Notes will be changed into a right to convert such principal amount of the applicable Finisar Convertible Notes into the weighted average of the types and amounts of consideration received by holders of Finisar Common Stock that affirmatively make an election to receive Cash Election Consideration, Stock Election Consideration or Mixed Election Consideration that a holder of a number of shares of Finisar Common Stock equal to the applicable conversion rate immediately prior to the consummation of the Merger would have owned or been entitled to receive in connection with the Merger (the Reference Property ) and (z) II-VI fully and unconditionally guarantees, on a senior unsecured basis, the Finisar Convertible Notes.

Pursuant to the terms of the Indentures, consummation of the Merger will constitute a Fundamental Change and a Make Whole Fundamental Change. As a result, holders of the Finisar Convertible Notes will be permitted to choose, pursuant, and subject, to the terms and conditions of the Indentures (i) to convert their Finisar Convertible Notes, (ii) to require Finisar to repurchase their Finisar Convertible Notes for a price equal to 100% of their principal amount, together with accrued and unpaid interest to, but excluding, the repurchase date, or (iii) to continue holding their Finisar Convertible Notes until maturity or until they are otherwise redeemed, repurchased, or converted pursuant to the terms of the applicable Indenture. Neither II-VI, Merger Sub, Finisar nor any of their respective affiliates or representatives have made, or intend to make, any recommendation to any holder of Finisar Convertible Notes regarding this election.

Pursuant to the terms of the Indentures, Finisar, as the Surviving Corporation, will continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of the Finisar Convertible Notes, and any amount payable in cash upon conversion of the Finisar Convertible Notes will continue to be payable in cash, although any shares of Finisar Common Stock that Finisar would have been required to deliver upon conversion of the Finisar Convertible Notes instead will be deliverable in the amount and type of Reference Property that a holder of that number of shares of Finisar Common Stock would have received in connection with the Merger. See the section entitled The Merger Treatment of Finisar Convertible Notes beginning on page 136 of this joint proxy statement/prospectus.

**Litigation Relating to the Merger (See page 137)**

As of January 17, 2019, six lawsuits have been filed by alleged Finisar stockholders challenging the Merger. The first complaint, a putative class action complaint, was filed by Herbert Hein in the Superior Court of California, County of Santa Clara, and is captioned *Hein v. Finisar Corporation, et al.*, 19CV340510. The second complaint, a putative class action complaint, was filed by Pete Tenvold in the United States District Court for the District of Delaware and is captioned *Tenvold v. Finisar Corporation, et al.*, 1:19-cv-00050. The third complaint, a putative class action complaint, was filed by Melvyn Klein in the United States District Court for the Northern District of California and is captioned *Klein v. Finisar Corporation, et al.*, 3:19-cv-00155. The fourth complaint, a putative class action complaint, was filed by Earl Wheby, Jr. in the United States District Court for the District of Delaware and is captioned *Wheby v. Finisar Corporation, et al.*, 1:19-cv-00064. The fifth complaint was filed by Pankaj Sharma individually in the United States District Court for the Northern District of California and is captioned *Sharma v. Finisar Corporation, et al.*,

3:19-cv-00220. The sixth complaint, a putative class action complaint, was filed by William Davis in the United States District Court for the Northern District of California and is captioned *Davis v. Finisar Corporation, et al.*, 3:19-cv-00271.

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The complaints name as defendants Finisar and each member of the Finisar Board. In addition, the *Hein*, *Tenvold*, and *Klein* complaints name II-VI and Merger Sub as defendants. The *Hein*, *Tenvold*, *Klein*, *Wheby*, and *Davis* complaints seek relief on behalf of a putative class defined as all similarly situated Finisar stockholders.

The *Hein* complaint alleges that the Finisar Board breached its fiduciary duties to Finisar stockholders by purportedly engaging in an insufficient sales process, obtaining inadequate merger consideration, and filing a materially misleading preliminary proxy statement that does not include, among other things, material information regarding the sales process, financial projections for both Finisar and II-VI, and financial analyses conducted by their financial advisors. The *Hein* complaint further asserts that II-VI knowingly aided and abetted the Finisar Board in breaching their fiduciary duties to Finisar stockholders by entering into the proposed transaction. The *Hein* complaint seeks preliminary and permanent injunction of the proposed transaction unless the information requested by the plaintiff is disclosed, rescission and unspecified damages if the Merger is consummated, and attorneys' fees and expert fees and costs.

The *Tenvold*, *Klein*, *Wheby*, *Sharma*, and *Davis* complaints purport to state claims for violations of Section 14(a) and 20(a) of the Exchange Act and Rule 14a-9 and, in the case of the *Davis* complaint, Regulation G promulgated thereunder. The plaintiffs in these actions generally allege that the preliminary proxy statement omits material information with respect to the proposed transaction which renders the preliminary proxy statement false and misleading. The plaintiffs in these actions seek an order enjoining the defendants from filing a definitive proxy statement with the SEC or otherwise disseminating a definitive proxy statement to Finisar stockholders or proceeding with closing the Merger unless and until the preliminary proxy statement is cured. In the event the Merger is consummated prior to entry of final judgment, the *Tenvold*, *Klein*, *Wheby*, and *Sharma* complaints seek rescission of the Merger or rescissory damages, and the *Tenvold*, *Klein*, *Wheby*, *Sharma*, and *Davis* complaints also seek unspecified damages, attorneys' and expert fees, and expenses and costs. The defendants believe that the complaints are without merit.

**Risk Factors (See page 48)**

You should also carefully consider the risks that are described in the section entitled "Risk Factors" beginning on page 48 of this joint proxy statement/prospectus.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF II-VI**

The following table presents selected historical consolidated financial data of II-VI. The selected historical consolidated financial data of II-VI for each of its fiscal years ended June 30, 2018, 2017 and 2016, and as of June 30, 2018 and 2017, are derived from II-VI's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for its fiscal year ended June 30, 2018, as revised by its Current Report on Form 8-K filed on December 27, 2018, both of which are incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of II-VI for each of its fiscal years ended June 30, 2015 and 2014, and as of June 30, 2016, 2015 and 2014, have been derived from II-VI's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of II-VI as of, and for the three months ended, September 30, 2018 and for the three months ended September 30, 2017, are derived from II-VI's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 2018, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of II-VI as of September 30, 2017 are derived from II-VI's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 2017, which has not been incorporated by reference into this joint proxy statement/prospectus. II-VI's management believes that II-VI's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in II-VI's Annual Report on Form 10-K for its fiscal year ended June 30, 2018, as revised by its Current Report on Form 8-K filed on December 27, 2018, and II-VI's Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 2018, including Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related

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notes therein. See the section entitled "Where You Can Find More Information" beginning on page 223 of this joint proxy statement/prospectus.

	Three Months Ended		Year Ended June 30,				
	September 30, 2018	2017	2018	2017	2016	2015	2014
(In thousands, except per share amounts)							
<b>Consolidated Statement of Earnings Data:</b>							
Net revenues from continuing operations	\$ 314,433	\$ 261,503	\$ 1,158,794	\$ 972,046	\$ 827,216	\$ 741,961	\$ 683,261
Earnings from continuing operations	26,149	21,141	88,002	95,274	65,486	65,975	38,316
Earnings from discontinued operation							133
Net earnings	26,149	21,141	88,002	95,274	65,486	65,975	38,449
Basic earnings per share:							
Continuing operations	0.41	0.34	1.41	1.52	1.07	1.08	0.62
Discontinued operations							
Consolidated	0.41	0.34	1.41	1.52	1.07	1.08	0.62
Diluted earnings per share:							
Continuing operations	0.40	0.32	1.35	1.48	1.04	1.05	0.60
Discontinued operations							
Consolidated	0.40	0.32	1.35	1.48	1.04	1.05	0.60
Diluted weighted average shares outstanding	66,158	65,283	65,133	64,507	62,909	62,586	63,686

	As of September 30,		As of June 30,				
	2018	2017	2018	2017	2016	2015	2014
(In thousands)							
<b>Balance Sheet Data:</b>							
Working capital	\$ 592,059	\$ 515,213	\$ 525,370	\$ 517,344	\$ 411,721	\$ 373,812	\$ 370,666
Total assets	1,880,643	1,583,805	1,761,661	1,477,297	1,211,981	1,057,273	1,070,753
Long-term debt	517,144	384,742	419,013	322,022	215,307	155,066	220,787
Total debt	537,144	404,742	439,013	342,022	235,307	175,066	240,787
Retained earnings	862,213	769,203	836,064	748,062	652,788	587,302	521,327
Shareholders' equity	1,043,588	943,762	1,024,311	900,563	782,338	729,081	675,043

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FINISAR**

The following table presents selected historical consolidated financial data of Finisar. The selected historical consolidated financial data of Finisar for each of its fiscal years ended April 29, 2018, April 30, 2017 and May 1, 2016, and as of April 29, 2018 and April 30, 2017, are derived from Finisar's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for its fiscal year ended April 29, 2018, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Finisar for each of its fiscal years ended May 3, 2015 and April 27, 2014, and as of May 1, 2016, May 3, 2015 and April 27, 2014, have been derived from Finisar's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Finisar as of, and for the six months ended, October 28, 2018 and for the six months ended October 29, 2017, are derived from Finisar's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended October 28, 2018, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Finisar as of October 29, 2017 are derived from Finisar's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended October 29, 2017, which has not been incorporated by reference into this joint proxy statement/prospectus. Finisar's management believes that Finisar's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in Finisar's Annual Report on Form 10-K for its fiscal year ended April 29, 2018 and Finisar's Quarterly Report on Form 10-Q for its fiscal quarter ended October 28, 2018, including Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes therein. See the section entitled "Where You Can Find More Information" beginning on page 223 of this joint proxy statement/prospectus.

	<b>Six Months Ended</b>		<b>Year Ended</b>				
	<b>October 28, 2018</b>	<b>October 29, 2017</b>	<b>April 29, 2018</b>	<b>April 30, 2017</b>	<b>May 1, 2016</b>	<b>May 3, 2015</b>	<b>April 27, 2014</b>
	(In thousands, except per share amounts)						
<b>Consolidated Statement of Operations Data:</b>							
Revenues	\$ 642,759	\$ 674,011	\$ 1,316,483	\$ 1,449,303	\$ 1,263,166	\$ 1,250,944	\$ 1,156,833
Consolidated net income (loss)	(23,764)	25,716	(48,286)	249,346	35,193	11,887	111,537
Net income (loss) per share attributable to Finisar Corporation common stockholders:							
Basic	(0.20)	0.23	(0.42)	2.26	0.33	0.12	1.16
Diluted	(0.20)	0.22	(0.42)	2.19	0.32	0.11	1.09



	<b>October 28, 2018</b>	<b>October 29, 2017</b>	<b>April 29, 2018</b>	<b>As of April 30, 2017</b>	<b>May 1, 2016</b>	<b>May 3, 2015</b>	<b>April 27, 2014</b>
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(In thousands)

**Balance Sheet****Data:**

Total assets	\$ 2,593,185	\$ 2,622,599	\$ 2,583,185	\$ 2,539,882	\$ 1,645,371	\$ 1,551,882	\$ 1,497,546
Long-term portion of convertible notes	499,838	723,784	488,877	707,782	229,393	221,406	212,253

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**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following selected unaudited pro forma condensed combined financial information of II-VI presents the selected unaudited pro forma condensed combined balance sheet as of September 30, 2018 and the selected unaudited pro forma condensed combined statements of operations for the year ended June 30, 2018 and the three months ended September 30, 2018. The selected unaudited pro forma condensed combined financial information includes the historical results of II-VI and Finisar after giving pro forma effect to the Merger and other transactions as described in the section entitled **Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 170 of this joint proxy statement/prospectus and under **Notes to Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 174 of this joint proxy statement/prospectus.

The selected unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X. The selected unaudited pro forma adjustments reflecting the Merger and other transactions described in the section entitled **Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 170 of this joint proxy statement/prospectus and under **Notes to Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 174 of this joint proxy statement/prospectus have been prepared in accordance with the acquisition method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*, where II-VI is the accounting acquirer and Finisar is the accounting acquiree.

The selected unaudited pro forma condensed combined financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or consolidated financial condition would have been had the Merger actually occurred on the dates indicated, nor do they purport to project the future consolidated results of operations or consolidated financial condition for any future period or as of any future date. The assumed accounting for the Merger, including estimated aggregate Merger Consideration, is based on provisional amounts, and the associated purchase accounting is not final. The preliminary allocation of the purchase price to the acquired assets and assumed liabilities was based upon the preliminary estimate of fair values. For the preliminary estimate of fair values of assets acquired and liabilities assumed of Finisar, II-VI used publicly available benchmarking information as well as a variety of other assumptions, including market participant assumptions. The selected unaudited pro forma adjustments are based upon available information and certain assumptions that II-VI believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying selected unaudited pro forma condensed combined financial information. The purchase price adjustments relating to the Finisar and II-VI combined financial information are preliminary and subject to change, as additional information becomes available and as additional analyses are performed. All pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma condensed combined financial information. See **Where You Can Find More Information** beginning on page 223 of this joint proxy statement/prospectus and

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Unaudited Pro Forma Condensed Combined Financial Information beginning on page 170 of this joint proxy statement/prospectus.

	<b>As of and for the</b>	
	<b>Three Months Ended</b>	
	<b>September 30,</b>	<b>Year Ended</b>
	<b>2018</b>	<b>June 30, 2018</b>
	(in thousands, except per share amounts)	
<b>Pro Forma Statement of Operations Information:</b>		
Total Revenues	\$ 635,887	\$ 2,433,310
Net Earnings (Loss)	(18,447)	(150,792)
Net earnings (loss) Basic earnings (loss) per share	\$ (0.21)	\$ (1.70)
Net earnings (loss) Diluted earnings (loss) per share	\$ (0.21)	\$ (1.70)
<b>Pro Forma Balance Sheet Information:</b>		
Cash and cash equivalents	\$ 374,432	
Total Assets	5,017,419	
Long-term debt	2,157,819	
Long-term debt including the current portion	2,217,569	
Total Liabilities	3,001,391	
Total Shareholders Equity	2,016,028	

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**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA****Historical Per Share Data for II-VI Common Stock and Finisar Common Stock**

Finisar's most recent fiscal year ended on April 29, 2018 and II-VI's most recent fiscal year ended on June 30, 2018. As a consequence of Finisar's and II-VI's different fiscal years, the amounts presented as Finisar's historical information in the table below for the three months ended September 30, 2018 represent Finisar's historical information for its three months ended October 28, 2018 and is derived from Finisar's unaudited condensed consolidated financial statements as of and for the three months ended October 28, 2018. In addition, the amounts presented as Finisar's historical information in the table below for the year ended June 30, 2018 represent Finisar's historical information for its 12 months ended July 29, 2018 and is derived by adding the audited consolidated financial statements of Finisar as of and for the year ended April 29, 2018 to the unaudited condensed consolidated financial statements of Finisar as of and for the three months ended July 29, 2018 and deducting the unaudited condensed consolidated financial statements of Finisar as of and for the three months ended July 30, 2017. The historical per share data for II-VI Common Stock below is derived from the audited consolidated financial statements of II-VI as of and for the year ended June 30, 2018, and the unaudited condensed consolidated financial statements of II-VI as of and for the three months ended September 30, 2018.

**Unaudited Pro Forma Combined Per Share Data for II-VI Common Stock**

The unaudited pro forma combined per share data for II-VI Common Stock set forth below gives effect to the Merger, and the estimated financing used to finance the Merger, as if it had been consummated on July 1, 2017, the beginning of the earliest period presented, in the case of earnings per share data, and as of September 30, 2018 in the case of book value per share data, and assuming that each outstanding share of Finisar Common Stock had been converted into 0.2218 shares of II-VI Common Stock and \$15.60 of cash.

The unaudited pro forma combined per share data for II-VI Common Stock has been derived from the audited consolidated financial statements of II-VI as of and for the year ended June 30, 2018 and the unaudited consolidated financial statements of Finisar as of and for the 12 months ended July 29, 2018, which are calculated by adding the audited consolidated financial statements of Finisar as of and for the year ended April 29, 2018 to the unaudited condensed consolidated financial statements of Finisar as of and for the three months ended July 29, 2018 and deducting the unaudited condensed consolidated financial statements of Finisar as of and for the three months ended July 30, 2017. In addition, the unaudited pro forma combined per share data for II-VI Common Stock has been derived from the unaudited condensed consolidated financial statements of II-VI as of and for the three months ended September 30, 2018 and the unaudited condensed consolidated financial statements of Finisar as of and for the three months ended October 28, 2018.

The unaudited pro forma combined per share data for II-VI Common Stock has been derived using the acquisition method of accounting. See Unaudited Pro Forma Condensed Combined Financial Information. Accordingly, the pro forma adjustments reflect the assets and liabilities of Finisar at their preliminary estimated fair values. Differences between these preliminary estimates and the values finalized within 12 months after the completion of the Merger in accordance with applicable accounting guidance could occur and these differences could have a material impact on the unaudited pro forma combined per share information set forth below.

The unaudited pro forma combined per share data for II-VI Common Stock does not purport to represent the actual results of operations that II-VI would have achieved had the Merger been completed at the relevant dates used or to project the future results of operations that II-VI may achieve after the Merger.

**Unaudited Pro Forma Combined Per Finisar Equivalent Share Data**

The unaudited pro forma combined Finisar equivalent per share data set forth below shows the effect of the Merger from the perspective of an owner of Finisar Common Stock. The information was calculated by

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multiplying the unaudited pro forma combined per share data for II-VI Common Stock by 0.2218, the number of shares of II-VI Common Stock to be issued per share of Finisar Common Stock as Mixed Election Consideration.

**Generally**

You should read the below information in conjunction with the selected historical consolidated financial data included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial statements of II-VI and Finisar and related notes that have been filed with the SEC, certain of which are incorporated by reference into this joint proxy statement/prospectus. See Selected Historical Consolidated Financial Data of II-VI, Selected Historical Consolidated Financial Data of Finisar and Where You Can Find More Information in this joint proxy statement/prospectus. The unaudited pro forma combined per share data for II-VI Common Stock and the unaudited pro forma combined per Finisar equivalent share data is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and related notes included in this joint proxy statement/prospectus. See Unaudited Pro Forma Condensed Combined Financial Information.

The following table sets forth certain historical and unaudited pro forma combined per share information for II-VI and Finisar.

	<b>As of/For the Three Months Ended September 30, 2018</b>	<b>As of/For the Year Ended June 30, 2018</b>
<b>II-VI Historical</b>		
Earnings per share:		
Basic	\$ 0.41	\$ 1.41
Diluted	0.40	1.35
Book value per share of common stock <sup>(1)</sup>	16.41	16.18
Dividends declared per share of common stock		
<b>Finisar Historical</b>		
Earnings per share:		
Basic	(0.04)	(0.74)
Diluted	(0.04)	(0.74)
Book value per share of common stock <sup>(2)</sup>	13.64	13.69
Dividends declared per share of common stock		
<b>Unaudited Pro Forma Combined Per II-VI Share Data for II-VI Common Stock</b>		
Earnings per share:		
Basic	(0.21)	(1.70)
Diluted	(0.21)	(1.70)
Book value per share of common stock <sup>(3)</sup>	22.47	N/A

**Unaudited Pro Forma Combined Per  
Finisar Equivalent Share Data<sup>(4)</sup>**

Earnings per share:		
Basic	(0.05)	(0.38)
Diluted	(0.05)	(0.38)
Book value per share of common stock	4.98	N/A

- (1) Calculated by dividing shareholders' equity of \$1,043,588,000 and \$1,024,311,000 as of September 30, 2018 and June 30, 2018, respectively, by 63,578,099 and 63,296,892 outstanding shares of II-VI Common Stock as of September 30, 2018 and June 30, 2018, respectively.

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- (2) Calculated by dividing stockholders' equity of \$1,600,285,000 and \$1,603,448,000 as of October 28, 2018 and July 29, 2018, respectively, by 117,354,000 and 117,160,000 outstanding shares of Finisar Common Stock as of October 28, 2018 and July 29, 2018, respectively.
  
- (3) Calculated by dividing pro forma shareholders' equity of \$2,016,028,000 by 89,711,577 pro forma outstanding shares of II-VI Common Stock. Unaudited pro forma combined book value per share of common stock as of June 30, 2018 is not applicable as the estimation of pro forma adjustments have been calculated as of September 30, 2018.
  
- (4) Assumes amounts calculated by multiplying unaudited pro forma combined per share amounts by 0.2218, the number of shares of II-VI Common Stock issuable per share of Finisar Common Stock as Mixed Election Consideration, which does not include the \$15.60 cash portion of the Mixed Election Consideration.



**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices**

II-VI Common Stock is listed for trading on the Nasdaq Global Select Market under the ticker symbol IIVI. Finisar Common Stock is listed for trading on the Nasdaq Global Select Market under the ticker symbol FNSR.

**Comparative Per Share Market Price Information**

The following table presents the closing sale price per share of Finisar Common Stock and II-VI Common Stock reported on the Nasdaq Global Select Market on November 8, 2018, the last trading day before the public announcement of the Merger Agreement, and February 7, 2019, the last practicable trading day prior to the mailing of this joint proxy statement/prospectus. The table also shows the estimated value of the per share Merger Consideration for each share of Finisar Common Stock on the relevant date.

	<b>Finisar Closing Price</b>	<b>II-VI Closing Price</b>	<b>Value of the Per Share Merger Consideration<sup>(1)</sup></b>
November 8, 2018	\$ 18.88	\$ 46.88	\$ 26.00
February 7, 2019	\$ 22.46	\$ 36.53	\$ 23.70

(1) Assumes the receipt of Mixed Election Consideration. The implied value of the per share consideration for each share of Finisar Common Stock represents the sum of (i) \$15.60, the cash portion of the Mixed Election Consideration, plus (ii) the implied value of the stock portion of the Mixed Consideration, based on the closing prices of II-VI Common Stock of \$46.88 on November 8, 2018 and \$36.53 on February 7, 2019, multiplied by 0.2218, the number of shares of II-VI Common Stock issuable per share of Finisar Common Stock as Mixed Election Consideration.

The above table shows only historical comparisons. The market price of Finisar Common Stock and II-VI Common Stock will fluctuate prior to the Finisar Special Meeting and before the consummation of the Merger, which will affect the implied value of the stock portion of the Merger Consideration paid to the Finisar stockholders. These comparisons may not provide meaningful information to Finisar stockholders in determining whether to adopt the Merger Agreement. Finisar stockholders are urged to obtain current market quotations for II-VI Common Stock and Finisar Common Stock and to review carefully the other information contained in, or incorporated by reference into, this joint proxy statement/prospectus in considering whether to adopt the Merger Agreement. See **Where You Can Find More Information** beginning on page 223 of this joint proxy statement/prospectus.

In addition, Finisar stockholders may not receive all consideration in the form they elect. See **Questions and Answers About the Merger and the Special Meetings** **What will Finisar stockholders receive if the Merger is completed?** beginning on page 2 of this joint proxy statement/prospectus.



**Table of Contents****Comparative Stock Prices and Dividends**

The following tables set forth, for the respective periods of Finisar and II-VI indicated, the intraday high and low sale prices per share of Finisar Common Stock and II-VI Common Stock as reported by the Nasdaq Global Select Market. Neither Finisar nor II-VI has historically paid dividends on its common stock, and neither company presently anticipates paying any dividends on its common stock in the foreseeable future.

	Finisar Common Stock		Cash Dividend Declared
	High	Low	
<b><u>Fiscal Year 2016</u></b>			
First quarter	\$ 23.141	\$ 16.86	
Second quarter	17.79	10.66	
Third quarter	14.97	11.11	
Fourth quarter	19.00	12.19	
<b><u>Fiscal Year 2017</u></b>			
First quarter	19.53	15.21	
Second quarter	31.42	18.00	
Third quarter	36.85	27.13	
Fourth quarter	36.41	21.53	
<b><u>Fiscal Year 2018</u></b>			
First quarter	28.99	22.31	
Second quarter	27.97	20.16	
Third quarter	25.41	17.20	
Fourth quarter	21.73	14.251	
<b><u>Fiscal Year 2019</u></b>			
First quarter	19.00	15.42	
Second quarter	21.63	15.91	
Third quarter	23.68	15.81	
Fourth quarter (through February 7, 2019)	23.12	21.33	

	II-VI Common Stock		Cash Dividend Declared
	High	Low	
<b><u>Fiscal Year 2016</u></b>			
First quarter	\$ 19.30	\$ 15.042	
Second quarter	19.46	15.69	
Third quarter	22.18	16.09	
Fourth quarter	23.39	17.91	
<b><u>Fiscal Year 2017</u></b>			
First quarter	24.46	17.76	
Second quarter	32.45	23.80	
Third quarter	41.10	29.10	

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Fourth quarter	36.35	27.25
<b><u>Fiscal Year 2018</u></b>		
First quarter	41.425	34.00
Second quarter	52.55	39.60
Third quarter	53.075	36.60
Fourth quarter	49.30	38.05
<b><u>Fiscal Year 2019</u></b>		
First quarter	50.75	38.45
Second quarter	47.96	29.31
Third quarter (through February 7, 2019)	40.18	29.40

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**Table of Contents****RISK FACTORS**

*In deciding how and whether to vote, you should carefully consider the following risk factors and all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, including but not limited to, the matters addressed in the section entitled **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 62 of this joint proxy statement/prospectus and the matters discussed under **Item 1A. Risk Factors** of II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, as updated from time to time in II-VI's subsequent filings with the SEC, which are incorporated by reference into this joint proxy statement/prospectus, and Finisar's Annual Report on Form 10-K for the fiscal year ended April 29, 2018, as updated from time to time in Finisar's subsequent filings with the SEC, which are incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information** of this joint proxy statement/prospectus.*

**Risks Relating to the Merger**

**The Merger is subject to approval by the shareholders of II-VI and the stockholders of Finisar.**

In order for the Merger to be completed, among other things, II-VI shareholders must approve the Share Issuance Proposal, which requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast (assuming a quorum is present), and Finisar stockholders must approve the Merger Proposal, which requires the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock at the Finisar Special Meeting. There can be no assurance that either approval will be obtained.

**II-VI's stock price may be negatively impacted by risks, conditions and developments that apply to II-VI, some of which are different from the risks, conditions and developments applicable to Finisar.**

Upon completion of the Merger, Finisar stockholders who elect to receive Stock Election Consideration or Mixed Election Consideration will become holders of II-VI Common Stock, and Finisar stockholders who elect to receive Cash Election Consideration may become holders of II-VI Common Stock. See **Finisar stockholders may not receive all consideration in the form they elect.** The businesses and markets of II-VI are different from those of Finisar in some respects. There is a risk that various factors, conditions and developments that would not affect the price of Finisar Common Stock could negatively affect the price of II-VI Common Stock. The issuance of shares of II-VI Common Stock in the Merger could on its own have the effect of depressing the market price for II-VI Common Stock. In addition, many Finisar stockholders may decide not to hold the shares of II-VI Common Stock they receive as a result of the Merger. Other Finisar stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of II-VI Common Stock they receive as a result of the Merger. Any such sales of II-VI Common Stock could have the effect of depressing the market price for II-VI Common Stock.

**Finisar stockholders may not receive all consideration in the form they elect.**

Finisar stockholders that elect to receive Cash Election Consideration or Stock Election Consideration will be subject to proration if holders of Finisar Common Stock, in the aggregate, elect to receive more or less than the aggregate amount of cash consideration or II-VI Common Stock to be paid in the Merger. Accordingly, Finisar stockholders who elect to receive Cash Election Consideration or Stock Election Consideration may instead receive a combination of cash and shares of II-VI Common Stock if necessary to maintain the aggregate mix of consideration described above. The relative proportion of stock and cash that a Finisar stockholder receives may also have a value that is

higher or lower than the relative proportion of stock and cash that the Finisar stockholder elected to receive. A discussion of the proration mechanism can be found under the heading **The Merger Agreement** **Merger Consideration** beginning on page 140 of this joint proxy statement/prospectus.

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**II-VI and Finisar may have difficulty attracting, motivating and retaining executives and other employees in light of the Merger.**

Uncertainty about the effect of the Merger on II-VI and Finisar employees may have an adverse effect on II-VI and Finisar and consequently the combined company. This uncertainty may impair II-VI's and Finisar's ability to attract, retain and motivate personnel both before and after completion of the Merger. II-VI and Finisar are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company's success after the Merger will depend in part upon its ability to retain key management personnel and other key employees of II-VI and Finisar. Employee retention may be particularly challenging during the pendency of the Merger, as employees may feel uncertain about their future roles with the combined company. In addition, II-VI and Finisar may have to provide additional compensation in order to retain employees.

If employees of II-VI or Finisar depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become employees of the combined company, the combined company's ability to realize the anticipated benefits of the Merger could be reduced. II-VI may have to incur significant costs in retaining such individuals or in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the business of Finisar, and II-VI's ability to realize the anticipated benefits of the Merger may be materially and adversely affected. Accordingly, no assurance can be given that II-VI will be able to attract or retain key employees following the completion of the Merger to the same extent that II-VI or Finisar has been able to attract or retain employees in the past.

**II-VI and Finisar will incur significant transaction-related costs in connection with the Merger.**

II-VI and Finisar expect to incur a number of non-recurring transaction-related costs associated with completing the Merger, combining the operations of the two companies and achieving desired synergies. These fees and costs will be significant. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. II-VI will incur significant costs with respect to the financing for the cash consideration to be paid in connection with the Merger. Additional unanticipated costs may be incurred in the integration of the businesses of II-VI and Finisar. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset the incremental transaction-related costs over time. Thus, any net benefit may not be achieved in the near term, the long term or at all.

**Failure to successfully combine the businesses of II-VI and Finisar in the expected time frame may adversely affect the future results of the combined company, and, consequently, the value of any II-VI Common Stock that Finisar stockholders receive as part of the Merger Consideration.**

The success of the Merger will depend, in part, on the ability of II-VI to realize the anticipated benefits and synergies from combining the businesses of II-VI and Finisar. To realize these anticipated benefits, the businesses must be successfully combined. The combined business's ability to successfully manage this expanded business will depend, in part, upon management's ability to implement an effective integration of the two companies and its ability to manage a combined business with significantly larger size and scope with the associated increased costs and complexity. If the combined company is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the Merger may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the Merger. These integration difficulties could result in declines in the market value of II-VI Common Stock and, consequently, result in declines in the market value of the II-VI Common Stock that Finisar stockholders receive as part of the aggregate Merger Consideration and continue to hold following consummation of the Merger.





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**The Merger is subject to conditions, including certain conditions that may not be satisfied, and may not be completed on a timely basis, or at all. Failure to complete the Merger could have material and adverse effects on Finisar and II-VI.**

The completion of the Merger is subject to a number of conditions, including the approval of the Share Issuance Proposal by the II-VI shareholders and approval of the Merger Proposal by the Finisar stockholders, which make the completion and timing of the completion of the Merger uncertain. For more information relating to conditions to completion of the Merger, see the section entitled *The Merger Agreement – Conditions to Completion of the Merger* beginning on page 160 of this joint proxy statement/prospectus. Also, either Finisar or II-VI may terminate the Merger Agreement if the Merger has not been completed by November 8, 2019; provided that this termination right is not available to II-VI or Finisar, as applicable, if II-VI's or Finisar's, as applicable, failure to comply with the Merger Agreement is a principal cause of or results in the failure of the Merger to occur before November 8, 2019.

If the Merger is not completed on a timely basis, or at all, II-VI's and Finisar's respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the Merger, II-VI and Finisar will be subject to a number of risks, including the following:

II-VI or Finisar may be required to pay the other party a termination fee of \$105.2 million in certain circumstances and as described in the section entitled *The Merger Agreement – Fees and Expenses and Termination Fees* beginning on page 163 of this joint proxy statement/prospectus;

II-VI and Finisar will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor and printing fees;

under the Merger Agreement, each of II-VI and Finisar is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies;

time and resources committed by II-VI's and Finisar's respective management to matters relating to the Merger could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of II-VI Common Stock or Finisar Common Stock could decline below current market prices to the extent that such current market prices reflect a market assumption that the Merger will be completed; and

if the Merger Agreement is terminated and the Finisar Board seeks another business combination, stockholders of Finisar cannot be certain that Finisar will be able to find a party willing to enter into a business combination or other strategic transaction on terms equivalent to or more attractive than the terms that II-VI has agreed to in the Merger Agreement.

In addition, if the Merger is not completed, II-VI and/or Finisar may experience negative reactions from the financial markets and from their respective customers and employees. II-VI and/or Finisar could also be subject to litigation

related to any failure to complete the Merger or to enforcement proceedings commenced against II-VI or Finisar to perform their respective obligations under the Merger Agreement. If the Merger is not completed, II-VI and Finisar cannot assure their respective security holders that the risks described above will not materialize and will not adversely affect the business, financial results and stock prices of II-VI and/or Finisar.

**Lawsuits have been filed against Finisar, the Finisar Board, II-VI, and Merger Sub, and other lawsuits may be filed against Finisar, II-VI, Merger Sub, and/or their respective boards of directors challenging the Merger. An adverse ruling in any such lawsuit may prevent the Merger from being completed.**

As of January 17, 2019, six lawsuits have been filed by alleged Finisar stockholders challenging the Merger. The first complaint, a putative class action complaint, was filed by Herbert Hein in the Superior Court of

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California, County of Santa Clara, and is captioned *Hein v. Finisar Corporation, et al.*, 19CV340510. The second complaint, a putative class action complaint, was filed by Pete Tenvold in the United States District Court for the District of Delaware and is captioned *Tenvold v. Finisar Corporation, et al.*, 1:19-cv-00050. The third complaint, a putative class action complaint, was filed by Melvyn Klein in the United States District Court for the Northern District of California and is captioned *Klein v. Finisar Corporation, et al.*, 3:19-cv-00155. The fourth complaint, a putative class action complaint, was filed by Earl Wheby, Jr. in the United States District Court for the District of Delaware and is captioned *Wheby v. Finisar Corporation, et al.*, 1:19-cv-00064. The fifth complaint was filed by Pankaj Sharma individually in the United States District Court for the Northern District of California and is captioned *Sharma v. Finisar Corporation, et al.*, 3:19-cv-00220. The sixth complaint, a putative class action complaint, was filed by William Davis in the United States District Court for the Northern District of California and is captioned *Davis v. Finisar Corporation, et al.*, 3:19-cv-00271.

The complaints name as defendants Finisar and each member of the Finisar Board. In addition, the *Hein*, *Tenvold*, and *Klein* complaints name II-VI and Merger Sub as defendants. The *Hein*, *Tenvold*, *Klein*, *Wheby*, and *Davis* complaints seek relief on behalf of a putative class defined as all similarly situated Finisar stockholders.

The *Hein* complaint alleges that the Finisar Board breached its fiduciary duties to Finisar stockholders by purportedly engaging in an insufficient sales process, obtaining inadequate merger consideration, and filing a materially misleading preliminary proxy statement that does not include, among other things, material information regarding the sales process, financial projections for both Finisar and II-VI, and financial analyses conducted by their financial advisors. The *Hein* complaint further asserts that II-VI knowingly aided and abetted the Finisar Board in breaching their fiduciary duties to Finisar stockholders by entering into the proposed transaction. The *Hein* complaint seeks preliminary and permanent injunction of the proposed transaction unless the information requested by the plaintiff is disclosed, rescission and unspecified damages if the Merger is consummated, and attorneys' fees and expert fees and costs.

The *Tenvold*, *Klein*, *Wheby*, *Sharma*, and *Davis* complaints purport to state claims for violations of Section 14(a) and 20(a) of the Exchange Act and Rule 14a-9 and, in the case of the *Davis* complaint, Regulation G promulgated thereunder. The plaintiffs in these actions generally allege that the preliminary proxy statement omits material information with respect to the proposed transaction which renders the preliminary proxy statement false and misleading. The plaintiffs in these actions seek an order enjoining the defendants from filing a definitive proxy statement with the SEC or otherwise disseminating a definitive proxy statement to Finisar stockholders or proceeding with closing the Merger unless and until the preliminary proxy statement is cured. In the event the Merger is consummated prior to entry of final judgment, the *Tenvold*, *Klein*, *Wheby*, and *Sharma* complaints seek rescission of the Merger or rescissory damages, and the *Tenvold*, *Klein*, *Wheby*, *Sharma*, and *Davis* complaints also seek unspecified damages, attorneys' and expert fees, and expenses and costs. The defendants believe that the complaints are without merit.

See The Merger Litigation Relating to the Merger beginning on page 137 of this joint proxy statement/prospectus for more information about litigation related to the Merger that has been commenced prior to the date of this joint proxy statement/prospectus. There can be no assurance that additional complaints will not be filed with respect to the Merger.

One of the conditions to completion of the Merger is the absence of any applicable law (including any order) being in effect that prohibits completion of the Merger. Accordingly, if a plaintiff is successful in obtaining an order prohibiting completion of the Merger, then such order may prevent the Merger from being completed, or from being completed within the expected timeframe.



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**In order to complete the Merger, II-VI and Finisar must obtain certain governmental authorizations, and if such authorizations are not granted or are granted with conditions that become applicable to the parties, completion of the Merger may be jeopardized or prevented or the anticipated benefits of the Merger could be reduced.**

Completion of the Merger is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and certain other applicable laws or regulations and the required governmental authorizations having been obtained and being in full force and effect. Although II-VI and Finisar have agreed in the Merger Agreement to use their reasonable best efforts to cause the closing of the Merger to occur, there can be no assurance that the relevant waiting periods will expire or authorizations will be obtained and no assurance that the Merger will be completed.

**The Merger Agreement contains provisions that make it difficult for Finisar to pursue alternatives to the Merger.**

Under the Merger Agreement, Finisar is subject to certain restrictions with respect to entering into an alternative transaction to the Merger. Unless and until the Merger Agreement is terminated, subject to specified exceptions (which are discussed in more detail in The Merger Agreement Termination of the Merger Agreement beginning on page 161 of this joint proxy statement/prospectus), Finisar has agreed not to, among other things, (i) solicit, initiate or knowingly encourage or facilitate any inquiries, offers or the making of any proposals or announcement that is or would reasonably be expected to lead to a takeover proposal, (ii) enter into, continue or otherwise participate in any discussions or negotiations with any third party regarding any takeover proposal or any inquiry that would reasonably be expected to lead to a takeover proposal, (iii) furnish any nonpublic information regarding itself or any of its subsidiaries to any person in connection with a takeover proposal or any inquiry that would reasonably be expected to lead to a takeover proposal, (iv) release or consent to the release of any confidentiality or similar provisions of any agreement that it is a party to, (v) approve any transaction under Section 203 of the DGCL or (vi) enter into a letter of intent, agreement in principle, memorandum of understanding or other agreement contemplating or otherwise relating to a takeover proposal. Additionally, under the Merger Agreement, in the event of a potential change by the Finisar Board of its recommendation with respect to the Merger in light of a superior proposal, Finisar must provide II-VI with three business days prior written notice to allow II-VI to propose an adjustment to the terms and conditions of the Merger Agreement. Finisar may terminate the Merger Agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including compliance with the non-solicitation and termination provisions of the Merger Agreement. The parties believe these provisions are reasonable and not preclusive of other offers, but these restrictions might discourage a third party that has an interest in acquiring all or a significant part of Finisar from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the per share Merger Consideration. Furthermore, the termination fees described below may result in a potential competing acquirer proposing to pay a lower per share price to acquire the applicable party than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable by such party in certain circumstances.

Under the Merger Agreement, Finisar may be required to pay to II-VI a termination fee of \$105.2 million if the Merger Agreement is terminated under specified circumstances. If such a termination fee is payable, the payment of this fee could have material and adverse consequences to the financial condition and operations of Finisar. For a discussion of the restrictions on Finisar entering into a takeover proposal or alternative transaction and the Finisar Board's ability to change its recommendation, see The Merger Agreement No Solicitation of Alternative Proposals, and The Merger Agreement Change of Finisar Board Recommendation beginning on page 151 and page 153 of this joint proxy statement/prospectus, respectively.



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**Table of Contents****Finisar's executive officers and directors have interests in the Merger that may be different from, or in addition to, the interests of Finisar's stockholders generally.**

Executive officers of Finisar negotiated the terms of the Merger Agreement with their counterparts at II-VI, and the Finisar Board, by unanimous vote, approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders. In considering these facts and the other information contained in this joint proxy statement/prospectus, Finisar stockholders should be aware that aside from their interests as stockholders, Finisar's executive officers and directors may have employment and other compensation arrangements or plans that give them financial interests in the Merger that may be different from, or in addition to, the interests of Finisar stockholders. For a further description of these interests see the section entitled "Interests of Finisar's Directors and Executive Officers in the Merger" beginning on page 166 of this joint proxy statement/prospectus.

**The opinion of Finisar's financial advisor speaks only as of the date of such opinion and does not reflect changes in events or circumstances that may occur between the original signing of the Merger Agreement and the completion of the Merger.**

Consistent with market practices, the Finisar Board has not obtained an updated opinion from its financial advisor as of the date of this joint proxy statement/prospectus and does not expect to receive an updated, revised or reaffirmed opinion prior to the completion of the Merger. The opinion does not speak as of the time the Merger will be completed or as of any date other than the date of such opinion. Changes in the operations and prospects of Finisar or II-VI, general market and economic conditions and other factors which may be beyond the control of Finisar or II-VI and on which Finisar's financial advisor's opinion was based, may significantly alter the value of Finisar or II-VI or the price of shares of Finisar Common Stock or shares of II-VI Common Stock by the time the Merger is completed. Because Finisar's financial advisor will not be updating its opinion, the opinion will not address the fairness of the Merger Consideration from a financial point of view at the time the Merger is completed. For a description of the opinion that Finisar received from its financial advisor, see the section entitled "The Merger - Opinion of Finisar's Financial Advisor" beginning on page 102 of this joint proxy statement/prospectus.

**The opinion rendered to the II-VI Board by its financial advisor, BofA Merrill Lynch, speaks only as of the date of such opinion. BofA Merrill Lynch's opinion does not reflect changes in events or circumstances after the date of its opinion. II-VI has not obtained, and does not expect to obtain, an updated fairness opinion reflecting changes in circumstances that may have occurred since such date.**

On November 8, 2018, at a meeting of the II-VI Board held to evaluate the Merger, BofA Merrill Lynch delivered to the II-VI Board its oral opinion, which was confirmed by delivery of a written opinion dated November 8, 2018, with respect to the fairness, from a financial point of view, of the Merger Consideration to II-VI. Consistent with market practices, the II-VI Board has not obtained an updated opinion from its financial advisor as of the date of this joint proxy statement/prospectus and does not expect to receive an updated, revised or reaffirmed opinion prior to the completion of the Merger. The opinion delivered by BofA Merrill Lynch to the II-VI Board does not speak as of any date other than the date of such opinion. Changes in the operations and prospects of Finisar or II-VI, general market and economic conditions and other factors which may be beyond the control of Finisar or II-VI may have altered since the date of BofA Merrill Lynch's opinion, and may alter in the future, the values of Finisar or II-VI or the prices of Finisar Common Stock or II-VI Common Stock. BofA Merrill Lynch has no obligation or duty to update its opinion, and II-VI does not expect to obtain an updated fairness opinion, to take into account any such changes. For a summary description of BofA Merrill Lynch's opinion, see the section entitled "The Merger - Opinion of II-VI's Financial Advisor" beginning on page 112 of this joint proxy statement/prospectus.





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**The closing of the Merger may trigger change in control provisions in certain agreements to which Finisar is a party.**

The closing of the Merger may trigger change in control provisions in certain agreements to which Finisar is a party. If Finisar and II-VI are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if Finisar and II-VI are able to negotiate waivers, the counterparties may require a fee for such waiver or seek to renegotiate the agreements on terms less favorable to Finisar or the combined company.

**Each of Finisar and II-VI is subject to business uncertainties and contractual restrictions while the Merger is pending, which could adversely affect each of Finisar's and II-VI's business and operations.**

Under the terms of the Merger Agreement, Finisar and II-VI are subject to certain restrictions on the conduct of their respective business prior to completing the Merger, which may adversely affect each party's ability to execute certain of its business strategies. Such limitations could negatively affect each party's businesses and operations prior to the completion of the Merger. Furthermore, the process of planning to integrate two businesses and organizations for the post-Merger period can divert management attention and resources and could ultimately have an adverse effect on each of Finisar and II-VI.

In connection with the Merger, parties with which Finisar or II-VI does business may experience uncertainty associated with the Merger, including with respect to current or future business relationships with Finisar, II-VI or the combined business. It is possible that some customers, suppliers and other persons with whom Finisar or II-VI has a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Finisar or II-VI, as applicable, as a result of the Merger, which could negatively affect Finisar's or II-VI's revenues, earnings and cash flows, as well as the market price of shares of its common stock, regardless of whether the Merger is completed.

**The exchange ratios are fixed and because the market price of II-VI Common Stock and Finisar Common Stock will fluctuate, Finisar stockholders receiving II-VI Common Stock as part of the Merger Consideration cannot be sure of the market value of such Merger Consideration relative to the value of their shares of Finisar Common Stock that they are exchanging.**

If the Merger is completed, each share of Finisar Common Stock (other than Dissenting Stockholder Shares and Excluded Shares) will be converted into the right to receive either \$26.00 in cash (without any interest thereon), 0.5546 shares of II-VI Common Stock or a combination of \$15.60 in cash (without any interest thereon) and 0.2218 shares of II-VI Common Stock (subject to the adjustment and proration procedures described in further detail in the section entitled "The Merger Agreement - Merger Consideration" beginning on page 140 of this joint proxy statement/prospectus). During the pendency of the Merger, the market value of II-VI Common Stock will fluctuate, and decreases in the market value of II-VI Common Stock will negatively affect the value of the Merger Consideration that Finisar stockholders receive. The market value of Finisar Common Stock will also fluctuate during the pendency of the Merger, and increases in the market value of Finisar Common Stock may mean that the Merger Consideration issued to Finisar stockholders will be worth less than the market value of the shares of Finisar Common Stock such stockholders are exchanging. The exchange ratios were fixed at the time the Merger Agreement was executed, and the value of II-VI Common Stock and Finisar Common Stock may vary significantly from their values on the date of the Merger Agreement, the date of this joint proxy statement/prospectus, the date on which II-VI shareholders vote on the Share Issuance Proposal, the date on which Finisar stockholders vote on the Merger Proposal, the date on which Finisar stockholders make their election and the date on which Finisar stockholders receive the applicable Merger Consideration. Neither Finisar nor II-VI is permitted to terminate the Merger Agreement solely due

to changes in the market price of either party's common stock.

There will be a period of time between the date on which Finisar stockholders make an election with respect to the form of Merger Consideration to be received by them in exchange for their Finisar Common Stock and the

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date on which Finisar stockholders actually receive II-VI Common Stock, depending on their election and subject to proration. Fluctuations in the market value of II-VI Common Stock during this time period will also affect the value of the Merger Consideration, once it is actually received.

If a Finisar stockholder elects to receive Stock Election Consideration or Mixed Election Consideration and the market value of II-VI Common Stock falls between the time of the election and the time the applicable Merger Consideration is actually received, the value of the Merger Consideration received may be less than the value of the Merger Consideration such stockholder would have received if they had elected to receive Cash Election Consideration. Conversely, if a Finisar stockholder elects to receive Cash Election Consideration and the market value of II-VI Common Stock rises between the time of the election and the time the applicable Merger Consideration is actually received, the value of the Merger Consideration received may be less than the value of the Merger Consideration such stockholder would have received if they had elected to receive Stock Election Consideration or Mixed Election Consideration. Finisar stockholders are urged to obtain current market quotations for II-VI Common Stock when they make their elections.

**The unaudited pro forma financial information included in this joint proxy statement/prospectus may not necessarily reflect the combined company's operating results and financial condition following the Merger.**

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus is derived from II-VI's and Finisar's separate historical consolidated financial statements. The preparation of this pro forma information is based upon available information and certain assumptions and estimates that II-VI and Finisar currently believe are reasonable. These assumptions and estimates may not prove to be accurate, and this pro forma financial information does not necessarily reflect what the combined company's results of operations and financial position would have been had the Merger been completed on the relevant dates assumed and the assumptions and estimates were to prove accurate, or what the combined company's results of operations or financial position will be in the future.

**Finisar's financial estimates are based on various assumptions that may not prove to be correct.**

The financial estimates set forth in the forecast included under "The Merger – Unaudited Prospective Financial Information" are based on assumptions of, and information available to, Finisar at the time they were prepared and provided to the Finisar Board and to Barclays, as Finisar's financial advisor. Finisar does not know whether the assumptions they made will prove correct. Any or all of such estimates may turn out to be wrong. They can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond Finisar's control. Many factors mentioned in this joint proxy statement/prospectus and Finisar's other filings with the SEC incorporated by reference into this joint proxy statement/prospectus, including the risks outlined in this "Risk Factors" section and in Finisar's public filings and the events and/or circumstances described under "Cautionary Statement Regarding Forward-Looking Statements" will be important in determining Finisar's future results. See also, "Where You Can Find More Information." As a result of these contingencies, actual future results may vary materially from Finisar's estimates. In view of these uncertainties, the inclusion of Finisar's financial estimates in this joint proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved. These financial estimates are Finisar's internal financial forecasts and were not prepared with a view toward public disclosure or toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and Finisar undertakes no obligation, other than as required by applicable law, to update its financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances. The financial estimates included in this joint proxy statement/prospectus have been prepared by, and are the responsibility of, Finisar. Moreover, Finisar's independent auditors, BDO USA, LLP, have not compiled,

examined or performed any procedures with respect to Finisar's prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and, accordingly, BDO USA, LLP assumes no responsibility for, and disclaims any association

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with, Finisar's prospective financial information. The reports of BDO USA, LLP incorporated by reference relate exclusively to the historical financial information of the entities named in those reports and do not cover any other information in this joint proxy statement/prospectus and should not be read to do so. See *The Merger Unaudited Prospective Financial Information* for more information.

**II-VI's financial estimates are based on various assumptions that may not prove to be correct.**

The financial estimates set forth in the forecast included under *The Merger Unaudited Prospective Financial Information* are based on assumptions of, and information available to, II-VI at the time they were prepared and provided to the II-VI Board and to BofA Merrill Lynch, as II-VI's financial advisor. II-VI does not know whether the assumptions they made will prove correct. Any or all of such estimates may turn out to be wrong. They can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond II-VI's control. Many factors mentioned in this joint proxy statement/prospectus and II-VI's other filings with the SEC incorporated by reference into this joint proxy statement/prospectus, including the risks outlined in this *Risk Factors* section and in II-VI's public filings and the events and/or circumstances described under *Cautionary Statement Regarding Forward-Looking Statements* will be important in determining II-VI's future results. See also, *Where You Can Find More Information*. As a result of these contingencies, actual future results may vary materially from II-VI's estimates. In view of these uncertainties, the inclusion of II-VI's financial estimates in this joint proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved. These financial estimates are II-VI's internal financial forecasts and were not prepared with a view toward public disclosure or toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and II-VI undertakes no obligation, other than as required by applicable law, to update its financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances. The financial estimates included in this joint proxy statement/prospectus have been prepared by, and are the responsibility of, II-VI. Moreover, II-VI's independent auditors, Ernst & Young LLP, have not compiled, examined or performed any procedures with respect to II-VI's prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and, accordingly, Ernst & Young LLP assumes no responsibility for, and disclaims any association with, II-VI's prospective financial information. The reports of Ernst & Young LLP incorporated by reference relate exclusively to the historical financial information of the entities named in those reports and do not cover any other information in this joint proxy statement/prospectus and should not be read to do so. See *The Merger Unaudited Prospective Financial Information* for more information.

**Current II-VI shareholders and Finisar stockholders will have a reduced ownership and voting interest in II-VI after the Merger.**

Upon the completion of the Merger, each Finisar stockholder who receives consideration in the form of II-VI Common Stock and each II-VI shareholder will have a percentage ownership of II-VI that is smaller than such stockholder's previous percentage ownership of Finisar or II-VI, as applicable. Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the number of shares of II-VI Common Stock outstanding as of February 5, 2019, and assuming no adjustment in the number of shares of II-VI Common Stock to be issued as aggregate Merger Consideration in connection with the Merger Agreement, and assuming no conversions of the Finisar Convertible Notes, it is expected that, immediately after completion of the Merger, former holders of Finisar Common Stock and Finisar equity awards will own approximately 29.27% of the outstanding shares of II-VI Common Stock. As a result of these reduced ownership percentages, each of II-VI shareholders and Finisar stockholders, as a group, will have less voting power in, and influence on the board of directors, management and policies of, II-VI following the Merger than they now have in their respective companies.



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**Table of Contents****The shares of II-VI Common Stock to be received by Finisar stockholders upon completion of the Merger will have different rights from shares of Finisar Common Stock.**

Upon completion of the Merger, Finisar stockholders will no longer be stockholders of Finisar, a Delaware corporation, but will instead become shareholders of II-VI, a Pennsylvania corporation. As such, their rights as II-VI shareholders will be governed by Pennsylvania law and the terms of the II-VI Charter, as it may be amended from time to time, and the II-VI By-Laws, as they may be amended from time to time. Pennsylvania law and the terms of the II-VI Charter and the II-VI By-Laws are in some respects materially different than Delaware law and the terms of the Finisar Charter and the Finisar Bylaws, as they may be amended from time to time, which currently govern the rights of Finisar Stockholders. See Comparison of Shareholders Rights beginning on page 196 of this joint proxy statement/prospectus for a discussion of the different rights associated with shares of Finisar Common Stock and shares of II-VI Common Stock.

**No assurance can be provided that II-VI will be able to consummate the II-VI Senior Credit Facilities or obtain alternative financing to fund the cash portion of the aggregate Merger Consideration to be paid in connection with the Merger.**

The completion of the Merger is not subject to a financing condition. The receipt of any financing by II-VI is not a condition to completion of the Merger and, except in certain limited circumstances in which II-VI or Finisar may be permitted to terminate the Merger Agreement (as more fully described in The Merger Agreement Termination of the Merger Agreement beginning on page 161 of this joint proxy statement/prospectus), II-VI will be required to complete the Merger (assuming that all of the conditions to its obligations to complete the Merger under the Merger Agreement are satisfied or waived) whether or not financing is available on acceptable terms or at all.

On November 8, 2018, in connection with its entry into the Merger Agreement, II-VI entered into the Commitment Letter, which was subsequently amended and restated on December 7, 2018 and on December 14, 2018. Subject to the terms and conditions set forth in the Commitment Letter, the Lending Parties have severally committed to provide 100% of up to \$2.425 billion in aggregate principal amount of the II-VI Senior Credit Facilities, comprised of (i) a term a loan facility of up to \$1.0 billion, a portion of which will be available after the closing of the Merger on a delayed draw basis, (ii) a term b loan facility of up to \$975.0 million and (iii) a revolving credit facility of up to \$450.0 million. II-VI currently intends to pay the cash portion of the aggregate Merger Consideration and pay related fees and expenses in connection with the Merger using the proceeds of draws under the II-VI Senior Credit Facilities and cash and short-term investments of II-VI and Finisar. II-VI currently does not intend to draw on the revolving credit facility in order to fund the cash portion of the aggregate Merger Consideration.

The commitments of the Lead Arrangers with respect to the II-VI Senior Credit Facilities will automatically terminate at 11:59 p.m., New York City time, on the first to occur of (i) November 8, 2019 (unless the Merger occurs on or prior thereto), (ii) the date of closing of the Merger without the use of proceeds from the II-VI Senior Credit Facilities or (iii) the date on which II-VI delivers written notice to terminate its obligations under the Merger Agreement pursuant to the terms thereof or the date that the Merger Agreement is terminated.

The documentation governing the II-VI Senior Credit Facilities has not been finalized and, accordingly, the actual terms of the II-VI Senior Credit Facilities may differ from those described herein or in the Commitment Letter as a result of the syndication process. Although the debt financing described in this joint proxy statement/prospectus is not subject to a due diligence or market out, such financing may not be considered assured. The obligation of the Lead Arrangers to provide the debt financing under the Commitment Letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the II-VI Senior Credit Facilities may not be funded when required or at all. As of the date of this joint proxy statement/prospectus, no alternative financing arrangements have been

made in the event the II-VI Senior Credit Facilities are not available, and any such alternative financing arrangements may not be available on acceptable terms, or at all, if the II-VI Senior Credit Facilities are not consummated.



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See the section entitled "The Merger - Description of Debt Financing" beginning on page 135 of this joint proxy statement/prospectus.

**Risk Factors Relating to the Combined Company Following the Merger**

**Although II-VI expects that its acquisition of Finisar will result in cost savings, synergies and other benefits, the combined company may not realize those benefits because of integration difficulties and other challenges.**

The success of II-VI's acquisition of Finisar will depend in large part on the success of the management of the combined company in integrating the operations, strategies, technologies and personnel of the two companies following the completion of the Merger. The combined company may fail to realize some or all of the anticipated benefits of the Merger if the integration process takes longer than expected or is more costly than expected. The failure of the combined company to meet the challenges involved in successfully integrating the operations of the two companies or to otherwise realize any of the anticipated benefits of the Merger, including additional cost savings and synergies, could impair the operations of the combined company. In addition, II-VI anticipates that the overall integration of Finisar will be a time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt the combined company's business.

Potential difficulties the combined company may encounter in the integration process include the following:

the integration of management teams, strategies, technologies and operations, products and services;

the disruption of ongoing businesses and distraction of their respective management teams from ongoing business concerns;

the retention of and possible decrease in business from the existing customers of both companies;

the creation of uniform standards, controls, procedures, policies and information systems;

the reduction of the costs associated with each company's operations;

the integration of corporate cultures and maintenance of employee morale;

the retention of key employees; and

potential unknown liabilities associated with the Merger.

The anticipated cost savings, synergies and other benefits of the Merger assume a successful integration of the companies and are based on projections and other assumptions, which are inherently uncertain. Even if integration is successful, anticipated cost savings, synergies and other benefits may not be achieved.

**The market price of II-VI Common Stock may decline in the future as a result of the Merger.**

The market price of II-VI Common Stock may decline in the future as a result of the Merger for a number of reasons, including:

the unsuccessful integration of Finisar and II-VI (including for the reasons set forth in the preceding risk factor);

the need to pay cash amounts owing on conversion of, or in respect of any demands for repurchase of, the Finisar Convertible Notes in connection with the Merger and to issue II-VI Common Stock in connection with any future conversion of the Finisar Convertible Notes, which may cause substantial dilution to holders of II-VI Common Stock; and

the failure of the combined company to achieve the perceived benefits of the Merger, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts.

These factors are, to some extent, beyond the control of II-VI. As a consequence, current II-VI shareholders and Finisar stockholders who become holders of II-VI Common Stock after completion of the Merger could lose the value of their investment in II-VI Common Stock.

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**The Merger may not be accretive and may cause dilution to the combined company's earnings per share, which may negatively affect the market price of the II-VI Common Stock.**

II-VI currently anticipates that the Merger will be accretive to earnings per share (on an adjusted earnings basis) during the first full calendar year after the Merger. This expectation is based on preliminary estimates which may materially change. The combined company could also encounter additional transaction-related costs or other factors such as the failure to realize all of the benefits anticipated in the Merger. All of these factors could cause dilution to the combined company's earnings per share or decrease or delay the expected accretive effect of the Merger and cause a decrease in the market price of II-VI Common Stock.

**The combined company's future results will suffer if it does not effectively manage its expanded operations following the Merger.**

Following the Merger, the size of the business of the combined company will increase significantly beyond the current size of either II-VI's or Finisar's current businesses. The combined company's future success depends, in part, upon its ability to manage this expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurance that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the Merger.

**II-VI and Finisar face competition, which is expected to intensify and which may reduce the market share and profits of II-VI after consummation of the Merger.**

Competition in the industries in which II-VI and Finisar operate is intense. Increased competition could hurt II-VI's and Finisar's businesses, hinder their market share expansion and lead to pricing pressures that may adversely impact their margins and revenues. If the combined company is unable to successfully compete following the Merger, its business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected.

Following the consummation of the Merger, the combined company's competitive position could be weakened by strategic alliances or consolidation within the combined company's industries or the development of new technologies by competitors. The combined company's ability to compete successfully will depend on how well it markets its products and services and on its ability to anticipate and respond to various competitive factors affecting its industries, including changes in customer preferences, and changes in the product offerings or pricing strategies of the combined company's competitors.

After the consummation of the Merger, competition could materially adversely affect the combined company in several ways, including (i) the loss of customers and market share, (ii) the combined company's need to lower prices or increase expenses to remain competitive and (iii) the loss of business relationships within II-VI's existing markets.

**II-VI is expected to incur substantial expenses related to the Merger and integration.**

II-VI is expected to incur substantial expenses in connection with the Merger and the related integration. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing and benefits.

While II-VI has assumed that a certain level of expenses will be incurred, there are many factors beyond its control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will

be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that II-VI expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result

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in the combined company taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present.

**Following the consummation of the Merger, II-VI will be bound by all of the obligations and liabilities of both companies.**

Following the consummation of the Merger, the combined company will become bound by all of the obligations and liabilities of Finisar in addition to II-VI's obligations and liabilities existing prior to the consummation of the Merger. Neither II-VI nor Finisar can predict the financial condition of the combined company at the time of the combination or the ability of the combined company to satisfy its obligations and liabilities.

**The Merger may result in a loss of suppliers and strategic alliances and may result in the termination of existing contracts.**

Following the Merger, some of the suppliers of II-VI or Finisar, as historical businesses, may terminate or scale back their business relationship with the combined company. II-VI and Finisar have contracts with suppliers, vendors, and other business partners which may require II-VI or Finisar to obtain consents from these other parties in connection with the Merger, which may not be obtained at all or on favorable terms. If supplier relationships or strategic alliances are adversely affected by the Merger, or if the combined company, following the Merger, loses the benefits of the contracts of II-VI or Finisar, the combined company's business and financial performance could suffer.

**Following the Merger, the combined company will have a substantial amount of debt, which could adversely affect its business, financial condition or results of operations and prevent it from fulfilling its debt-related obligations.**

Following the Merger, the combined company will have a substantial amount of debt. As of September 30, 2018, on a pro forma basis, the combined company would have had approximately \$2.2 billion of outstanding debt (including under its outstanding debt securities and borrowings under II-VI's credit facilities). The combined company's substantial debt could have important consequences for the holders of II-VI Common Stock, including:

making it more difficult for the combined company to satisfy its obligations with respect to its debt or to its trade or other creditors;

increasing the combined company's vulnerability to adverse economic or industry conditions;

limiting the combined company's ability to obtain additional financing to fund capital expenditures and acquisitions, particularly when the availability of financing in the capital markets is limited;

requiring the combined company to pay higher interest rates upon refinancing or on the combined company's variable rate indebtedness if interest rates rise;

requiring a substantial portion of the combined company's cash flows from operations and the proceeds of any capital markets offerings or loan borrowings for the payment of interest on the combined company's debt and reducing the combined company's ability to use its cash flows to fund working capital, capital expenditures, acquisitions and general corporate requirements;

limiting the combined company's flexibility in planning for, or reacting to, changes in its business and the industries in which it operates; and

placing the combined company at a competitive disadvantage to less leveraged competitors.

The combined company may not generate sufficient cash flow from operations, together with any future borrowings, to enable the combined company to pay its indebtedness, or to fund the combined company's other

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liquidity needs. The combined company may need to refinance all or a portion of its indebtedness, on or before its maturity. The combined company may not be able to refinance any of its indebtedness on commercially reasonable terms or at all. The combined company may not be able to pay the repurchase price on the 2033 Notes and 2036 Notes to the extent holders elect to exercise their repurchase rights in December 2023 and 2028 with respect to the 2033 Notes and December 2026 and 2031 with respect to the 2036 Notes. In addition, the combined company may incur additional indebtedness in order to finance its operations, to fund acquisitions, or to repay existing indebtedness. If the combined company cannot service its indebtedness, it may have to take actions such as selling assets, seeking additional debt or equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. Any such actions, if necessary, may not be able to be effected on commercially reasonable terms or at all, or on terms that would be advantageous to the combined company's stockholders or on terms that would not require II-VI to breach the terms and conditions of its existing or future debt agreements.

**Other Risk Factors Relating to II-VI and Finisar**

As a result of entering into the Merger Agreement, II-VI's and Finisar's businesses are and will be subject to the risks described above. In addition, II-VI and Finisar are, and following completion of the Merger, the combined company will continue to be, subject to the risks described in II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and Finisar's Annual Report on Form 10-K for the fiscal year ended April 29, 2018, each as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. For the location of information incorporated by reference, see [Where You Can Find More Information](#).

**Table of Contents****CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Information set forth, and the documents to which Finisar and II-VI refer you, in this registration statement, of which this joint proxy statement/prospectus forms a part, including financial estimates and statements as to the expected timing, completion and effects of the transactions between II-VI and Finisar, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the rules, regulations and releases of the SEC. These forward-looking statements are subject to risks and uncertainties, and actual results might differ materially from those discussed in, or implied by, the forward-looking statements. Such forward-looking statements include, but are not limited to, statements about the benefits of the transactions, including future financial and operating results, the combined company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Such statements are based on the current beliefs and expectations of the management of Finisar and II-VI and are subject to significant risks and uncertainties outside of our control.

Statements included in or incorporated by reference into this registration statement, of which this joint proxy statement/prospectus forms a part, that are not historical facts, including statements about the beliefs and expectations of the managements of Finisar and II-VI, are forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act and Section 21E of the Exchange Act. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as expect, anticipate, intend, plan, believe, seek, see, will, would, expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements, including the failure to consummate the proposed transaction or to make any filing or take other action required to consummate such transaction in a timely manner or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Important factors that may cause such a difference include, but are not limited to: (i) the ability of II-VI and Finisar to complete the proposed transaction on the anticipated terms and timing or at all, (ii) the ability of the parties to satisfy the conditions to the closing of the proposed transaction, including obtaining required regulatory approvals, (iii) potential litigation relating to the proposed transaction, which could be instituted against II-VI, Finisar or their respective directors, (iv) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction, (v) the triggering of any third party contracts containing consent and/or other similar provisions, (vi) any negative effects of the announcement of the transaction on the market price of Finisar Common Stock and/or negative effects of the announcement or commencement of the transaction on the market price of II-VI Common Stock, (vii) the decisions of holders of the Finisar Convertible Notes with respect to whether to convert their notes, require Finisar to repurchase their notes or continue holding their notes until maturity or until they are otherwise redeemed pursuant to the terms of the applicable Indenture, (viii) uncertainty as to the long-term value of II-VI Common Stock, and thus the value of the II-VI shares to be issued in the transaction, (ix) any unexpected impacts from unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition and losses on the future prospects, business and management strategies for the management, expansion and growth of the combined company's operations after the consummation of the transaction and on the other conditions to the completion of the Merger, (x) inherent risks, costs and uncertainties associated with integrating the businesses successfully and achieving all or any of the anticipated synergies, (xi) potential disruptions from the proposed transaction that may harm II-VI's or Finisar's respective businesses, including current plans and operations, (xii) the ability of II-VI and Finisar to retain and hire key personnel, (xiii) adverse legal and regulatory developments or determinations or adverse changes in, or interpretations of, U.S. or foreign laws, rules or regulations, that could delay or prevent completion of the proposed transaction or cause the terms of the proposed transaction to be modified,



(xiv) the ability of II-VI to obtain or consummate financing or refinancing related to the transaction upon acceptable terms or at all,

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(xv) economic uncertainty due to monetary or trade policy, political or other issues in the United States or internationally, (xvi) any unexpected fluctuations or weakness in the U.S. and global economies, (xvii) changes in U.S. corporate tax laws as a result of the Tax Cuts and Jobs Act of 2017 and any future legislation, (xviii) foreign currency effects on II-VI's and Finisar's respective businesses, (xix) competitive developments including pricing pressures, the level of orders that are received and can be shipped in a quarter, changes or fluctuations in customer order patterns, and seasonality, (xx) changes in utilization of II-VI or Finisar's manufacturing capacity and II-VI's ability to effectively manage and expand its production levels, (xxi) disruptions in II-VI's business or the businesses of its customers or suppliers due to natural disasters, terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns or disruptions in the transportation system, and (xxii) the responses by the respective managements of II-VI and Finisar to any of the aforementioned factors. Additional risks are described under the heading "Risk Factors" in II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, filed with the SEC on August 28, 2018, and in Finisar's Annual Report on Form 10-K for the fiscal year ended April 29, 2018, filed with the SEC on June 15, 2018, and Finisar's Quarterly Reports on Form 10-Q for its quarter ended July 29, 2018, filed with the SEC on September 6, 2018, and its quarter ended October 28, 2018, filed with the SEC on December 3, 2018.

Consequently, all of the forward-looking statements Finisar or II-VI make in this document are qualified by the information contained in or incorporated by reference into this joint proxy statement/prospectus, including, but not limited to (i) the information contained under this heading and (ii) the information discussed under the sections entitled "Risk Factors" in II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and in Finisar's Annual Report on Form 10-K for the fiscal year ended April 29, 2018 and Finisar's Quarterly Reports on Form 10-Q for its quarter ended July 29, 2018 and its quarter ended October 28, 2018. See the section entitled "Where You Can Find More Information" beginning on page 223 of this joint proxy statement/prospectus.

Except as otherwise required by law, neither II-VI nor Finisar is under any obligation, and each expressly disclaims any obligation, to update, alter, or otherwise revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise. Persons reading this joint proxy statement/prospectus are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof.

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**THE COMPANIES**

**II-VI Incorporated**

II-VI Incorporated, a Pennsylvania corporation, is a global leader in engineered materials and optoelectronic components, and is a vertically integrated manufacturing company that develops innovative products for diversified applications in the industrial, optical communications, military, life sciences, semiconductor equipment, and consumer markets. Headquartered in Saxonburg, Pennsylvania, II-VI has research and development, manufacturing, sales, service, and distribution facilities worldwide. II-VI produces a wide variety of application-specific photonic and electronic materials and components, and deploys them in various forms, including integrated with advanced software to enable its customers.

II-VI Common Stock is listed on the Nasdaq Global Select Market under the symbol **IIVI**. II-VI's home page on the Internet is [www.ii-vi.com](http://www.ii-vi.com). The information provided on II-VI's website is not part of this joint proxy statement/prospectus and is not incorporated herein by reference.

II-VI's principal executive offices are located at 375 Saxonburg Boulevard, Saxonburg, Pennsylvania 16056 and its telephone number is (724) 352-4455.

**Mutation Merger Sub Inc.**

Mutation Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of II-VI, was formed solely for the purpose of facilitating the Merger. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the Merger Agreement. By operation of the Merger, Merger Sub will be merged with and into Finisar, with Finisar surviving the Merger as a wholly owned subsidiary of II-VI.

Mutation Merger Sub's principal executive offices are located at c/o II-VI Incorporated, 375 Saxonburg Boulevard, Saxonburg, Pennsylvania 16056 and its telephone number is (724) 352-4455.

**Finisar Corporation**

Finisar Corporation, a Delaware corporation, is a global technology leader in optical communications, providing components and subsystems to networking equipment manufacturers, data center operators, telecom service providers, consumer electronics and automotive companies. Finisar, incorporated in California in April 1987 and reincorporated in Delaware in November 1999, designs products that meet the increasing demands for network bandwidth, data storage and 3D sensing subsystems. Finisar is headquartered in Sunnyvale, California, with research and development, manufacturing sites, sales and support offices worldwide.

Finisar Common Stock is listed on the Nasdaq Global Select Market under the symbol **FNSR**. Finisar's home page on the Internet is [www.finisar.com](http://www.finisar.com). The information provided on Finisar's website is not part of this joint proxy statement/prospectus and is not incorporated herein by reference.

Finisar's principal executive offices are located at 1389 Moffett Park Drive, Sunnyvale, California 94089 and its telephone number is (408) 548-1000.



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**INFORMATION ABOUT THE FINISAR SPECIAL MEETING**

Finisar is providing this joint proxy statement/prospectus to its stockholders in connection with the solicitation of proxies to be voted at the Finisar Special Meeting (or any adjournment or postponement thereof) that Finisar has called to consider and vote on (i) a proposal to adopt the Merger Agreement, (ii) a proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar's named executive officers in connection with the Merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such compensation may be paid or become payable.

**Date, Time, Place and Purpose of the Finisar Special Meeting**

This joint proxy statement/prospectus is being furnished to Finisar stockholders as part of the solicitation of proxies by the Finisar Board, for use at the Finisar Special Meeting to be held on March 26, 2019, at 11:00 a.m. local time, at 2765 Sand Hill Road, Menlo Park, California 94025 or at any postponement or adjournment thereof.

At the Finisar Special Meeting, Finisar stockholders will be asked to consider and vote on:

The ***Merger Proposal***: a proposal to adopt the Merger Agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

The ***Finisar Adjournment Proposal***: a proposal to approve adjournments of the Finisar Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to approve the Merger Proposal; and

The ***Compensation Proposal***: a proposal to approve, by non-binding, advisory vote, certain compensation that may be paid or become payable to Finisar's named executive officers in connection with the Merger contemplated by the Merger Agreement and the agreements and understandings pursuant to which such compensation may be paid or become payable.

The approval by Finisar stockholders of the Merger Proposal is a condition to the obligations of II-VI and Finisar to complete the Merger. The approval of the Finisar Adjournment Proposal and the Compensation Proposal are not conditions to the obligations of II-VI or Finisar to complete the Merger. If Finisar stockholders fail to adopt the Merger Proposal, the completion of the Merger will not occur. A copy of the Merger Agreement is attached as Annex A to this joint proxy statement/prospectus. You are encouraged to read the Merger Agreement in its entirety.

Finisar will not transact on other business at the Finisar Special Meeting, except for business properly brought before the Finisar Special Meeting or any adjournment or postponement thereof.

**Recommendations of the Finisar Board**

The Finisar Board unanimously approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders. The

Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Merger Proposal. For the factors considered by the Finisar Board in reaching this decision, see The Merger Finisar s Reasons for the Merger; Recommendations of the Finisar Board beginning on page 96 of this joint proxy statement/prospectus.

The Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Finisar Adjournment Proposal. See Finisar Proposal No. 2 Adjournment of the Finisar Special Meeting beginning on page 188 of this joint proxy statement/prospectus.

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In addition, the Finisar Board unanimously recommends that Finisar stockholders vote **FOR** the Finisar Compensation Proposal. See Finisar Proposal No. 3 Non-Binding, Advisory Vote on Merger-Related Compensation for Finisar's Named Executive Officers beginning on page 189 of this joint proxy statement/prospectus.

### **Record Date, Outstanding Shares and Quorum**

Finisar has set the close of business on February 5, 2019 as the record date for the Finisar Special Meeting (the Finisar Record Date), and only Finisar stockholders of record on the Finisar Record Date are entitled to notice of, and vote at, the Finisar Special Meeting and any adjournments or postponements thereof. As of the close of business on the Finisar Record Date, there were 117,900,912 shares of Finisar Common Stock outstanding held by approximately 186 holders of record. Finisar does not have any outstanding securities that are entitled to vote at the Finisar Special Meeting other than the Finisar Common Stock.

Each holder of shares of Finisar Common Stock held as of the Finisar Record Date is entitled to one vote per share of Finisar Common Stock on each matter properly brought before the Finisar Special Meeting and any adjournments or postponements thereof.

The presence, in person or represented by proxy, of a majority of the shares of Finisar Common Stock issued and outstanding on the Finisar Record Date will constitute a quorum at the Finisar Special Meeting. Abstentions are considered as present for purposes of establishing a quorum. There must be a quorum for the votes on the Merger Proposal, the Adjournment Proposal, and the Compensation Proposal to be taken at the Finisar Special Meeting. If there is no quorum, the Finisar Special Meeting may be adjourned or postponed to another date, which may subject Finisar to additional expense and delay or prevent the completion of the Merger. If a quorum shall fail to attend the Finisar Special Meeting, the chairman of the meeting or the holders of a majority of the shares of Finisar Common Stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time.

### **Attendance**

As described below, if your shares of Finisar Common Stock are registered directly in your name with Finisar's transfer agent, American Stock Transfer and Trust Company, you are considered the stockholder of record with respect to such shares of Finisar Common Stock and you have the right to attend the Finisar Special Meeting and vote in person, subject to compliance with the procedures of the Finisar Special Meeting. If your shares of Finisar Common Stock are held in a brokerage account or by a bank or other nominee, you are the beneficial owner of such shares. As such, in order to attend the Finisar Special Meeting and vote in person, you must obtain and present at the time of admission a properly executed proxy from the stockholder of record giving you the right to attend and vote the shares of Finisar Common Stock. If you are the representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are the representative of such stockholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the Finisar Special Meeting.

### **Vote Required**

Assuming that a quorum is present, approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Finisar Common Stock as of the Finisar Record Date. If your shares of Finisar Common Stock are not voted on the Merger Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Merger Proposal, your shares will have the effect of a vote **AGAINST** the Merger Proposal. **Finisar cannot complete the Merger, and no Merger Consideration will be paid to Finisar stockholders by II-VI, unless, among other things, the Finisar stockholders approve the Merger Proposal.**





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Assuming that a quorum is present, approval of the Finisar Adjournment Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Finisar Adjournment Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Finisar Adjournment Proposal, your shares will have no effect on the Finisar Adjournment Proposal.

Assuming that a quorum is present, approval of the Compensation Proposal requires the affirmative vote of a majority of the votes cast on such proposal at the Finisar Special Meeting. If your shares of Finisar Common Stock are not voted on the Compensation Proposal, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, or if you abstain on the Compensation Proposal, your shares will have no effect on the Compensation Proposal.

If your shares are held in the name of a bank, brokerage firm or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee. Unless your bank, brokerage firm or other nominee has discretionary authority to vote your shares, your bank, brokerage firm or other nominee may not vote your shares without voting instructions from you. Under applicable stock exchange rules, if your shares are held in street name through a brokerage firm, your brokerage firm has discretionary authority to vote on routine proposals if you have not provided voting instructions. However, your brokerage firm is precluded from exercising voting discretion with respect to non-routine matters. All of the proposals to be voted on by Finisar stockholders at the Finisar Special Meeting are non-routine matters. As a result, if you do not provide voting instructions, your shares will not be voted on any proposal at the Finisar Special Meeting.

You should therefore provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares of Finisar Common Stock. **If you do not give your bank, brokerage firm or other nominee instructions, your shares will not be voted at the Finisar Special Meeting. You are encouraged to provide instructions to your bank, brokerage firm or other nominee. This ensures your shares will be voted at the Finisar Special Meeting.** Please follow the voting instructions provided by your bank, brokerage firm or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Finisar or by voting in person at the Finisar Special Meeting unless you first obtain a proxy from your bank, brokerage firm or other nominee.

As of the Finisar Record Date, the directors and executive officers of Finisar and their affiliates beneficially owned, in the aggregate, 1,837,390 shares of Finisar Common Stock, representing approximately 1.56% of the outstanding shares of Finisar Common Stock as of the close of business on the Finisar Record Date entitled to vote at the Finisar Special Meeting and any adjournments or postponements thereof (which aggregate number is inclusive of Finisar Common Stock underlying granted but unvested Finisar Restricted Stock Units, Finisar Stock Options exercisable within 60 days of the Record Date, Finisar Restricted Stock Units vesting within 60 days of the Record Date, and Finisar Common Stock indirectly owned). The directors and executive officers of Finisar have informed Finisar that they currently intend to vote all such shares of Finisar Common Stock entitled to vote **FOR** the Merger Proposal, **FOR** the Finisar Adjournment Proposal, and **FOR** the Compensation Proposal.

## **Voting of Shares, Proxies and Revocations**

If you are a stockholder of record as of the Finisar Record Date, you may vote your shares of Finisar Common Stock on matters presented at the Finisar Special Meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when submitting your voting instructions by telephone or by Internet. Proxies delivered over the Internet or by telephone must be submitted by 11:59 p.m. Eastern Time on March 25, 2019. Please be aware that if you submit your proxy by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

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by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid, pre-addressed reply envelope prior to the Finisar Special Meeting; or

you may attend the Finisar Special Meeting in person and cast your vote there.

If you are a beneficial owner, you will receive instructions from your bank, brokerage firm or other nominee that you must follow in order to vote your Finisar Common Stock. Those instructions will identify which of the above choices are available to you in order to vote. Please note that if you are a beneficial owner and wish to vote in person at the Finisar Special Meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the Finisar Special Meeting.

Please refer to the instructions on your proxy or voting instruction card for further detail on the deadlines for submitting a proxy over the Internet, by telephone or by mail. Please do not send in your share certificate(s) with your proxy card. If the Merger is completed, and you hold physical share certificates in respect of your shares of Finisar Common Stock, you will be sent a letter of transmittal promptly after the Effective Time describing how you may exchange your shares of Finisar Common Stock for the applicable Merger Consideration.

If you submit your voting instructions by proxy, regardless of the method you choose to submit your proxy, the individuals named on the enclosed proxy card, and each of them, with full power of substitution and resubstitution, will vote your shares of Finisar Common Stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of Finisar Common Stock should be voted **FOR** or **AGAINST** or to **ABSTAIN** from voting on all, some or none of the specific items of business to come before the Finisar Special Meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of Finisar Common Stock should be voted on a matter, the shares of Finisar Common Stock represented by your properly signed proxy will be voted **FOR** each of the proposals upon which you are entitled to vote.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by signing and returning a new proxy card with a later date, by attending the Finisar Special Meeting and voting in person or revoking your proxy in person (but your attendance alone will not constitute a vote or revoke any proxy previously given), or by sending written notice of revocation to Finisar prior to the time the Finisar Special Meeting begins. Written notice of revocation should be mailed to the Secretary of Finisar, at Finisar's offices at 1389 Moffett Park Drive, Sunnyvale, California 94089, Attention: Secretary, that bears a date later than the date of the previously submitted proxy that you want to revoke and is received by Finisar's Secretary prior to the Finisar Special Meeting. If you have instructed a bank, brokerage firm or other nominee to vote your shares, you may revoke your proxy by following the directions received from your bank, brokerage firm or other nominee to change those instructions.

If you have any questions or need assistance voting your shares, please contact D.F. King & Co., Inc., Finisar's proxy solicitor, toll free at (866) 356-7813 collect at (212) 269-5550, or the Investors Relations at Finisar at (408) 548-1000.

IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF FINISAR COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE FINISAR SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE, OR FOLLOW THE INSTRUCTIONS ON THE PROXY CARD TO SUBMIT YOUR VOTING INSTRUCTIONS BY TELEPHONE OR INTERNET. FINISAR STOCKHOLDERS WHO ATTEND THE FINISAR SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN

PERSON.

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### **Adjournments and Postponements**

Although it is not currently expected, the Finisar Special Meeting may be adjourned or postponed on one or more occasions for the purpose of soliciting additional proxies if there are insufficient votes at the time of the Finisar Special Meeting to adopt the Merger Proposal or if a quorum is not present at the Finisar Special Meeting. Any adjournment of the Finisar Special Meeting for the purpose of soliciting additional proxies will allow Finisar stockholders who have already sent in their proxies to revoke them at any time prior to their use at the Finisar Special Meeting as adjourned or postponed.

Finisar may also postpone or adjourn the Finisar Special Meeting to allow reasonable additional time for the filing or mailing of any supplemental or amended disclosure required under applicable law and for such supplemental or amended disclosure to be disseminated and reviewed by Finisar stockholders prior to the Finisar Special Meeting.

If a quorum is present at the Finisar Special Meeting, the Finisar Special Meeting may be adjourned if the Adjournment Proposal is approved.

If a quorum is not present at the Finisar Special Meeting, an adjournment of the meeting generally may be made by the chair of the Finisar Special Meeting or by a majority of the shares of Finisar Common Stock entitled to vote who are present, in person or by proxy. In the event there is not a quorum present, Finisar anticipates the chair of the Finisar Special Meeting will exercise his or her authority to adjourn the meeting.

### **Solicitation of Proxies; Payment of Solicitation Expenses**

This joint proxy statement/prospectus is being provided to holders of shares of Finisar Common Stock in connection with the solicitation of proxies by the Finisar Board to be voted at the Finisar Special Meeting and at any adjournments or postponements of the Finisar Special Meeting. Finisar will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the Finisar Special Meeting. Finisar has engaged D.F. King & Co., Inc. to aid in the solicitation of proxies from brokers, bank nominees and other institutional owners for approximately \$12,500, plus reimbursement of related expenses.

Finisar may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Finisar Common Stock. Finisar's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

### **Appraisal Rights**

Pursuant to Section 262 of the DGCL, a Finisar stockholder who chooses the Stock Election Consideration for his, her or its shares of Finisar Common Stock, but receives a mix of cash and II-VI Common Stock for such shares due to an oversubscription of the Stock Election Consideration through the proration adjustment mechanism, will be entitled to appraisal rights for such shares if such stockholder otherwise complies with the requirements of Section 262 of the DGCL. **APPRAISAL RIGHTS WILL NOT BE AVAILABLE TO FINISAR STOCKHOLDERS WHO FAIL TO MAKE AN ELECTION AND RECEIVE THE MIXED ELECTION CONSIDERATION OR TO FINISAR STOCKHOLDERS WHO CHOOSE THE CASH ELECTION CONSIDERATION OR THE MIXED ELECTION CONSIDERATION. THE ONLY CIRCUMSTANCES IN WHICH A FINISAR STOCKHOLDER MAY BE ENTITLED TO APPRAISAL RIGHTS IS IF SUCH STOCKHOLDER CHOOSES THE STOCK ELECTION CONSIDERATION BUT RECEIVES A COMBINATION OF II-VI**

**COMMON STOCK AND CASH THROUGH THE PRORATION MECHANISMS DUE TO AN  
OVERSUBSCRIPTION OF THE STOCK ELECTION CONSIDERATION.**

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Finisar stockholders who wish to exercise the right to seek an appraisal of their shares must not vote in favor of the Merger Proposal nor consent thereto in writing, must continuously hold their shares of Finisar Common Stock through the effective date of the Merger, must deliver to Finisar a written demand for appraisal prior to the date of the Finisar Special Meeting and must otherwise comply with the applicable requirements of Section 262 of the DGCL. The appraisal remedy affords eligible Finisar stockholders the right to seek appraisal of the fair value of their shares of Finisar Common Stock, as determined by the Delaware Court of Chancery, if the Merger is completed. The fair value of shares of Finisar Common Stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the Merger Consideration that Finisar stockholders would otherwise be entitled to receive under the terms of the Merger Agreement.

The right to seek appraisal will be lost if a Finisar stockholder votes **FOR** the Merger Proposal. However, abstaining or voting against the Merger Proposal is not in itself sufficient to perfect appraisal rights because additional actions must also be taken to perfect such rights.

Finisar stockholders who wish to exercise the right to seek an appraisal of their shares must so advise Finisar by submitting a written demand for appraisal prior to the taking of the vote on the Merger Proposal at the Finisar Special Meeting, and must otherwise follow the procedures prescribed by Section 262 of the DGCL. These procedures are summarized in the section entitled **Appraisal Rights** beginning on page 215 of this joint proxy statement/prospectus. A person having a beneficial interest in shares of Finisar Common Stock held of record in the name of another person, such as a nominee or intermediary, must act promptly to cause the record holder to follow the steps required by Section 262 of the DGCL and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, Finisar stockholders that may wish to pursue appraisal rights are urged to consult their legal and financial advisors. However, notwithstanding a Finisar stockholder's compliance with the DGCL, in perfecting appraisal rights, under Section 262 of the DGCL, assuming Finisar Common Stock remains listed on a national securities exchange immediately prior to the Effective Time, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all stockholders who are otherwise entitled to appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of Finisar Common Stock, or (ii) the value of the consideration provided in the Merger for the total number of shares of Finisar Common Stock entitled to appraisal exceeds \$1 million.

**Questions and Additional Information**

If you have additional questions about the transactions, need assistance in submitting your proxy or voting your shares of Finisar Common Stock or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, please contact Finisar's proxy solicitor at:

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor

New York, NY 10005

Banks and Brokers, call collect: (212) 269-5550

All others, call toll free: (866) 356-7813

Email: *FNSR@dfking.com*

Edgar Filing: II-VI INC - Form 424B3

You may also contact the **Finisar Investors Relations** department at:

Investors Relations, Finisar Corporation

1389 Moffett Park Drive, Sunnyvale, CA 94089

Telephone: (408) 548-1000



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**INFORMATION ABOUT THE II-VI SPECIAL MEETING**

II-VI is providing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the II-VI Special Meeting (or any adjournment or postponement thereof) that II-VI has called to consider and vote on (i) a proposal to approve the issuance of II-VI Common Stock in connection with the Merger and (ii) a proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal.

**Date, Time, Place and Purpose of the Finisar Special Meeting**

This joint proxy statement/prospectus is being furnished to II-VI shareholders as part of the solicitation of proxies by the II-VI Board for use at the II-VI Special Meeting to be held on March 26, 2019, at 2:00 p.m. local time, at 5000 Ericsson Drive, Warrendale, Pennsylvania 15086 or at any postponement or adjournment thereof.

At the II-VI Special Meeting, II-VI shareholders will be asked to consider and vote on:

The ***Share Issuance Proposal***: a proposal to approve the issuance of II-VI Common Stock in connection with the Merger; and

The ***II-VI Adjournment Proposal***: a proposal to approve adjournments of the II-VI Special Meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes to approve the Share Issuance Proposal.

The approval by II-VI shareholders of the Share Issuance Proposal is a condition to the obligations of II-VI and Finisar to complete the Merger. The approval of the II-VI Adjournment Proposal is not a condition to the obligations of II-VI or Finisar to complete the Merger. If II-VI shareholders fail to adopt the Share Issuance Proposal, the completion of the Merger will not occur.

II-VI will not transact on other business at the II-VI Special Meeting, except for business properly brought before the II-VI Special Meeting or any adjournment or postponement thereof.

**Recommendations of the II-VI Board**

The II-VI Board unanimously approved and declared advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger and the issuance of shares of II-VI Common Stock issuable in connection with the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of II-VI and its shareholders. The II-VI Board unanimously recommends that II-VI shareholders vote **FOR** the Share Issuance Proposal. For the factors considered by the II-VI Board in reaching this decision, see *The Merger II-VI's Reasons for the Merger; Recommendations of the II-VI Board* beginning on page 98 of this joint proxy statement/prospectus.

The II-VI Board unanimously recommends that II-VI's shareholders vote **FOR** the II-VI Adjournment Proposal. See *II-VI Proposal No. 2 Adjournment of the II-VI Special Meeting* beginning on page 192 of this joint proxy statement/prospectus.

**Record Date, Outstanding Shares and Quorum**

II-VI has set the close of business on February 5, 2019 as the record date for the II-VI Special Meeting (the II-VI Record Date ), and only II-VI shareholders of record on the II-VI Record Date are entitled to notice of, and vote at, the II-VI Special Meeting and any adjournments or postponements thereof. As of the close of business on the II-VI Record Date, there were 63,394,256 shares of II-VI Common Stock outstanding and entitled to vote. II-VI does not have any outstanding securities that are entitled to vote at the II-VI Special Meeting other than the II-VI Common Stock.

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Each holder of shares of II-VI Common Stock held as of the II-VI Record Date is entitled to one vote per share of II-VI Common Stock on each matter properly brought before the II-VI Special Meeting and any adjournments or postponements thereof.

The presence, in person or represented by proxy, of a majority of the shares of II-VI Common Stock issued and outstanding on the II-VI Record Date will constitute a quorum at the II-VI Special Meeting. Abstentions are considered as present for purposes of establishing a quorum. There must be a quorum for votes on the Share Issuance Proposal to be taken at the II-VI Special Meeting. If there is no quorum, the II-VI Special Meeting may be adjourned or postponed to another date if the II-VI Adjournment Proposal is approved at the II-VI Special Meeting.

### **Attendance**

As described below, if your shares of II-VI Common Stock are registered directly in your name with II-VI's transfer agent, American Stock Transfer and Trust Company, you are considered the shareholder of record with respect to such shares of II-VI Common Stock and you have the right to attend the II-VI Special Meeting and vote in person, subject to compliance with the procedures described below. If your shares of II-VI Common Stock are held in a brokerage account or by a bank or other nominee, you are the beneficial owner of such shares. As such, in order to attend the II-VI Special Meeting and vote in person, you must obtain and present at the time of admission a properly executed proxy from the shareholder of record giving you the right to attend and vote the shares of II-VI Common Stock. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder.

If you are a II-VI shareholder of record and plan to attend the II-VI Special Meeting in person, please mark the appropriate box on the enclosed proxy card, or enter that information when submitting a proxy by telephone or Internet prior to the II-VI Special Meeting. II-VI would like to know by March 19, 2019 if you plan to attend the II-VI Special Meeting in person. If your shares are held through an intermediary, such as a broker or a bank, you will need to present proof of your ownership as of the close of business on the II-VI Record Date for admission to the II-VI Special Meeting location. Proof of ownership could include a proxy card from your bank or broker, or a copy of your account statement. All in-person attendees will need to present valid photo identification for admission. The use of recording devices and other electronic devices will not be permitted during the II-VI Special Meeting.

If you require any special accommodations at the II-VI Special Meeting due to a disability, please contact II-VI at (724) 352-4455 and identify your specific need no later than March 19, 2019.

### **Vote Required**

Assuming that a quorum is present, approval of the Share Issuance Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast. Accordingly, abstentions will have the same effect as a vote **AGAINST** the Share Issuance Proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the Share Issuance Proposal. This vote will satisfy the vote requirements of Listing Rule 5635(d) of the Nasdaq Stock Market with respect to the Share Issuance Proposal. **II-VI cannot complete the Merger unless, among other things, the II-VI shareholders approve the Share Issuance Proposal.**

Approval of the II-VI Adjournment Proposal requires the affirmative vote of at least a majority of the votes that all II-VI shareholders present at the II-VI Special Meeting, in person or by proxy, are entitled to cast, whether or not a quorum is present. Accordingly, abstentions will have the same effect as a vote **AGAINST** the II-VI Adjournment

Proposal, but shares deemed not in attendance at the meeting, whether due to a record

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holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary will have no effect on the II-VI Adjournment Proposal.

If your shares are held in the name of a bank, brokerage firm or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee. Unless your bank, brokerage firm or other nominee has discretionary authority to vote your shares, your bank, brokerage firm or other nominee may not vote your shares without voting instructions from you. Under applicable stock exchange rules, if your shares are held in street name through a brokerage firm, your brokerage firm has discretionary authority to vote on routine proposals if you have not provided voting instructions. However, your brokerage firm is precluded from exercising voting discretion with respect to non-routine matters. All of the proposals to be voted on by II-VI shareholders at the II-VI Special Meeting are non-routine matters. As a result, if you do not provide voting instructions, your shares will not be voted on any proposal at the II-VI Special Meeting.

You should therefore provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares of II-VI Common Stock. **If you do not give your bank, brokerage firm or other nominee instructions, your shares will not be voted at the II-VI Special Meeting. You are encouraged to provide instructions to your bank, brokerage firm or other nominee. This ensures your shares will be voted at the II-VI Special Meeting.** Please follow the voting instructions provided by your bank, brokerage firm or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to II-VI or by voting in person at the II-VI Special Meeting unless you first obtain a proxy from your bank, brokerage firm or other nominee.

As of the II-VI Record Date, the directors and executive officers of II-VI and their affiliates beneficially owned, in the aggregate, 2,571,872 shares of II-VI Common Stock, representing approximately 4.06% of the outstanding shares of II-VI Common Stock as of the close of business on the II-VI Record Date entitled to vote at the II-VI Special Meeting and any adjournments or postponements thereof (which aggregate number is inclusive of restricted shares of II-VI Common Stock, II-VI Common Stock underlying granted but unvested II-VI restricted stock units, II-VI stock options exercisable within 60 days of the Record Date, II-VI restricted stock units vesting within 60 days of the Record Date, and II-VI Common Stock indirectly owned). The directors and executive officers of II-VI have informed II-VI that they currently intend to vote all such shares of II-VI Common Stock entitled to vote **FOR** the Share Issuance Proposal and **FOR** the II-VI Adjournment Proposal.

**Voting of Shares, Proxies and Revocations**

If you are a shareholder of record as of the II-VI Record Date, you may vote your shares of II-VI Common Stock on matters presented at the II-VI Special Meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when submitting your voting instructions by telephone or by Internet. Proxies delivered over the Internet or by telephone must be submitted by 11:59 p.m. local time on March 25, 2019. Please be aware that if you submit your proxy by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid, pre-addressed reply envelope prior to the II-VI Special Meeting; or

you may attend the II-VI Special Meeting in person and cast your vote there.

If you are a beneficial owner, you will receive instructions from your bank, brokerage firm or other nominee that you must follow in order to vote your shares of II-VI Common Stock. Those instructions will identify which of the above choices are available to you in order to vote. Please note that if you are a beneficial owner and wish to vote in person at the II-VI Special Meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the II-VI Special Meeting.

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Please refer to the instructions on your proxy or voting instruction card for further detail on the deadlines for submitting a proxy over the Internet, by telephone or by mail.

If you submit your voting instructions by proxy, regardless of the method you choose to submit your proxy, the individuals named on the enclosed proxy card, and each of them, with full power of substitution and resubstitution, will vote your shares of II-VI Common Stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of II-VI Common Stock should be voted **FOR** or **AGAINST** or to **ABSTAIN** from voting on all, some or none of the specific items of business to come before the II-VI Special Meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of II-VI Common Stock should be voted on a matter, the shares of II-VI Common Stock represented by your properly signed proxy will be voted **FOR** the Share Issuance Proposal and **FOR** the II-VI Adjournment Proposal.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by signing and returning a new proxy card with a later date, by attending the II-VI Special Meeting and voting in person or revoking your proxy in person (but your attendance alone will not constitute a vote or revoke any proxy previously given, or by sending written notice of revocation to II-VI prior to the time the II-VI Special Meeting begins. Written notice of revocation should be mailed to the Secretary of II-VI, at II-VI's offices at 375 Saxonburg Boulevard, Saxonburg, Pennsylvania 16056, Attention: Secretary, that bears a date later than the date of the previously submitted proxy that you want to revoke and is received by II-VI's Secretary prior to the II-VI Special Meeting. If you have instructed a broker, bank or other nominee to vote your shares, you may revoke your proxy by following the directions received from your bank, broker or other nominee to change those instructions.

If you have any questions or need assistance voting your shares, please contact II-VI at II-VI Incorporated, 375 Saxonburg, PA 16056, Attention: Mark Lourie, Telephone (724) 352-4455.

IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF II-VI COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE II-VI SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE, OR FOLLOW THE INSTRUCTIONS ON THE PROXY CARD TO SUBMIT YOUR VOTING INSTRUCTIONS BY TELEPHONE OR INTERNET. II-VI SHAREHOLDERS WHO ATTEND THE II-VI SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

## **Adjournments and Postponements**

Although it is not currently expected, the II-VI Special Meeting may be adjourned or postponed on one or more occasions for the purpose of soliciting additional proxies if there are insufficient votes at the time of the II-VI Special Meeting to approve the Share Issuance Proposal or if a quorum is not present at the II-VI Special Meeting. Any adjournment of the II-VI Special Meeting for the purpose of soliciting additional proxies will allow II-VI shareholders who have already sent in their proxies to revoke them at any time prior to their use at the II-VI Special Meeting as adjourned or postponed.

II-VI may also postpone or adjourn the II-VI Special Meeting to allow reasonable additional time for the filing or mailing of any supplemental or amended disclosure required under applicable law and for such supplemental or amended disclosure to be disseminated and reviewed by II-VI shareholders prior to the II-VI Special Meeting.

An adjournment generally may be made with the affirmative vote of the holders of a majority of the shares of II-VI Common Stock present in person or represented by proxy and entitled to vote thereon.



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### **Anticipated Date of Completion of the Transactions**

Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement – Conditions to Completion of the Merger" beginning on page 160 of this joint proxy statement/prospectus, including the approval of the Share Issuance Proposal by II-VI shareholders at the II-VI Special Meeting, II-VI and Finisar currently expect that the Merger will be completed approximately in the middle of 2019. However, it is possible that factors outside the control of both companies could result in the transactions being completed at a different time or not at all.

### **Solicitation of Proxies; Payment of Solicitation Expenses**

This joint proxy statement/prospectus is being provided to holders of shares of II-VI Common Stock in connection with the solicitation of proxies by the II-VI Board to be voted at the II-VI Special Meeting and at any adjournments or postponements of the II-VI Special Meeting. II-VI will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the II-VI Special Meeting. II-VI has engaged MacKenzie to aid in the solicitation of proxies from brokers, bank nominees and other institutional owners for approximately \$25,000, plus reimbursement of related expenses.

II-VI may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of II-VI Common Stock. II-VI's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

### **Appraisal**

Under Pennsylvania law, as well as the governing documents of II-VI, II-VI shareholders are not entitled to appraisal or dissenters' rights in connection with the Merger.

### **Questions and Additional Information**

If you have additional questions about the transactions, need assistance in submitting your proxy or voting your shares of II-VI Common Stock or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, please contact II-VI at II-VI Incorporated, 375 Saxonburg, PA 16056, Attention: Mark Lourie, Telephone (724) 352-4455.

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**Table of Contents****THE MERGER****General**

This joint proxy statement/prospectus is being provided to holders of shares of Finisar Common Stock in connection with the solicitation of proxies by the Finisar Board to be voted at the Finisar Special Meeting and at any adjournments or postponements of the Finisar Special Meeting. At the Finisar Special Meeting, Finisar will ask its stockholder to vote on (i) the Merger Proposal, (ii) the Finisar Adjournment Proposal and (iii) the Compensation Proposal.

This joint proxy statement/prospectus is being provided to holders of shares of II-VI Common Stock in connection with the solicitation of proxies by the II-VI Board to be voted at the II-VI Special Meeting and at any adjournments or postponements of the II-VI Special Meeting. At the II-VI Special Meeting, II-VI will ask its shareholders to vote on (i) the Share Issuance Proposal and (ii) the II-VI Adjournment Proposal.

**Effects of the Merger**

The Merger Agreement provides for the merger of Merger Sub with and into Finisar, with Finisar continuing as the surviving corporation and a wholly-owned subsidiary of II-VI. **The Merger will not be completed and the Merger Consideration will not be paid unless, among other things, Finisar stockholders approve the Merger Proposal and II-VI shareholders approve the Share Issuance Proposal.** A copy of the Merger Agreement is attached as Annex A to this joint proxy statement/prospectus. You are urged to read the Merger Agreement in its entirety because it is the legal document that governs the Merger. For additional information about the Merger, see The Merger Agreement Structure and Effects of the Merger and The Merger Agreement Merger Consideration beginning on pages 139 and 140, respectively, of this joint proxy statement/prospectus.

At the Effective Time, each outstanding share of Finisar Common Stock (other than Dissenting Stockholder Shares and Excluded Shares) will be converted into the right to receive, at the election of the holder of such share of Finisar Common Stock, (i) Cash Election Consideration, consisting of \$26.00 in cash, without interest (subject to the proration adjustment procedures described in this joint proxy statement/prospectus), (ii) Stock Election Consideration, consisting of 0.5546 validly issued, fully paid and non-assessable shares of II-VI Common Stock (subject to the proration adjustment procedures described in this joint proxy statement/prospectus), or (iii) Mixed Election Consideration, consisting of \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and non-assessable shares of II-VI Common Stock; provided, that Finisar stockholders who are otherwise entitled to receive fractional shares of II-VI Common Stock as part of the Merger Consideration will receive cash in lieu of such fractional shares of II-VI Common Stock.

Each holder of record of shares of Finisar Common Stock (not including the Dissenting Stockholder Shares or the Excluded Shares, but including holders of Participating RSUs) will, until the Election Deadline, be entitled to elect to receive either Cash Election Consideration, Stock Election Consideration or Mixed Election Consideration in exchange for each share of Finisar Common Stock held by him or her that was issued and outstanding immediately prior to the Effective Time (including with respect to such holder's Participating RSUs held by such holder prior to the Effective Time), subject to the proration adjustment procedures described in this joint proxy statement/prospectus. Holders entitled to make an election that fail to do so or that make an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have elected for Mixed Election Consideration.

Elections to receive Cash Election Consideration (each, a Cash Election ) and elections to receive Stock Election Consideration (each, a Stock Election ) are subject to the proration adjustment procedures set forth in the Merger

Agreement to ensure that the aggregate Merger Consideration will consist of approximately 60% cash and approximately 40% II-VI Common Stock (with the II-VI Common Stock valued at the closing price as of November 8, 2018).

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Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the treatment of shares of Finisar Common Stock, Finisar Stock Options and Finisar Restricted Stock Units in the Merger, and assuming no conversions of the Finisar Convertible Notes, II-VI expects to issue approximately 26.28 million shares of II-VI Common Stock to holders of Finisar Common Stock and Finisar equity awards upon completion of the Merger. The actual number of shares of II-VI Common Stock to be issued upon completion of the Merger will be determined at the completion of the Merger based on, among other things, the number of shares of Finisar Common Stock outstanding and the market price of II-VI Common Stock at that time. Based on the number of shares of Finisar Common Stock outstanding as of February 5, 2019, and the number of shares of II-VI Common Stock outstanding as of February 5, 2019, it is expected that, immediately after completion of the Merger, former holders of Finisar Common Stock and Finisar equity awards will own approximately 29.27% of the outstanding shares of II-VI Common Stock.

### **Background of the Merger**

Each of the Finisar Board and the II-VI Board, together with their respective management teams (which we refer to as Finisar management and II-VI management), regularly reviews and assesses their respective company's performance, future growth prospects, business strategies and opportunities and challenges as part of their evaluation of their company's prospects and strategies for enhancing long-term shareholder value. As part of that review process, each of the boards and management teams have regularly reviewed and considered their company's respective strategic direction and business objectives, including strategic opportunities that might be available to them, such as possible acquisitions, divestitures and business combination transactions.

The Merger and the terms of the Merger Agreement are the result of arm's length negotiations conducted between representatives of II-VI, Finisar and their respective legal and financial advisors. The following is a summary of the principal events, meetings, negotiations and actions among the parties leading to the execution and public announcement of the Merger Agreement.

In connection with II-VI's regular review process mentioned above, during the course of 2017 II-VI management identified Finisar to the II-VI Board as one of the companies that had products and technologies that were complementary to those of II-VI and which potentially could represent an opportunity for II-VI to rapidly accelerate its growth into new markets that will require new capabilities and potentially reduce costs. In particular, II-VI management was of the view that a combination with Finisar could offer unique additional opportunities in 5G with the InP platform and switching products, 3D sensing, and LiDAR, and create an overall larger and more diversified platform for accelerated growth in optoelectronics, compound semiconductors, and engineered materials for the rapidly evolving datacom/telecommunications, sensing, and power electronics markets.

On August 19, 2017, the II-VI Board of Directors held an in-person regular meeting. Also present were members of II-VI management, representatives of BofA Merrill Lynch and of the law firm of Sherrard, German & Kelly, P.C., counsel to II-VI (Sherrard German). Among other things, the II-VI Board, together with II-VI management, reviewed the current mergers and acquisitions strategy for II-VI, including a number of potential acquisition or combination candidates, such as Finisar.

On September 6, 2017, Finisar announced that Mr. Jerry S. Rawls, a director and, at that time, the Chief Executive Officer of Finisar, had informed the Finisar Board that he intends to retire as the Chief Executive Officer of Finisar by the end of calendar year 2018. Finisar also announced that the Finisar Board would conduct a search to identify Mr. Rawls' successor as the Chief Executive Officer of Finisar.

On September 11, 2017, the II-VI Board held a telephonic special meeting. Also participating in that meeting were representatives of BofA Merrill Lynch and Sherrard German. II-VI management and representatives of BofA Merrill Lynch and Sherrard German gave a presentation regarding Finisar as a potential strategic combination opportunity. Following those presentations, the II-VI Board engaged in a discussion about

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Finisar's business, the potential opportunities that a combination of II-VI with Finisar could create, and whether it was an appropriate time to contact Finisar in order to determine if the Finisar Board and Finisar management would have any interest in exploring a potential strategic transaction between the two companies. At that meeting, the II-VI Board directed Dr. Vincent D. Mattera, Jr., the President and Chief Executive Officer and a director of II-VI, to contact Finisar for that purpose.

On October 2, 2017, Dr. Mattera had an initial dinner meeting, which Dr. Mattera initiated, with Mr. Rawls to discuss whether Finisar had interest in exploring a potential strategic transaction between Finisar and II-VI. A representative of BofA Merrill Lynch attended that meeting. At the meeting, it was agreed that a subsequent meeting would be arranged for an expanded group to discuss high-level overviews about the respective businesses of II-VI and Finisar.

On October 27, 2017, representatives of II-VI, including Dr. Mattera, Walter R. Bashaw II, a partner with Sherrard German and later Senior Vice President, Strategy and Corporate Development of II-VI, and Dr. Giovanni Barbarossa, Chief Technology Officer of II-VI, and representatives of BofA Merrill Lynch met with representatives of Finisar, including Mr. Rawls, Joseph A. Young, Executive Vice President, Global Operations of Finisar, Kurt Adzema, Executive Vice President, Finance and Chief Financial Officer of Finisar, Todd Swanson, Chief Operating Officer of Finisar, and Mr. Eric Bentley, Vice President, Corporate Development of Finisar, in Palo Alto, California. At that meeting, representatives of II-VI provided overviews of the businesses and operations of both companies; however, during this meeting there was no discussion regarding an indication of value for Finisar or potential terms for a combination of the companies. Rather, the conversation was general in nature and considered various potential arrangements between II-VI and Finisar, including, among others, a possible business combination between Finisar and II-VI.

On November 3, 2017, the II-VI Board held a regularly scheduled in-person meeting. Also present were representatives of BofA Merrill Lynch and Sherrard German. At that meeting, Dr. Mattera provided a summary of the October 27, 2017 meeting with Finisar management and indicated that Finisar management had some interest in continued discussions regarding a potential strategic transaction between the two companies. BofA Merrill Lynch presented certain information regarding Finisar and other potential strategic transaction candidates for II-VI.

On November 30 and December 1, 2017, the Finisar Board held an in-person regularly scheduled meeting. Also present was a representative of O Melveny. Mr. Adzema presented to the Finisar Board a corporate development presentation, which included comparative information regarding market competitors, the mergers and acquisition landscape, including possible acquisition targets and under what circumstances Finisar may consider an acquisition offer, and other possible corporate development initiatives. Discussion by the Finisar Board ensued.

On December 11, 2017, Dr. Mattera had another dinner meeting with Mr. Rawls to discuss the reaction of Finisar management to the October 27, 2017 meeting, the potential strategic benefits to a combination of the two companies, and possible transaction scenarios.

In January 2018, the Finisar Board completed its search for a new Chief Executive Officer with the hiring of Mr. Michael E. Hurlston as the new Chief Executive Officer and a director of Finisar.

On February 9, 2018, the II-VI Board held a regularly scheduled in-person meeting. Also present were representatives of Sherrard German.

On March 6 and 7, 2018, the Finisar Board held an in-person regularly scheduled meeting. Also present was a representative of O Melveny. Messrs. Adzema and Bentley provided the Finisar Board a corporate development update, including a review of the industry and competitive landscape, and possible acquisition or merger partners.

Discussion by the Finisar Board ensued. The Finisar Board provided feedback to Finisar management and instructed Finisar management to continue to explore potential strategic options for Finisar.

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In connection with Finisar's periodic review and consideration of strategic alternative transactions, on March 23, 2018, Mr. Hurlston and a representative of a strategic party ( Party A ) attended a dinner meeting at which they had an initial discussion about a potential business combination between Finisar and Party A.

On March 27, 2018, Mr. Hurlston and a representative of Party A attended another dinner meeting to discuss further a potential business combination between Finisar and Party A.

On April 3, 2018, representatives of Finisar met with representatives of a strategic target ( Target A ) to discuss a potential business combination between Finisar and Target A.

On April 6, 2018, representatives of Finisar met with representatives of a strategic target ( Target B ) to discuss a potential business combination between Finisar and Target B.

On April 10, 2018, Finisar entered into a confidentiality agreement with Party A, which contained a mutual standstill provision, with the provision restricting Party A terminating automatically upon Finisar's entry into a merger agreement with a third party.

Between April 9, 2018 and April 12, 2018, representatives of Finisar and Target A communicated regarding financial diligence information about Target A.

On April 12, 2018, Mr. Hurlston spoke with the chief executive officer of Target B regarding a potential business combination between Finisar and Target B.

On April 13, 2018 representatives of Finisar and Party A held a meeting to discuss a potential business combination between Finisar and Party A.

Between April 13, 2018 and May 18, 2018, Finisar's management responded to due diligence inquiries from, and engaged in numerous discussions and meetings with, Party A concerning the possibility of an acquisition of, or other strategic transaction with, Finisar.

On April 17, 2018, at the direction of II-VI, a representative of BofA Merrill Lynch called Mr. Robert N. Stephens, the Chairman of the Finisar Board, to express the ongoing interest of II-VI's management in exploring a potential combination of the two companies. On that call, it was agreed that Dr. Mattera and Mr. Hurlston would meet in person.

Also on April 17, 2018, Mr. Hurlston met in person with a representative of Target A to discuss a potential business combination between Finisar and Target A, including, without limitation, valuation and deal terms.

On April 20, 2018, Dr. Mattera and Mr. Hurlston had a dinner meeting in the San Francisco Bay Area. At that meeting, Mr. Hurlston indicated that the Finisar Board would be willing to receive a proposal from II-VI regarding a potential combination of the two companies.

On or about April 25, 2018, Finisar entered into a non-disclosure agreement with Target A, which contained a mutual standstill provision, with the provision restricting Target A terminating automatically upon Finisar's entry into a merger agreement with a third party.

On or about April 25, 2018, representatives of Finisar contacted representatives of Barclays Capital Inc. ( Barclays ) in connection with Barclays potentially acting as financial advisor to Finisar and invited representatives of Barclays to



present to representatives of Finisar on May 1, 2018.

Between April 26, 2018 and April 29, 2018, Mr. Adzema and a representative of Target A communicated regarding financial due diligence related to Target A.

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On April 27, 2018, representatives of Finisar and representatives of Target B met in person to discuss a potential business combination between Finisar and Target B.

On April 27, 2018, the II-VI Board held a telephonic special meeting. Also present were representatives of BofA Merrill Lynch and Sherrard German. At that meeting, II-VI management provided a detailed overview of Finisar's business, products, and technologies, the markets and capabilities that would be available to II-VI if it were to combine with Finisar, the strategic opportunities and alternatives to combining with Finisar, estimated potential cost synergies from a combination, and the relative contributions and resulting ownership at various prices at which II-VI might acquire Finisar. BofA Merrill Lynch also provided a presentation regarding the potential for II-VI to acquire Finisar in a cash and stock transaction instead of pursuing an all equity, merger of equals transaction.

On April 30, 2018, Finisar management attended a presentation given by management of Target A regarding Target A's business.

On May 1, 2018, representatives of certain investment banks, including representatives of Barclays, presented to Messrs. Hurlston, Stephens, Child, Ferguson and Adzema regarding, among other things, each such investment bank's credentials, experience in the industry and other aspects relating to potential strategic transactions that would involve Finisar.

On May 2, 2018, the Finisar Board held a telephonic special meeting. Also present was a representative of the law firm O Melveny & Myers, counsel to Finisar ( O Melveny ). Mr. Hurlston reviewed presentations made by representatives of several investment banks on May 1, 2018, including their capabilities, industry sector experience and knowledge and an evaluation of a potential working relationship with those investment banks. The Finisar Board then discussed the merits of retaining a financial advisor, the strengths and weaknesses of the financial advisor candidates that presented to Finisar and the probable fee structures. After further discussion, the Finisar Board authorized management to work with Barclays and at the appropriate time formally retain Barclays as Finisar's financial advisor for the purpose of providing financial advisory services with respect to a potential sale of Finisar. The Finisar Board also delegated the negotiation of the terms of the engagement with Barclays to Finisar's management, subject to approval by the Finisar Board and subject to the review by the Finisar Board of the relationship disclosures made by Barclays.

Also on May 2, 2018, the II-VI Board held a special telephonic meeting to review in further detail the opportunities and issues arising from a potential acquisition of Finisar. Also participating were representatives of BofA Merrill Lynch, Sherrard German, and the law firm of K&L Gates LLP, counsel to II-VI ( K&L Gates ). BofA Merrill Lynch provided an overview of potential structures, financing, and pricing for an acquisition of Finisar. After an extensive discussion on the subject, the II-VI Board authorized management of II-VI to propose a transaction whereby II-VI would acquire Finisar at an indicative value of \$22.00 to \$23.00 per share of Finisar Common Stock. The consideration to be paid by II-VI would be a mix of cash and II-VI Common Stock, with the cash component comprising approximately 65% to 70% of the total consideration. In addition, the proposal would include representation of the Finisar Board on the II-VI Board commensurate with the Finisar shareholders' pro forma ownership of the combined company and the expectation that members of Finisar's management team would have key leadership roles.

On May 3, 2018, Dr. Mattera met with Mr. Hurlston in BofA Merrill Lynch's office in Palo Alto, California and presented the II-VI proposal outlined above (the May 3 Proposal ). Also in attendance were Mr. Bashaw, Mr. Adzema and representatives from BofA Merrill Lynch. The proposal also provided that II-VI estimated potential cost synergies of approximately \$100 million, indicated that financing of the cash component of the consideration would be pursuant to committed debt financing arranged through BofA Merrill Lynch, and indicated that the proposal was subject to

customary due diligence. Mr. Hurlston's response was that the proposal was unlikely to be accepted, and the meeting concluded without any agreement as to next steps.

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Between May 3, 2018 and May 6, 2018, Mr. Stephens had individual conversations with members of the Finisar Board regarding the May 3 Proposal.

On May 9, 2018, the Finisar Board held a telephonic special meeting. Also present was a representative of O Melveny. Mr. Hurlston discussed with the Finisar Board possible near-term and longer-term strategies for Finisar. The Finisar Board discussed the process for reviewing, evaluating and considering potential strategic alternative transactions. Mr. Adzema discussed with the Finisar Board the preparation of financial information. The Finisar Board designated Messrs. Stephens and Roger C. Ferguson, one of the independent directors of Finisar, as designees of the Finisar Board to engage with Finisar management on the review of the financial information, including projections, and communications with Barclays. The Finisar Board then discussed a proposed plan for evaluating the strategic alternatives, including, without limitation, the May 3 Proposal from II-VI.

Between May 9, 2018 and May 12, 2018, Mr. Adzema and a representative of Target A communicated regarding general due diligence.

On May 11, 2018, the II-VI Board held a special telephonic meeting to review further the response of Finisar to the May 3 Proposal. Also participating were representatives of BofA Merrill Lynch, Sherrard German, and K&L Gates. Dr. Mattera reported on his meeting with Mr. Hurlston. BofA Merrill Lynch then provided an update on potential alternative structures, financing, and pricing for an acquisition of Finisar. The II-VI Board discussed those issues at length.

On May 13, 2018, Mr. Hurlston sent a presentation about Finisar to a representative of Target A and requested additional due diligence information regarding Target A.

On May 14, 2018, a representative of Target A sent to Mr. Hurlston additional information regarding Target A.

On May 15, 2018, the Finisar Board held a telephonic special meeting. Also present was a representative of O Melveny. Mr. Hurlston presented to the Finisar Board the potential acquisition of Target A by Finisar, including, without limitation, an overview of Target A's business, a review of Target A's business lines, financial performance and competitive landscape. Discussion by the Finisar Board of a potential acquisition of Target A followed Mr. Hurlston's presentation. Mr. Adzema then discussed with the Finisar Board possible valuation ranges for the potential acquisition of Target A. Mr. Christopher E. Brown, the Executive Vice President, Chief Counsel and Secretary of Finisar, then reviewed with the Finisar Board a proposed non-binding term sheet to be provided to Target A setting forth the material terms of the proposed acquisition of Target A by Finisar. After further discussion, the Finisar Board authorized management to deliver the non-binding term sheet at the valuation ranges discussed by the Finisar Board.

On May 16, 2018, Mr. Hurlston and a representative of Target B communicated regarding a potential business combination between Finisar and Target B and an upcoming in-person meeting between representatives of Finisar and Target B.

On May 17, 2018, a representative of BofA Merrill Lynch called Mr. Stephens to discuss the May 3 Proposal from II-VI and Mr. Stephens conveyed to the representative of BofA Merrill Lynch that the Finisar Board was continuing to evaluate the May 3 Proposal.

Also on May 17, 2018, the II-VI Board held a regularly scheduled, in-person meeting. Also present were representatives of BofA Merrill Lynch and Sherrard German. The II-VI Board reviewed again the response of Finisar to the May 3 Proposal. BofA Merrill Lynch presented a general update on Finisar and the state of the mergers and

acquisitions market, potential alternative pricing for an acquisition of Finisar, and potential alternative responses to Finisar. The II-VI Board discussed those issues at length. The II-VI Board also authorized II-VI management to engage the management consulting firm McKinsey & Company ( McKinsey )

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to assist management of II-VI in developing a financial and operational model of a combination of II-VI's and Finisar's businesses, including for purposes of analyzing the potential synergies of that combination.

On May 18, 2018, Mr. Adzema delivered a non-binding letter of intent to representatives of Target A.

Also on May 18, 2018, representatives of Finisar and Target B met in-person to discuss a potential business combination between Finisar and Target B, including, without limitation, due diligence matters.

On May 21, 2018, representatives of Finisar and Target B held discussions regarding due diligence matters related to Target B.

On May 28, 2018, II-VI engaged McKinsey to assist management of II-VI in developing a financial and operational model of a combination of II-VI's and Finisar's businesses, including for purposes of analyzing the potential synergies of that combination. McKinsey's analysis would be based on a detailed review of II-VI's operations and on the publicly available information about Finisar's operations. McKinsey completed its review and analysis on June 21, 2018, and concluded that cost synergies of at least \$150 million per year within three years of closing should be reasonably attainable.

On June 6, 2018, Mr. Hurlston and the Chief Executive Officer of Party A attended a dinner meeting to discuss, among other things, a potential business combination between Finisar and Party A. Thereafter, Finisar and Party A ceased to have discussions regarding a potential business combination until September 27, 2018, when, at the direction of the Finisar Board, representatives of Barclays contacted Party A regarding a potential business combination with Finisar.

On June 12 and 13, 2018, the Finisar Board held an in-person regularly scheduled meeting. Also present were representatives of Barclays (for a portion of the meeting) and O'Melveny. Among other things, the Finisar Board, together with members of Finisar management, reviewed and discussed the annual operating plan of Finisar for fiscal year 2019 and the projections of Finisar with respect to fiscal years 2019 and 2020, including, without limitation, the risks associated with such plan and projections. Representatives of Barclays reviewed with the Finisar Board preliminary financial analyses regarding the possible acquisition of Target A and other possible strategic options for Finisar. Representatives of Barclays and Mr. Hurlston informed the Finisar Board of feedback received from Target A that the Finisar offer was insufficient and invited a revised offer. The Finisar Board and representatives of Barclays also discussed potential strategic alternatives available to Finisar, including a potential sale of Finisar and the likelihood of whether financial acquirers would be interested in pursuing an acquisition of Finisar. Representatives of Barclays and the Finisar Board then discussed the May 3 Proposal received from II-VI, including, without limitation, a preliminary financial analysis of such potential transaction. After that discussion, the Finisar Board instructed Mr. Stephens to convey to II-VI that the May 3 Proposal had too low of a purchase price, but not to counter the proposal.

On June 15, 2018, Mr. Stephens spoke with representatives of BofA Merrill Lynch regarding the potential benefits of a business combination between Finisar and II-VI, but stated that until Finisar had completed certain internal initiatives, Finisar was not prepared to discuss terms of a potential business combination with II-VI. Mr. Stephens further conveyed to representatives of BofA Merrill Lynch that the Finisar Board took the May 3 Proposal seriously, but that the price proposed therein was not acceptable. Mr. Stephens and representatives of BofA Merrill Lynch agreed to continue their dialog.

On June 21, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch, Sherrard German, and K&L Gates. Timothy A. Challingsworth, Director of Corporate, R&D, and

Business Development of II-VI, first provided an overview of the nature and extent of due diligence that had been performed with respect to Finisar and its business. Representatives of McKinsey then provided a presentation on diligence and synergies model that it had assisted II-VI management in developing. Representatives of BofA Merrill Lynch then gave a presentation regarding a combination of Finisar and II-VI, including a financial analysis of Finisar on a stand-alone basis and as combined with II-VI. The II-VI Board then had an extensive discussion of those subjects.

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On June 22, 2018, representatives of Target A conveyed their position with respect to the valuation of Target A to representatives of Finisar.

Later on June 22, 2018, Messrs. Stephens and Hurlston discussed Target A's position with respect to its valuation with representatives of Target A.

On June 23, 2018, Mr. Hurlston discussed with the chief executive officer of Target B that each of Finisar and Target B were not interested in pursuing further a business combination between Finisar and Target B.

On June 26, 2018, Mr. Stephens discussed with representatives of BofA Merrill Lynch potential synergies regarding a business combination between Finisar and II-VI and the desire of II-VI to continue discussions with Finisar regarding a business combination.

Later on June 26, 2018 Mr. Stephens and representatives of BofA Merrill Lynch further discussed scheduling a call with Dr. Mattera regarding a potential business combination between Finisar and II-VI.

On June 28, 2018, the Finisar Board, together with representatives of Barclays, discussed sending a revised non-binding letter of intent and a revised valuation offer range of Target A to Target A.

On July 6, 2018, Mr. Stephens and Dr. Mattera discussed the strategic rationale for a combination of Finisar and II-VI and discussed holding an in-person meeting later in July 2018 regarding a potential business combination between Finisar and II-VI. Later that day, Mr. Stephens and a representative of BofA Merrill Lynch discussed further that strategic rationale.

On July 10, 2018, the Finisar Board held a telephonic special meeting. Also present was a representative of O Melveny. Mr. Hurlston led the Finisar Board in a discussion regarding a range of potential strategic alternatives for Finisar, including Finisar's then current strategy on a standalone basis, possible divestiture of certain operations, a strategic acquisition by Finisar, alternative potential acquisition targets of Finisar in addition to Target A and Target B, and recent developments and discussions between Finisar and II-VI, including, without limitation, Mr. Stephens recent discussions with Dr. Mattera regarding the strategic rationale for a business combination with II-VI. An extensive discussion by the Finisar Board ensued. The Finisar Board also discussed the May 3 Proposal from II-VI, including analyzing the Finisar business, and risks and opportunities relating thereto. Discussion by the Finisar Board ensued. Mr. Hurlston reviewed with the Finisar Board the terms of a revised non-binding letter of intent to potentially be sent to Target A. An extensive discussion by the Finisar Board followed, and thereafter the Finisar Board instructed Mr. Hurlston to submit such revised non-binding letter of intent to Target A.

On July 13, 2018, Mr. Hurlston discussed with representatives of Target A the valuation of Target A. Later on July 13, 2018, representatives of Finisar delivered to representatives of Target A a revised non-binding letter of intent.

On July 20, 2018, representatives of Finisar and Target A discussed a potential business combination between Finisar and Target A, and Target A communicated to representatives of Finisar that Finisar's offer from July 13, 2018 was insufficient.

On July 26, 2018, Mr. Stephens met with Dr. Mattera at II-VI's facility in Murrieta, California to discuss providing feedback from the Finisar Board to II-VI regarding the May 3 Proposal following the special meeting of the Finisar Board to be held on August 3, 2018. At that July 26, 2018 meeting, Dr. Mattera explained in detail the rationale for II-VI acquiring Finisar.



On August 3, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Representatives of Barclays reviewed its preliminary financial analysis of Finisar and the potential business combination with II-VI. Representatives of Barclays also discussed possible responses

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to the May 3 Proposal to merge with Finisar in a stock and cash transaction with consideration to Finisar stockholders of \$22.00 to \$23.00 per share of Finisar Common Stock, including ranges of a potential counter offer. Discussion by the Finisar Board ensued. Mr. Stephens then summarized his recent discussions with Dr. Mattera. The Finisar Board then discussed a possible response to II-VI. The Finisar Board considered, among other factors, the current financial position, forecast and prospects of Finisar on a standalone basis, the challenges of projecting Finisar's financial performance in the long term, including fiscal year 2021 and beyond, the preliminary financial analysis reviewed by Barclays, attributes of II-VI and its stock, the pro forma ownership level of Finisar stockholders in the combined company, and the landscape of possible alternative transactions. After extensive discussion, the Finisar Board instructed the representatives of Barclays to respond to II-VI by rejecting the May 3 Proposal as financially inadequate, and proposing a counter price range of \$26.00 to \$29.00 per share.

Also on August 3, 2018, after having had discussions with members of the Finisar Board, Mr. Hurlston spoke with representatives of Target A regarding a potential business combination between Finisar and Target A and the valuation of Target A. Thereafter, Finisar and Target A ceased to have discussions regarding a potential business combination.

On August 4, 2018, representatives of Barclays, on behalf of Finisar, communicated to representatives of BofA Merrill Lynch, on behalf of II-VI, that the Finisar Board was prepared to engage in further discussions and negotiations regarding a potential business combination between Finisar and II-VI if the price per share of Finisar Common Stock was between the range of \$26.00 per share to \$29.00 per share.

On August 13, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and Sherrard German. At the meeting, representatives of BofA Merrill Lynch provided an overview of the August 4 communication from Finisar regarding the increased price range and gave a presentation regarding the results of that price range on various financial metrics of II-VI. After substantial discussion by the II-VI Board regarding that increased price range and its consequences, the II-VI Board concluded that substantially more diligence information was required before proceeding with further discussions about an increase in price.

Later on August 13, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, communicated to representatives of Barclays, on behalf of Finisar, that II-VI would not be in a position to improve its proposal without access to new information supporting a higher value. In subsequent conversations, representatives of BofA Merrill Lynch and representatives of Barclays agreed to schedule mutual executive presentations to be focused on items with implications for value.

On August 18, 2018, the II-VI Board held a regularly scheduled, in-person meeting. Also participating were representatives of BofA Merrill Lynch and Sherrard German. At the meeting, members of II-VI management provided an update on the status of discussions with Finisar, and representatives of BofA Merrill Lynch provided an update of various strategic alternatives, including as they related to Finisar.

On August 19, 2018, at the direction of Finisar, representatives of Barclays delivered a draft evaluation and non-disclosure agreement to representatives of BofA Merrill Lynch (who were acting on behalf of II-VI), which agreement included a customary standstill provision that would automatically terminate upon Finisar's entry into a merger agreement with a third party.

On August 21, 2018, Dr. Mattera met with Messrs. Hurlston and Ferguson. At that meeting, Dr. Mattera explained in detail the rationale for II-VI acquiring Finisar.

On August 23, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, delivered a revised draft evaluation and non-disclosure agreement to representatives of Barclays.

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Later on August 23, 2018, Mr. Michael Kuder, Associate General Counsel of II-VI, and Mr. Brown had a discussion regarding providing the draft evaluation and non-disclosure agreement, and following that discussion Mr. Kuder sent to Mr. Brown a revised draft of the evaluation and non-disclosure agreement.

On August 24, 2018, Mr. Kuder sent to Mr. Brown a further revised evaluation and non-disclosure agreement, which was executed and delivered by both Finisar and II-VI later that day. The agreement continued to include a standstill provision that would automatically terminate upon Finisar's entry into a merger agreement with a third party.

On August 27, 2018, members of II-VI management, including Dr. Mattera and Mr. Challingsworth, and representatives of Sherrard German and McKinsey met with members of Finisar management, including Messrs. Hurlston, Adzema, and Swanson, and discussed diligence topics with implications for value, and also reviewed Finisar's financial plan and II-VI's initial financial plan and synergies assessment. Representatives of BofA Merrill Lynch and representatives of Barclays were also present at this meeting.

On September 4 and 5, 2018, the Finisar Board held an in-person regularly scheduled meeting. Also present were representatives of Barclays (for a portion of the meeting) and O Melveny. Representatives of Barclays provided an update regarding the potential business combination with II-VI, including a preliminary financial analysis, a preliminary diligence analysis on II-VI, potential transaction structures, a preliminary analysis on potential synergies and potential alternative strategic transactions for Finisar. Discussion by the Finisar Board ensued.

On September 11, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and Sherrard German. At the meeting, members of II-VI management provided an update on the status of discussions with Finisar and an update of financial projections. The II-VI Board discussed those items and also potential bidding strategies as they related to Finisar. At that meeting, the II-VI Board approved an increase of the proposed price range to \$24.50 to \$26.00 per share of Finisar Common Stock.

On September 14, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, delivered a new proposal letter (the September 14 Proposal) to representatives of Barclays, on behalf of Finisar, pursuant to which II-VI reiterated the May 3 Proposal, but with an increased price range of \$24.50 to \$26.00 per share of Finisar Common Stock, approximately 60% of which aggregate consideration would be payable in cash. The September 14 Proposal also indicated that II-VI expected that the combination of the companies could achieve cost synergies of approximately \$150 million within three years of closing and also significant revenue synergies.

On September 18, 2018, Dr. Mattera called Mr. Stephens to discuss the September 14 Proposal from II-VI. On that call Mr. Stephens indicated that the Finisar Board wanted to meet before providing a response to the September 14 Proposal.

On September 21, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays (for a portion of the meeting) and O Melveny. Representatives of Barclays summarized the September 14 Proposal received from II-VI and reviewed its preliminary financial analysis of Finisar and the potential business combination with II-VI, which had been provided to the Finisar Board in advance of this special meeting. Discussion by the Finisar Board ensued. The Finisar Board then discussed the September 14 Proposal, Finisar's strategic plan, risks and opportunities relating thereto and Finisar's anticipated financial performance, including the challenges of projecting Finisar's financial performance in the long term, including through fiscal year 2021 and beyond. Representatives of Barclays reviewed other potential acquirers of Finisar. Discussion by the Finisar Board ensued. Representatives of Barclays also discussed with the Finisar Board potential responses to the September 14 Proposal. After discussion, the Finisar Board instructed Mr. Stephens to provide a counter-proposal to II-VI of \$27.50 per share of Finisar Common Stock.



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Later on September 21, 2018, Mr. Stephens conveyed to Dr. Mattera that a price of \$27.50 per share of Finisar Common Stock would be supported by the Finisar Board.

On September 26, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch, Sherrard German, and K&L Gates. At the meeting, members of II-VI management provided an update on the status of discussions with Finisar and potential synergies from the potential transaction, as well as an update to the II-VI management forecasts. Representatives of BofA Merrill Lynch provided an updated financial analysis with respect to the proposed transaction. The II-VI Board discussed those items at length, and then approved proposing an offer price of \$26.00 per share of Finisar Common Stock, with cash comprising approximately 60% of the total consideration.

On September 26, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, delivered a further revised proposal letter (the September 26 Proposal ) to representatives of Barclays, on behalf of Finisar, pursuant to which II-VI affirmed the substance of the September 14 Proposal, but at a price of \$26.00 per share, approximately 60% of which aggregate consideration would be payable in cash and the balance in shares of II-VI Common Stock, and with Finisar stockholders owning approximately 30% of the outstanding common shares of II-VI upon conclusion of the transaction. The September 26 Proposal also included a request for exclusivity.

On September 27, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays (for a portion of the meeting) and O Melveny. Representatives of Barclays reviewed the terms of the September 26 Proposal, including, among other things, that the offer included a request for 30 days of exclusivity. Representatives of Barclays also reviewed its preliminary financial analysis of Finisar and the potential business combination with II-VI. Discussion ensued by the Finisar Board. The Finisar Board, together with representatives of Barclays, then engaged in a discussion on possible responses to II-VI, including, among other things, rejecting the request for exclusivity, requesting a highly confident letter from BofA Merrill Lynch as lender to II-VI and certainty regarding the value of the II-VI Common Stock consideration. The Finisar Board, together with representatives of Barclays, also discussed alternative possible business combination transactions involving Finisar. The Finisar Board identified four potential strategic parties (Party A and Parties B, C and D, in each case defined below), which they collectively believed to be most likely to be interested in, and able to consummate, a business combination with Finisar, for potential inclusion in outreach efforts to assess whether a superior proposal was reasonably available to Finisar. The Finisar Board then engaged in a further discussion concerning the September 26 Proposal, Finisar s strategic plan, and risks and opportunities relating thereto, Finisar s projections, possible responses to II-VI, the availability of alternative offers involving Finisar, the preliminary financial analysis of Barclays, and input from Finisar s management, among other factors. After extensive discussion, the Finisar Board instructed representatives of Barclays to explore alternative offers by reaching out to Parties A, B, C and D, and instructed Barclays to respond to II-VI by stating that the Finisar Board was prepared to move forward with \$26.00 per share of Finisar Common Stock, but had certain concerns about the September 26 Proposal, including, without limitation, certainty regarding the value of the stock consideration, the request for exclusivity and the certainty of financing.

Later on September 27, 2018, Mr. Hurlston delivered to Dr. Mattera a response (the September 27 Response ) to the September 26 Proposal, which stated, among other things, that the Finisar Board was prepared to move forward with a price of \$26.00 per share of Finisar Common Stock and that (i) Finisar proposed a collar on the value of the II-VI stock between signing the a merger agreement with II-VI and closing the related merger, (ii) Finisar would not agree to exclusivity and (iii) requested a Highly Confident Letter from BofA Merrill Lynch in connection with II-VI s financing.

Also later on September 27, 2018, Mr. Stephens communicated to Dr. Mattera that the Finisar Board had met and discussed the September 26 Proposal and that the Finisar Board was prepared to move forward with a price of \$26.00

per share of Finisar Common Stock. Dr. Mattera responded to Mr. Stephens that Mr. Hurlston had communicated to Dr. Mattera the September 27 Response.

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Also later on September 27, 2018, representatives of Barclays contacted the chief financial officer of Party A to invite Party A to further consider whether it would be interested in further exploring a potential business combination with Finisar. The chief financial officer of Party A informed the representatives of Barclays that he would discuss the matter internally. Thereafter on September 27, 2018, the chief executive officer of Party A called Mr. Hurlston to discuss a potential business combination with Finisar.

Also later on September 27, 2018, representatives of Barclays contacted the chief executive officer of a strategic party ( Party B ) to invite Party B to consider whether it would be interested in exploring a potential business combination with Finisar.

On September 28, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, spoke with representatives of Barclays regarding the September 27 Response, and stated that II-VI did not agree to the collar proposed in the September 27 Response. Representatives of BofA Merrill Lynch and Barclays also discussed scheduling discussions among Finisar and II-VI relating to analyzing the potential synergies that might arise from a combination of Finisar and II-VI.

Also on September 28, 2018, representatives of Barclays contacted the senior vice president, corporate development of a strategic party ( Party C ) to invite Party C to consider whether it would be interested in exploring a potential business combination with Finisar. That senior vice president, corporate development of Party C informed the representatives of Barclays that he would discuss the matter internally.

Also on September 28, 2018, representatives of Barclays contacted a senior vice president of a strategic party ( Party D ) to invite Party D to consider whether it would be interested in exploring a potential business combination with Finisar.

On October 1, 2018, Finisar entered into an evaluation and non-disclosure agreement with Party D, which contained a standstill provision that automatically terminated upon Finisar's entry into a merger agreement with a third party.

Also on October 1, 2018, the chief executive officer and the senior vice president, corporate development of Party C called representatives of Barclays to state that Party C was not interested in pursuing discussions with Finisar regarding a strategic business combination.

Also on October 1, 2018, the senior vice president of Party D introduced the representatives of Barclays to the head of mergers and acquisitions of Party D, and the representatives of Barclays spoke with the head of mergers and acquisitions of Party D regarding whether Party D would be interested in exploring a potential business combination between Finisar and Party D.

Also on October 1, 2018, the chief executive officer of Party B communicated to representatives of Barclays that the chief financial officer of Party B would reach out to representatives of Barclays to further discuss a potential business combination between Finisar and Party B.

Separately on October 1, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch, Sherrard German, and K&L Gates. At the meeting, members of II-VI management provided an update on the status of due diligence, a diligence work plan, and a potential timeline for the transaction process. Representatives of BofA Merrill Lynch provided a presentation regarding the collar structure included in the September 27 Response, the very limited number of comparable transactions in which such a collar structure had been used, and the potential negative consequences of such a collar structure. Following a discussion of those topics, the II-VI Board affirmed the rejection of the collar structure included in the September 27 Response.



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On October 2, 2018, representatives of BofA Merrill Lynch, acting on behalf of II-VI, delivered a due diligence work plan and a due diligence request list to representatives of Barclays, acting on behalf of Finisar.

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Also on October 2, 2018, representatives of Barclays spoke with the chief financial officer of Party B, who expressed Party B's potential interest in pursuing a business combination with Finisar.

Also on October 2, 2018, Mr. Hurlston had dinner with the chief executive officer of Party A and discussed a potential business combination transaction between Finisar and Party A.

On October 3 and 4, 2018, representatives of senior management of each of Finisar and II-VI met to present and discuss the potential synergies that may arise from a combination of Finisar and II-VI. Representatives of Barclays and BofA Merrill Lynch also participated in this meeting.

On October 5, 2018, Party D attended a telephonic presentation given by Finisar management regarding Finisar's business, including certain projections and estimates of future financial and operating performance with respect to Finisar's remaining quarters in fiscal year 2019, fiscal year 2020 and fiscal year 2021. Representatives of Barclays also participated in that call.

On October 8, 2018, the electronic data room for Finisar was opened to representatives of II-VI and its advisors.

Also on October 8, 2018, representatives of Barclays communicated with the head of mergers and acquisitions of Party D regarding the meeting that occurred on October 5, 2018. The head of mergers and acquisitions of Party D communicated to the representatives of Barclays that Party D would like to further discuss with representatives of Barclays the possibility of a potential business combination between Finisar and Party D on October 10, 2018.

On October 9, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays (for a portion of the meeting) and O'Melveny. Mr. Hurlston provided an update to the Finisar Board regarding due diligence meetings that had previously taken place with representatives of II-VI. Discussion by the Finisar Board ensued. Representatives of Barclays reviewed their communications with representatives of BofA Merrill Lynch and an example timeline for a transaction with II-VI. Representatives of Barclays provided the Finisar Board with an update on discussions and meetings with representatives of Parties A, B, C and D. The Finisar Board, with representatives from Barclays, then discussed the II-VI stock price and potential downside protections relating to the value of the stock component of the proposed consideration. Discussion by the Finisar Board ensued, including that (i) downside protections, such as collars, in similar transactions are not common provisions and (ii) BofA Merrill Lynch, on behalf of II-VI, spoke with representatives of Barclays on September 28, 2018 and stated that II-VI did not agree to the collar proposed in the September 27 Response. Mr. Hurlston then discussed future due diligence meetings with II-VI, including with respect to Finisar's due diligence on II-VI, the process for business, financial and legal due diligence in connection with the transaction and the potential of Finisar engaging additional advisors to assist in Finisar's due diligence on II-VI. Representatives of O'Melveny then reviewed with the Finisar Board its fiduciary duties in connection with a proposed transaction. The Finisar Board reviewed and discussed, among other things, the engagement of Barclays as Finisar's financial advisor in connection with providing financial advisory services to Finisar with respect to a sale of Finisar, the draft negotiated engagement letter with Barclays and the relationship disclosure made by Barclays. The Finisar Board approved the retention of Barclays as Finisar's financial advisor and the entry into such negotiated engagement letter.

Later on October 9, 2018, Mr. Hurlston had further communications with the chief executive officer of Party A regarding a potential business combination transaction between Finisar and Party A and the chief executive officer of Party A indicated that Party A was continuing to evaluate such a transaction.

Also on October 9, 2018, representatives of Party B delivered a revised draft evaluation and non-disclosure agreement to representatives of Barclays to which Finisar had no revisions.

On October 10, 2018, Finisar entered into an evaluation and non-disclosure agreement with Party B, which contained a standstill provision that automatically terminated upon Finisar's entry into a merger agreement with a third party.

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From October 10, 2018 through October 26, 2018, representatives of Finisar and II-VI continued their respective due diligence reviews of the other party, including several days of in-person diligence sessions.

Also on October 10, 2018, representatives of Barclays met with the chief financial officer of Party A to discuss Finisar and Party A's interest in exploring a potential business combination between Finisar and Party A. The chief financial officer of Party A indicated to the representatives of Barclays that Party A was not likely to pursue a potential business combination with Finisar.

Also on October 10, 2018, representatives of Barclays spoke with the head of mergers and acquisitions at Party D who stated that Party D was not interested in pursuing further discussions with Finisar regarding a potential strategic business combination because, in part, Party D was concerned about Finisar's financial profile.

On October 11, 2018, the electronic data room for II-VI was opened to representatives of Finisar.

On October 11, 2018, representatives of K&L Gates, on behalf of II-VI, distributed an initial draft merger agreement to O Melveny.

Also on October 11, 2018, Party B and its financial advisors attended a presentation given by Finisar management regarding Finisar's business, including certain projections and estimates of future financial and operating performance. Representatives of Barclays also attended that meeting.

During October 16, 2018 to October 18, 2018 representatives of Finisar and II-VI met for additional diligence sessions. Representatives of Finisar's and II-VI's respective advisors also attended such meetings.

On October 16, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Representatives of Barclays reported on the status of discussions and negotiations regarding the contemplated transaction with II-VI. Discussion by the Finisar Board ensued. Representatives of Barclays then provided the Finisar Board with an update on communications between representatives of Barclays and representatives of Parties A, B, C and D. Discussion by the Finisar Board ensued, including, without limitation, regarding other potential strategic parties. The Finisar Board instructed Barclays to initiate contact with three other potential strategic parties (Parties E, F and G, in each case as defined below). Representatives of O Melveny then provided the Finisar Board with a review of certain issues presented by II-VI's initial draft of a merger agreement between the parties, including, among other things, issues relating to certain deal protection provisions. Discussion by the Finisar Board ensued, and the Finisar Board instructed representatives of O Melveny to prepare comprehensive comments to the draft merger agreement and provide such comments to K&L Gates, on behalf of II-VI. Mr. Adzema then discussed the due diligence review being conducted by Finisar and Barclays on II-VI.

Separately on October 16, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and K&L Gates. At the meeting, members of II-VI management provided an update on the status of due diligence, representatives of II-VI management and K&L Gates provided an overview of the materials terms of the draft merger agreement, representatives of II-VI management and BofA Merrill Lynch provided an update of the synergies analysis, and representatives of BofA Merrill Lynch provided an overview of the anticipated terms of the debt financing for the transaction. The II-VI Board asked a number of questions regarding that information, and had a substantial discussion regarding those topics.

Also on October 16, 2018, representatives of K&L Gates and O Melveny discussed regulatory considerations in connection with the contemplated transaction between Finisar and II-VI.

Later on October 16, 2018, representatives of Barclays contacted the chief executive officer of a strategic party ( Party E ) to invite Party E to consider whether it would be interested in exploring a potential business combination with Finisar. The chief executive officer of Party E informed the representatives of Barclays that Party E was not interested in pursuing discussions with Finisar regarding a business combination because, in part, Party E was concerned about Finisar s financial profile.

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Also later on October 16, 2018, representatives of Barclays contacted a vice president of a strategic party ( Party F ) to invite Party F to consider whether it would be interested in exploring a potential business combination with Finisar. The vice president of Party F informed the representatives of Barclays that he did not believe that Party F would be interested in a business combination with Finisar, but that he would discuss the matter internally.

On October 17, 2018, the electronic data room for II-VI was opened to representatives of Barclays.

Also on October 17, 2018, representatives of Barclays spoke with the vice president of Party F, who indicated that Party F was still discussing internally, but that he continued to believe that Party F would not likely be interested in pursuing a business combination with Finisar.

Also on October 17, 2018, representatives of Barclays contacted the chief business development officer of a strategic party ( Party G ) to invite Party G to consider whether it would be interested in exploring a potential business combination with Finisar. The chief business development officer of Party G requested that representatives of Barclays send him public information regarding Finisar. Thereafter, Barclays sent a public information book regarding Finisar, which included, among other things, an investor presentation and equity research reports, to the chief business development officer of Party G.

On October 18, 2018, representatives of O Melveny, on behalf of Finisar, submitted to representatives of K&L Gates a markup of the draft merger agreement.

Also on October 18, 2018, the chief executive officer of Party A called Mr. Hurlston to state that Party A was not interested in pursuing further discussions with Finisar regarding a business combination.

On October 19, 2018, representatives of K&L Gates, on behalf of II-VI, presented to representatives of O Melveny a preliminary indication of key issues in Finisar s markup of the draft merger agreement.

Later on October 19, 2018, representatives of K&L Gates held a conference call with representatives O Melveny to discuss several key points in the draft merger agreement and the preliminary indication of key issues.

Also on October 19, 2018, representatives of Barclays spoke with representatives of the financial advisor of Party B. The representatives of the financial advisor of Party B indicated to the representatives of Barclays that Party B was continuing to analyze a potential business combination with Finisar and that Party B would reach out to representatives of Barclays if it were interested in further pursuing such a combination.

Also on October 19, 2018, representatives of Barclays spoke with the vice president of Party F, who indicated that Party F was still discussing internally, but that he continued to believe that Party F would not likely be interested in pursuing a business combination with Finisar.

Also on October 19, 2018, the chief business development officer of Party G informed the representatives of Barclays that Party G was not interested in pursuing discussions with Finisar regarding a strategic business combination because, in part, Party G was concerned about Finisar s financial profile.

Also on October 19, 2018, Dr. Mattera, Mr. Bashaw, Mr. Hurlston and Mr. Stevens had a dinner meeting in the San Francisco Bay Area. At that meeting, the parties continued their discussions regarding a potential business combination of the two companies and pricing.

On October 20 and 21, 2018, representatives of K&L Gates and representatives of O Melveny continued their discussion regarding several key points in the draft merger agreement.

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On October 22, 2018, the vice president of Party F informed the representatives of Barclays that Party F was not interested in pursuing discussions with Finisar regarding a strategic business combination.

On October 23, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Mr. Hurlston provided the Finisar Board with an update regarding the due diligence meetings conducted during the week of October 15, 2018 and the due diligence being conducted by Finisar on the II-VI business, financial condition and legal matters. Discussion by the Finisar Board ensued. The Finisar Board also discussed the market dynamics in Finisar's industry, the changing customer landscape of Finisar and pricing pressures and other similar considerations relating to Finisar and its industry. Representatives of Barclays then reported on the status of communications with Parties A, B, C, D, E, F and G and the respective feedback received therefrom. After discussion by the Finisar Board, the Finisar Board instructed representatives of Barclays to initiate contact with one other potential strategic acquirer (Party H, as defined below). Representatives of O Melveny summarized certain key issues in the draft merger agreement following discussions between representatives of O Melveny and representatives of K&L Gates on October 20, 2018, October 21, 2018 and October 22, 2018. Discussion by the Finisar Board ensued. Mr. Hurlston discussed the ongoing diligence efforts by Finisar and Barclays on II-VI and presented to the Finisar Board certain diligence findings to date on II-VI. Messrs. Stephens and Hurlston then discussed next steps with respect to completing due diligence, completing discussions with other potential parties and finalizing the merger agreement. Discussion by the Finisar Board ensued.

Also on October 23, 2018, representatives of K&L Gates, on behalf of II-VI, delivered revisions to the draft merger agreement to representatives of O Melveny, on behalf of Finisar.

On October 25, 2018, representatives of Barclays contacted the senior vice president, general counsel of a strategic party ( Party H ) to invite Party H to consider whether it would be interested in exploring a potential business combination with Finisar.

Also on October 25, 2018, representatives of O Melveny, on behalf of Finisar, delivered further revisions to the draft merger agreement to representatives of K&L Gates, on behalf of II-VI.

On October 26, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and K&L Gates. At the meeting, members of II-VI management provided an update on various topics regarding the potential transaction, including the status of due diligence, additional details regarding the synergies analysis, and an overview of the material terms and issues in the draft merger agreement, and representatives of BofA Merrill Lynch provided an updated financial analysis of Finisar and an update of the proposed terms and details of the anticipated debt financing. The II-VI Board asked a number of questions about those topics and discussed at length the transaction issues and the anticipated negotiating strategy in light of the recent decline in the market price of both Finisar's and II-VI's common shares. Following those discussions, the II-VI Board authorized management of II-VI and BofA Merrill Lynch to communicate to Finisar a proposal consisting of \$15.60 in cash and a fixed exchange rate of 0.2129 shares of II-VI Common Stock per share of Finisar Common Stock. Such proposal was structured to be consistent with the September 26 Proposal in terms of the cash consideration received by Finisar stockholders and with the fixed exchange rate set such that Finisar stockholders would own approximately 30% of the outstanding shares of II-VI Common Stock upon conclusion of the transaction.

Subsequently on October 26, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, contacted representatives of Barclays and indicated that, notwithstanding the substantial recent declines in the market prices of the shares of common stock of both Finisar and II-VI, II-VI was prepared to continue to move forward with a transaction where the consideration for Finisar Common Stock would be \$15.60 in cash and a fixed exchange rate of 0.2129 shares of II-VI Common Stock per share of Finisar Common Stock (the October 26 Proposal ). The October 26



Proposal implied a value of \$23.46 per share of Finisar Common Stock based on II-VI's October 25 closing share price.

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Also on October 26, 2018, representatives of K&L Gates and O Melveny discussed regulatory considerations in connection with the potential transaction between Finisar and II-VI.

On October 28, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, called Mr. Stephens and requested that the Finisar Board respond to the October 26 Proposal.

Also on October 28, 2018, Dr. Mattera communicated to Mr. Stephens the desire to hold a conference call with Mr. Stephens, Dr. Mattera and Mr. Bashaw regarding the status of discussions and negotiations between Finisar and II-VI. This conference call did not occur due to scheduling conflicts.

On October 29, 2018, representatives of Barclays spoke with the head of strategic development of Party H regarding a potential business combination with Finisar. The head of strategic development of Party H stated that Party H was evaluating internally a potential business combination with Finisar.

On October 30, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Mr. Hurlston informed the Finisar Board that BofA Merrill Lynch, on behalf of II-VI, had submitted the October 26 Proposal, which provided that each share of Finisar Common Stock would receive \$15.60 in cash and 0.2129 of a share of II-VI Common Stock, which represented \$23.46 per share of Finisar Common Stock based on the share price of II-VI Common Stock at the time that the October 26 Proposal was communicated by representatives of BofA Merrill Lynch to representatives of Barclays. Representatives of Barclays reviewed with the Finisar Board the status of discussions with other potential acquirers of Finisar. Representatives of Barclays then reviewed its preliminary financial analysis of Finisar and the potential business combination with II-VI. Extensive discussion by the Finisar Board ensued. The Finisar Board also discussed the market dynamics in Finisar's industry, the changing customer landscape of Finisar and pricing pressures and other similar considerations relating to Finisar and its industry. The Finisar Board discussed possible responses to the October 26 Proposal, including, without limitation, proposing that the exchange ratio for the stock consideration would be based on an average share price for a to be determined number of trading days prior to the closing of the Merger, subject to an overall collar (the Exchange Ratio Proposal). The Finisar Board discussed that the collar to be proposed in the Exchange Ratio Proposal would provide that in no event would the exchange ratio for the stock consideration be (i) larger than the exchange ratio calculated based on the closing share price of II-VI Common Stock immediately prior to the execution of the Merger Agreement or (ii) smaller than the exchange ratio calculated based on a share price of II-VI Common Stock such that the Finisar securityholders receiving merger consideration would own approximately 30% of the outstanding shares of II-VI Common Stock on a pro forma basis after giving effect to the expected vesting of certain Finisar Restricted Stock Units prior to the expected effective time of the merger. Discussion by the Finisar Board ensued. After discussion, the Finisar Board instructed representatives of Barclays to prepare a formal response to II-VI containing the Exchange Ratio Proposal and to inform II-VI that Finisar would cease to further work on the contemplated transaction in the meantime.

On October 31, 2018, Mr. Hurlston spoke with Dr. Mattera about the response that the Finisar Board had instructed representatives of Barclays to convey to BofA Merrill Lynch. Thereafter on October 31, 2018, representatives of Barclays, on behalf of Finisar, delivered to representatives of BofA Merrill Lynch, on behalf of II-VI, a counterproposal to the October 26 Proposal, which included the Exchange Ratio Proposal and a list of key outstanding points in the draft merger agreement (the October 31 Response).

On November 1, 2018, the representatives of Party H informed the representatives of Barclays that Party H was not interested in pursuing discussions with Finisar regarding a strategic business combination.

On November 1, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and K&L Gates. At the meeting, members of II-VI management and K&L Gates provided an overview of the October 31 Response and an update on various topics regarding the potential transaction, including the status of due diligence, additional details regarding the synergies analysis, the proposed terms and details of the anticipated debt financing, and an overview of the remaining material terms and issues in

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the draft merger agreement, and members of II-VI management and representatives of BofA Merrill Lynch provided a review of the Exchange Ratio Proposal. The II-VI Board asked a number of questions about those topics and then discussed those issues at length. Following those discussions, the II-VI Board approved accepting the Exchange Ratio Proposal and provided its views on certain issues in the draft merger agreement.

On November 1, 2018, II-VI reported QI fiscal 2019 results. Such results included a 20% year over year increase in Revenues, a 25% year over year increase in Operating Income and a 25% year over year increase in GAAP EPS. The II-VI closing share price on November 1 was \$44.56, representing a 19.7% increase from the II-VI closing share price on October 31.

On November 2, 2018, representatives of BofA Merrill Lynch, on behalf of II-VI, relayed to Barclays the views of the II-VI Board as it related to the October 31 Response.

On November 2, 2018, representatives of Finisar, II-VI, O Melveny and K&L Gates held discussions regarding key points in the draft merger agreement.

On November 3, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Mr. Hurlston informed the Finisar Board that II-VI had accepted the Exchange Ratio Proposal and updated the Finisar Board on next steps and timing for signing the merger agreement. Discussion by the Finisar Board ensued. Representatives of Barclays then summarized the Exchange Ratio Proposal again for the Finisar Board and discussed the scenario where the collar set forth in the Exchange Ratio Proposal would be nullified if the closing share price of II-VI Common Stock immediately prior to the execution of the merger agreement exceeded the deemed share price of II-VI Common Stock such that the Finisar securityholders receiving merger consideration would own approximately 30% of the outstanding shares of II-VI Common Stock on a pro forma basis after giving effect to the expected vesting of certain Finisar Restricted Stock Units prior to the expected effective time of the merger (the Nullified Scenario), which would obviate the need for the Exchange Ratio Proposal. Representatives of Barclays discussed that if the Nullified Scenario occurred, the exchange ratio for the stock consideration would be determined using the last closing price of the II-VI Common Stock prior to signing the merger agreement. Discussion by the Finisar Board ensued. Mr. Brown and representatives of O Melveny reviewed with the Finisar Board the major open issues in the merger agreement and II-VI's positions relating thereto. Discussion by the Finisar Board ensued. After discussion, the Finisar Board instructed O Melveny to continue to negotiate the terms of the merger agreement with K&L Gates. The Finisar Board then reviewed a due diligence report prepared on II-VI from Mr. Young on operations of II-VI and a due diligence report from Mr. Adzema on certain accounting matters. Representatives of Barclays reviewed II-VI's recent earnings announcement and related equity analysts call. Mr. Adzema noted for the Finisar Board that BDO USA, LLP had been engaged to assist with due diligence on II-VI (which engagement did not include a contingent or success fee). Discussion by the Finisar Board ensued. Messrs. Stephens and Hurlston then discussed next steps with respect to completing due diligence, completing discussions with other potential acquirers and finalizing the merger agreement. Discussion by the Finisar Board ensued.

Also on November 3, 2018, representatives of Finisar, II-VI and certain of their respective advisors held due diligence discussions.

On November 4, 2018, representatives of O Melveny, on behalf of Finisar, sent the initial draft of the Company Disclosure Letter (as defined in the Merger Agreement) to representatives of K&L Gates, on behalf of II-VI.

On November 5 and 6, 2018, representatives of Finisar and O Melveny and representatives of II-VI and K&L Gates met in person to discuss and negotiate the terms of the merger agreement. The discussions included, among other things, the right of the II-VI Board to change its recommendation of the merger to the II-VI shareholders if there was

an intervening event such that the fiduciary duties of the II-VI Board obligated it to

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make that change in recommendation, for which it could be required by Finisar to pay a termination fee, certain deal protection provisions, Finisar's obligations to cooperate with II-VI in connection with II-VI's debt financing, and regulatory matters.

Following the discussions on November 6, 2018, representatives of O Melveny, on behalf of Finisar, delivered further revisions to the draft merger agreement to representatives of K&L Gates, on behalf of II-VI.

On November 6, 2018, representatives of K&L Gates, on behalf of II-VI, distributed draft commitment papers for II-VI's financing of the proposed acquisition of Finisar to representatives of O Melveny, on behalf of Finisar.

Also on November 6, 2018, representatives of Finisar, II-VI and certain of their respective advisors held due diligence discussions.

Also on November 6, 2018, representatives of K&L Gates and O Melveny discussed regulatory considerations in connection with the contemplated transaction between Finisar and II-VI.

Separately on November 6, 2018, the II-VI Board held a special telephonic meeting. Also participating were representatives of BofA Merrill Lynch and K&L Gates. At the meeting, members of II-VI management and K&L Gates provided an update on various topics regarding the potential transaction, including the status of certain due diligence issues, additional details regarding the synergies analysis and an overview of certain key issues in the draft merger agreement, and representatives of BofA Merrill Lynch provided an update on the proposed terms and details of the anticipated debt financing. The II-VI Board asked a number of questions about those topics and then discussed those issues at length. Following those discussions, the II-VI Board recommended that management of II-VI continue to move forward to complete the negotiation of the terms of the merger.

On November 7, 2018, representatives of K&L Gates, on behalf of II-VI, delivered further revisions to the draft merger agreement to representatives of O Melveny, on behalf of Finisar.

Also on November 7, 2018, representatives of O Melveny, on behalf of Finisar, sent a revised draft of the Company Disclosure Letter to representatives of K&L Gates, on behalf of II-VI.

Also on November 7, 2018, representatives of O Melveny, on behalf of Finisar, delivered revisions to draft commitment papers to K&L Gates, on behalf of II-VI.

Later on November 7, 2018, representatives of K&L Gates, on behalf of II-VI, sent revisions to the Company Disclosure Letter to representatives of O Melveny, on behalf of Finisar.

On November 7, 2018, the Finisar Board held a telephonic special meeting. Also present were representatives of Barclays and O Melveny. Messrs. Hurlston and Adzema presented to the Finisar Board regarding the ongoing due diligence on II-VI, including, without limitation, relating to II-VI financial performance and outlook. Discussion by the Finisar Board ensued. Mr. Hurlston then provided the Finisar Board with an update on issues raised in discussions with II-VI's management. Representatives of O Melveny then provided a review of the major open issues in the Merger Agreement and II-VI's position relating thereto. Discussion by the Finisar Board ensued. After discussion, the Finisar Board instructed O Melveny to continue to negotiate the terms of the merger agreement with K&L Gates. Representatives of Barclays then discussed financial aspects of the Exchange Ratio Proposal and the Nullified Scenario. Discussion by the Finisar Board ensued. Representatives of O Melveny then discussed timing considerations and next steps for finalizing the merger agreement. Discussion by the Finisar Board ensued.

Throughout the day on November 8, 2018, representatives of each of O Melveny and K&L Gates exchanged revisions to, and held discussions regarding, the drafts of the merger agreement, the Company Disclosure Letter, the Parent Disclosure Letter (as defined in the Merger Agreement) and the commitment papers

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on behalf of Finisar and II-VI, respectively, and discussed and agreed that the Nullified Scenario had occurred and that the exchange ratio for the stock consideration would be fixed in the Merger Agreement using the closing share price of II-VI Common Stock as of November 8, 2018. Representatives of Finisar and II-VI participated in certain of those discussions.

Later on November 8, 2018, the Finisar Board held a telephonic special meeting to consider the terms of the final proposed business combination with II-VI and the terms of the Merger Agreement. Also present were representatives of Barclays and O Melveny. Representatives of Barclays reviewed with the Finisar Board a history of discussions with II-VI, Parties A, B, C, D, E, F, G and H, including, without limitation, that representatives of Barclays had not received any communication from Party B in multiple weeks. Representatives of Barclays then presented to the Finisar Board their financial analyses of Finisar and the proposed business combination with II-VI. At the request of the Finisar Board, a representative of Barclays then delivered its oral opinion, which was subsequently confirmed in writing, to the effect that, based upon and subject to the assumptions and limitations described in the opinion, as of the date of the opinion, from a financial point of view, the merger consideration to be offered to the stockholders of Finisar, other than holders of Excluded Shares (as defined in the Merger Agreement) was fair, from a financial point of view, to such stockholders. Representatives of O Melveny again reviewed with the Finisar Board its fiduciary duties with respect to the potential sale of Finisar, the material terms of the draft merger agreement and the proposed amendment to Finisar's amended and restated bylaws to provide for Delaware as its exclusive forum for certain litigation involving Finisar. After discussion among the directors, the Finisar Board unanimously voted to, among other things (i) approve and declare advisable the Merger Agreement and the other transactions contemplated thereby, including the Merger, (ii) determine that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders and (iii) recommend that the holders of the Finisar Common Stock adopt the Merger Agreement, and instructed Finisar management to sign and deliver the Merger Agreement on behalf of Finisar.

Separately on the evening of November 8, 2018, the II-VI Board held a regular, in-person meeting. Also present and participating were representatives of BofA Merrill Lynch and K&L Gates. At the meeting, representatives of BofA Merrill Lynch provided an overview of the final materials terms of the proposed debt financing for the transaction. Representatives of II-VI management and K&L Gates reviewed with the II-VI Board the materials terms of the current draft of the Merger Agreement and the II-VI Board's fiduciary duties with respect to the Merger and related transactions. Representatives of II-VI management provided a summary review of the status and resolution of the various diligence concerns regarding Finisar. Representatives of BofA Merrill Lynch then provided a review of the valuation issues regarding Finisar and II-VI. They also provided the II-VI Board an updated summary of information regarding work that BofA Merrill Lynch has previously performed, and fees received, for both II-VI and Finisar. BofA Merrill Lynch then reviewed with II-VI's board of directors its financial analysis of the Merger Consideration and delivered to II-VI's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated November 8, 2018, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the Merger Consideration to be paid by II-VI in the Merger, was fair, from a financial point of view, to II-VI. Following substantial discussion of those topics, the II-VI Board unanimously voted (i) to determine that the terms of the Merger Agreement and the Merger were fair to, and in the best interest of, II-VI and its shareholders, (ii) to approve and declare advisable the Merger Agreement and the transactions contemplated thereby, including the Merger, (iii) recommend that the shareholders of II-VI approve the issuance of the shares of II-VI Common Stock called for pursuant to the Merger Agreement, (iv) to authorize management of II-VI to enter into the commitment letters for the debt financing, and (v) to authorize management of II-VI to take the various actions necessary to consummate the Merger, among other items.

Prior to the opening of the financial markets in the United States on November 9, 2018, II-VI and Finisar entered into the Merger Agreement and issued a joint press release announcing the proposed Merger and the timing of a joint



conference call for the investment community to discuss the proposed Merger.

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**Certain Relationships between Finisar and II-VI**

Finisar, II-VI and their respective affiliates engage in transactions and enter into agreements with each other in the ordinary course of business, including certain agreements pursuant to which (i) II-VI supplies Finisar with various micro-optics, including filters, lenses and mirrors, (ii) II-VI, through its EpiWorks subsidiary, supplies Finisar with epitaxial wafers, and (iii) Finisar supplies II-VI with Datacom network products. Except as described in this joint proxy statement/prospectus, there are and have been no past, present or proposed material contracts, arrangements, understandings, relationships, negotiations or transactions during the current calendar year or the five immediately preceding calendar years, between Finisar or its affiliates, on the one hand, and II-VI or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer for or other acquisition of securities, the election of directors, or the sale or other transfer of a material amount of assets.

**Finisar's Reasons for the Merger; Recommendations of the Finisar Board**

In reaching its decision to approve and declare advisable the Merger Agreement and the transactions contemplated thereby, including the Merger, to determine that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to and in the best interests of Finisar and its stockholders, and to recommend that Finisar's stockholders vote **FOR** the approval of the Merger Proposal, the Finisar Board consulted with Finisar's management and legal and financial advisors and considered a variety of factors, including the following (which are not necessarily in order of relative importance):

historical information regarding (i) Finisar's business, financial performance and results of operations, (ii) market prices, volatility and trading activity with respect to Finisar Common Stock, and (iii) market prices with respect to other industry participants and general market indices;

current information regarding (i) Finisar's business, prospects, financial condition, operations, technology, products, services, management, competitive position and strategic business goals and objectives, (ii) general economic, industry and financial market conditions, and (iii) opportunities and competitive factors within Finisar's industry, and the challenges of projecting Finisar's financial performance in the long term, including fiscal year 2021 and beyond;

historical information regarding II-VI's business and financial performance and market prices of II-VI Common Stock;

the prospects and likelihood of realizing superior benefits through remaining an independent company, risks associated with remaining an independent company, and possible alternative business strategies;

the belief of the Finisar Board that continuing attempts to engage with other possible strategic partners was unlikely to result in a transaction at a more attractive price than offered by II-VI in the Merger, as well as the potential for other third parties to enter into strategic relationships with or to seek to acquire Finisar, including a review of management's dealings with other possible buyers in the past, efforts by representatives of Finisar's financial advisor, at the direction of Finisar, to engage other potential acquirers of Finisar

regarding a strategic transaction, and the likelihood that a third party would offer a higher price than the price per share offered by II-VI and the likelihood that any stock consideration offered by another bidder would be as attractive as the stock consideration being offered by II-VI;

the timing of the Merger and the risk that if Finisar does not accept the II-VI offer now (as provided for in the Merger Agreement), it may not have another opportunity to do so or a comparable opportunity;

the fact that both the Stock Election Consideration and the Cash Election Consideration will be taxable;

the fact that Finisar would be permitted, under circumstances described in the Merger Agreement, to terminate the Merger Agreement in order to enter into an agreement with respect to a superior proposal to acquire Finisar after giving II-VI the opportunity to match the superior proposal and upon payment of a termination fee equal to 3.25% of the equity value of Finisar (based on the purchase price agreed to in the Merger Agreement);

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the fact that, under the terms of the Merger Agreement, II-VI has agreed to use its reasonable best efforts to take, or cause to be taken, all things necessary, proper or advisable under applicable law (including making filings pursuant to applicable antitrust laws) to consummate the Merger Agreement and the transactions contemplated thereby as promptly as practicable, including obtaining necessary regulatory approvals in China;

the belief of the Finisar Board that an acquisition by II-VI has a reasonable likelihood of closing without material potential issues under applicable antitrust laws or material potential issues from any governmental authorities;

(i) the financial analyses presented by representatives of Finisar's financial advisor to the Finisar Board based on projections provided by Finisar's management and (ii) the opinion of the financial advisor that, as of the date thereof, from a financial point of view, the Merger Consideration to be offered to the stockholders of Finisar (other than the holders of Excluded Shares (as defined in the Merger Agreement)) in the Merger is fair to such stockholders;

the fact that Finisar will no longer exist as an independent public company and Finisar's stockholders will forgo any future increase in its value as an independent public company that might result from its possible growth (together with the possibility of near and long-term fluctuations in the value of II-VI Common Stock to be issued in the Merger);

the possible negative effect of the Merger and public announcement of the Merger on Finisar's financial performance, operating results and stock price and Finisar's relationships with customers, suppliers, other business partners, management and employees;

the possible negative effect of the Merger and public announcement of the Merger on II-VI's financial performance, operating results and stock price and II-VI's relationships with customers, suppliers, other business partners, management and employees;

the fact that the Merger Agreement (i) precludes Finisar from actively soliciting competing acquisition proposals and (ii) obligates Finisar (or its successor) to pay II-VI a termination fee equal to 3.25% of the equity value of Finisar (based on the purchase price agreed to in the Merger Agreement) under specified circumstances;

the fact that the Merger Agreement obligates II-VI to pay Finisar a termination fee equal to 3.25% of the equity value of Finisar (based on the purchase price agreed to in the Merger Agreement) under specified circumstances;

the fact that the Merger Agreement imposes restrictions on the conduct of Finisar's business in the pre-closing period, which may adversely affect Finisar's business in the event the Merger is not completed

(including by delaying or preventing Finisar from pursuing strategic business opportunities that may arise or precluding actions that would be advisable if Finisar were to remain an independent company), and which may significantly restrict the operation of Finisar's business;

the fact that (i) II-VI is financing the cash portion of the aggregate Merger Consideration in part through debt financing and, concurrently with the execution of the Merger Agreement, delivered the Commitment Letter, and (ii) II-VI has agreed to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary to arrange, obtain and consummate the debt financing;

the risks involved with the Merger and the likelihood that Finisar and II-VI will be able to complete the Merger, the possibility that the Merger might not be consummated and Finisar's prospects going forward without the combination with II-VI;

the substantial transaction expenses to be incurred in connection with the Merger and the negative impact of such expenses on Finisar's cash reserves and operating results should the Merger not be completed;

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all known interests of directors and executive officers of Finisar in the Merger that may be different from, or in addition to, their interests as stockholders of Finisar or the interests of Finisar's other stockholders generally;

the limited availability of appraisal rights to stockholders of Finisar in connection with the Merger; and

all other factors the Finisar Board deemed relevant.

The above discussion of the material factors considered by Finisar's Board in its consideration of the Merger and the other transactions contemplated by the Merger Agreement is not intended to be exhaustive, but does set forth the principal factors considered by the Finisar Board. The Finisar Board viewed its decision as based on all of the information available to it and the factors presented to and considered by it, including its experience and history. In addition, individual directors may themselves have given different weight to different factors. The factors, potential risks and uncertainties contained in this explanation of Finisar's reasons for the Merger and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 62 of this joint proxy statement/prospectus.

**ACCORDINGLY, THE FINISAR BOARD UNANIMOUSLY RECOMMENDS THAT FINISAR STOCKHOLDERS VOTE FOR THE MERGER PROPOSAL, FOR THE FINISAR ADJOURNMENT PROPOSAL, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE INSUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO APPROVE THE MERGER PROPOSAL, AND FOR THE COMPENSATION PROPOSAL.**

**II-VI's Reasons for the Merger; Recommendations of the II-VI Board**

In evaluating the Merger Agreement and the Merger, the II-VI Board consulted with II-VI's management and legal and financial advisors and, in reaching its decision to approve the Merger Agreement and the transactions contemplated by the Merger Agreement, including the stock issuance, and to recommend that II-VI's shareholders vote **FOR** the approval of the Stock Issuance Proposal, the II-VI Board considered a variety of factors, including the following (which are not necessarily in order of relative importance):

***Strategic Factors***

The acquisition of Finisar and the combination of Finisar's businesses with II-VI's businesses is expected to result in a number of strategic benefits, including:

creating one of the largest and scalable photonics and compound semiconductor companies, which should accelerate revenue growth;

providing the company with a robust monolithic tunable InP platform that is used in many optical communications components, including datacom transceivers, products based on coherent transmissions technology and ROADM solutions, which products will be marketable into next-generation long-haul and metro networks, hyperscale datacenters, and 5G mobile infrastructure;

creating a compelling platform for 3D sensing and LiDAR products because the combined optoelectronics technology leadership based on GaAs and InP compound semiconductor laser design platforms, together with one of the world's largest 6-inch vertically integrated epitaxial growth and device fabrication platforms, should enable faster time to market with new products to address a greater number of opportunities in the growing consumer 3D sensing and automotive LiDAR markets;

providing access to larger addressable markets because of the broad portfolio of differentiated products based on engineered materials, including GaAs, InP, SiC, GaN, and diamond, together with a critical mass of optoelectronic, optical and integrated circuit device design expertise, and related intellectual property, which are becoming increasingly important with respect to RF devices for next-generation

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wireless and military applications, power electronics for electric and autonomous vehicles and green energy infrastructure, and other next-generation sensor modules that will be incorporated into the internet of things;

maximizing value creation through increased vertical integration of core technologies ranging from engineered materials to high value-add solutions, enabled by differentiated components, which should provide a strong foundation to capitalize on a broad range of emerging opportunities while making the overall markets for these products even more competitive;

optimizing time to market, volume, and cost because the combined scale and expertise should enhance speed and certainty of success across large and irreversible mega-trend market opportunities;

increasing diversification by combining a large, scaled communications business and a diversified industrial laser and component maker to create leadership across multiple end-markets, including Datacom/telecom, lasers, 3D sensing, power electronics, and EUV lithography;

becoming a leader in the market for both high-power and low-power VCSELs by combining complementary expertise and capabilities in order to fill needed capacity and competitive roadmaps in the markets for those products;

creating a much more substantial financial and operational base to support more significant acquisitions in a rapidly developing product and technology market;

providing annual estimated synergies of approximately \$150 million within 36 months of the completion of the Merger, and the potential for long-term opportunities for additional savings, due to expected procurement savings, the savings associated with the internal supply of materials and components, efficient research and development, consolidation of overlapping costs, and sales and marketing efficiencies; and

providing approximately 10% accretion in Non-GAAP earnings per share in the first full year following closing, and more than double that level of accretion thereafter.

***Other Factors***

In addition to the strategic factors summarized above, the II-VI Board also considered the following factors in connection with its evaluation of the Merger:

the respective businesses, operations, management, financial condition, earnings, market reputation, competitive pressures, regulatory constraints and prospects of II-VI and Finisar;



the results of II-VI's due diligence investigation of Finisar and the reputation, business practices and experience of Finisar and its management;

the historical trading prices of shares of II-VI Common Stock and Finisar Common Stock;

the review by the II-VI Board, in consultation with its legal, financial and other advisors, of the structure of the Merger and the financial and other terms of the Merger Agreement;

trends and competitive developments in the industries in which II-VI and Finisar operate;

the fact that the issuance of II-VI Common Stock as Merger Consideration will be subject to the approval of II-VI's shareholders;

the range of other strategic alternatives available to II-VI and the II-VI Board's belief that the transaction with Finisar presented a more favorable opportunity for II-VI's shareholders than the potential value that may result from other strategic alternatives available to II-VI;

the fact that the II-VI Board had carefully considered, after consulting with II-VI's management and financial, legal and other advisors, the potential consequences for II-VI if Finisar were to pursue certain strategic alternatives to the proposed transaction with II-VI, and the II-VI Board's belief that II-VI's strategic alternatives may be more limited and less favorable in such circumstances;

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**Price and Structure**

the fact that, because the exchange ratios for the shares of II-VI Common Stock that will be issued in the Merger as part of the Stock Election Consideration and the Mixed Election Consideration are fixed (and will not be adjusted for fluctuations in the market price of shares of II-VI Common Stock or Finisar Common Stock), II-VI has greater certainty as to the number of shares of II-VI Common Stock to be issued in the Merger;

taking into account the report the II-VI Board had received regarding past fees received by BofA Merrill Lynch for services provided to II-VI and Finisar, and the fees payable to BofA Merrill Lynch in connection with the transactions contemplated by the Merger Agreement and the related financing transactions, the financial analysis of BofA Merrill Lynch and the opinion of BofA Merrill Lynch, dated November 8, 2018, to the II-VI Board as to the fairness, from a financial point of view and as of the date of the opinion, to II-VI of the Merger Consideration to be paid by II-VI in the Merger, as more fully described below in the section entitled "The Merger – Opinion of II-VI's Financial Advisor" beginning on page 112 of this joint proxy statement/prospectus;

**Certain Other Factors**

the belief of the II-VI Board, following consultation with II-VI management, and based in part upon the debt financing commitments that II-VI obtained, that II-VI will have the necessary financing to pay the aggregate cash portion of the Merger Consideration and that II-VI, following the Merger, will be able to repay, service or refinance any indebtedness that is expected to form the financing for the Merger and, with respect to such indebtedness, to comply with applicable financial covenants;

the belief of the II-VI Board, following consultation with II-VI's management, that the financing commitments it had obtained to finance the aggregate cash portion of the aggregate Merger Consideration were on attractive terms for II-VI;

the belief of the II-VI Board that II-VI would have an investment grade credit rating after incurring the indebtedness necessary to finance the cash portion of the aggregate Merger Consideration;

the experience of II-VI's management in integrating acquired companies;

the expectation that members of Finisar's management team will play significant roles in the combined company;

the fact that Dr. Vincent D. Mattera, Jr., II-VI's President and Chief Executive Officer, will continue to lead the combined company;

the ability of the II-VI Board, subject to certain conditions, to change its recommendation that II-VI shareholders adopt the Stock Issuance Proposal in response to certain intervening events, if the II-VI Board determines that failure to take such action would be reasonably likely to constitute a breach of its fiduciary duties;

the limited ability of the Finisar Board to change its recommendation that Finisar stockholders approve and adopt the Merger Agreement;

the fact that Finisar is required to pay II-VI a termination fee of \$105.2 million if the Merger Agreement is terminated under certain circumstances; and

the fact that the end date under the Merger Agreement of November 8, 2019 allows for sufficient time to complete the Merger.

The II-VI Board also considered a number of uncertainties and risks in its deliberations concerning the Merger, including the following:

the fact that the exchange ratios will not change as a result of fluctuations in the market value of II-VI Common Stock, which could result in II-VI delivering greater value to Finisar stockholders should the

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value of the shares of II-VI Common Stock increase between the execution of the Merger Agreement and the Effective Time;

the fact that the opinion of BofA Merrill Lynch to the II-VI Board as to the fairness, from a financial point of view, of the Merger Consideration to be paid by II-VI in the Merger speaks only as of the date of the opinion and will not take into account events occurring or information that has become available after such date, including any changes in the operations and prospects of II-VI and Finisar, general market and economic conditions and other factors which may be beyond the control of II-VI and Finisar and on which the fairness opinion was based, any of which may be material;

the risk that the Merger may not be completed or may be delayed despite the parties' efforts, including the possibility that conditions to the parties' obligations to complete the Merger may not be satisfied, and the potential resulting disruptions to II-VI's and Finisar's businesses;

the potential length of the regulatory approval process and the period of time during which II-VI may be subject to certain restrictions on the conduct of its businesses, which could prevent II-VI from making certain acquisitions or divestitures or otherwise pursuing certain business opportunities;

the possibility that governmental authorities might seek to require certain actions of II-VI or Finisar or impose certain terms, conditions or limitations on II-VI or Finisar's businesses in connection with granting approval of the Merger or might otherwise seek to prevent or delay the Merger;

the fact that II-VI is required to pay Finisar a termination fee of \$105.2 million if the Merger Agreement is terminated under certain circumstances;

the fact that II-VI has incurred and will continue to incur significant transaction and integration planning fees and expenses in connection with the Merger, regardless of whether it is completed;

the challenges inherent in the combination of two businesses of the size, scope and complexity of II-VI and Finisar, including the potential for unforeseen difficulties in integrating operations and systems and difficulties and costs of integrating or retaining employees;

the risk that the potential benefits of the Merger may not be fully realized, including the possibility that expected synergies, cost savings and operating efficiencies expected to result from the Merger may not be realized to the extent expected, or at all;

the risk of diverting II-VI management focus and resources from other strategic opportunities and operational matters, and potential disruption of II-VI management associated with the Merger and integrating the companies;

Finisar's ability, under circumstances described in the Merger Agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written takeover proposal;

the ability of the Finisar Board, subject to certain conditions, to change its recommendation supporting the Merger in response to a superior proposal or an intervening event other than a superior proposal, if the Finisar Board determines that failure to take such action would be reasonably likely to constitute a breach of its fiduciary duties;

the ability of the Finisar Board, subject to certain conditions, to terminate the Merger Agreement in order to enter into a definitive agreement providing for a superior proposal;

the absence of a financing condition in the Merger Agreement and Finisar's ability to seek specific enforcement of II-VI's obligations under the Merger Agreement whether or not II-VI is able to maintain its committed financing for the acquisition;

the fact that II-VI will have higher leverage following the transactions due to the debt financing commitments that II-VI has obtained, which could have adverse consequences to II-VI's business and financial position or its ability to pursue acquisition opportunities following the Merger;

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the potential negative effects of the announcement and pendency of the Merger on II-VI's and Finisar's businesses, including stockholder and market reactions and relationships with employees, customers, vendors, regulators and the communities in which they operate, including the risk that certain key members of senior management of II-VI or Finisar might not choose to remain with the combined company;

the dilution of existing shares of II-VI Common Stock associated with the stock issuance;

the risk that the II-VI shareholders do not approve the Stock Issuance Proposal or the Finisar stockholders do not approve the Merger Proposal, each of which is a condition to completion of the Merger;

the risk of litigation related to the transaction; and

various other risks associated with the Merger and the businesses of II-VI, Finisar and the combined company described under Risk Factors, beginning on page 48 and the matters described under Cautionary Statement Regarding Forward-Looking Statements beginning on page 62 of this joint proxy statement/prospectus.

During its consideration of the Merger, the II-VI Board was also aware that certain of Finisar's directors and executive officers may have interests in the Merger that are different from or in addition to those of Finisar stockholders generally, as described in the section entitled Interests of Finisar's Directors and Executive Officers in the Merger beginning on page 166 of this joint proxy statement/prospectus.

The above discussion of the material factors considered by the II-VI Board in its consideration of the Merger and the other transactions contemplated by the Merger Agreement is not intended to be exhaustive, but does set forth the principal factors considered by the II-VI Board. In light of the number and wide variety of factors considered in connection with the evaluation of the Merger, the II-VI Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its final decision. The II-VI Board viewed its position as being based on all of the information available to it and the factors presented to and considered by it. However, some directors may themselves have given different weight to different factors. The factors, potential risks and uncertainties contained in this explanation of II-VI's reasons for the Merger and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 62 of this joint proxy statement/prospectus.

**ACCORDINGLY, THE II-VI BOARD UNANIMOUSLY RECOMMENDS THAT II-VI SHAREHOLDERS VOTE FOR THE SHARE ISSUANCE PROPOSAL AND FOR THE II-VI ADJOURNMENT PROPOSAL, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE INSUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO APPROVE THE SHARE ISSUANCE.**

**Opinion of Finisar's Financial Advisor**

Finisar engaged Barclays for the purpose of providing financial advisory services with respect to a potential sale of Finisar, pursuant to an engagement letter dated October 12, 2018. On November 8, 2018, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Finisar Board that, as of such date and based upon and

subject to the qualifications, limitations and assumptions stated in its opinion, the Merger Consideration to be offered to the stockholders of Finisar, other than holders of Excluded Shares (as defined in the Merger Agreement), was fair, from a financial point of view, to such stockholders.

**The full text of Barclays written opinion, dated as of November 8, 2018, is attached as Annex C to this joint proxy statement/prospectus. Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by**

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**Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.**

Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the Finisar Board, addresses only the fairness, from a financial point of view, of the Merger Consideration to be offered to the stockholders of Finisar, other than holders of Excluded Shares (as defined in the Merger Agreement), in the proposed transaction and does not constitute a recommendation to any stockholder of Finisar as to how such stockholder should vote or act with respect to the proposed transaction or any other matter. The terms of the proposed transaction were determined through arm's-length negotiations between Finisar and II-VI and were unanimously approved by the Finisar Board. Barclays did not recommend any specific form of consideration to Finisar or that any specific form of consideration constituted the only appropriate consideration for the proposed transaction. Barclays was not requested to opine as to, and its opinion does not in any manner address, Finisar's underlying business decision to proceed with or effect the proposed transaction or the likelihood of the consummation of the proposed transaction. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the proposed transaction, or any class of such persons, relative to the Merger Consideration to be offered to the stockholders of Finisar in the proposed transaction. Barclays' opinion does not address the relative merits of the proposed transaction as compared to any other transaction or business strategy in which Finisar may engage. No limitations were imposed by the Finisar Board upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

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

reviewed and analyzed the Merger Agreement and the specific terms of the proposed transaction;

reviewed and analyzed publicly available information concerning Finisar that Barclays believed to be relevant to its analysis, including Finisar's Annual Report on Form 10-K for the fiscal year ended April 29, 2018 and its Quarterly Report on Form 10-Q for the fiscal quarter ended July 29, 2018;

reviewed and analyzed publicly available information concerning II-VI that Barclays believed to be relevant to its analysis, including II-VI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Finisar furnished to Barclays by Finisar, including financial projections of Finisar prepared by Finisar's management (the Finisar Projections);

reviewed and analyzed the Barclays Fairness Opinion II-VI projections (as defined below);



reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance of Finisar and II-VI;

reviewed and analyzed a trading history of the shares of Finisar Common Stock from November 8, 2013 through November 8, 2018;

reviewed and analyzed a trading history of the shares of II-VI Common Stock from November 8, 2013 through November 8, 2018;

reviewed and analyzed a comparison of the historical financial results and present financial condition of Finisar and II-VI with those of other companies that Barclays deemed relevant;

reviewed and analyzed the pro forma impact of the proposed transaction on the future financial performance of the combined company, including cost savings, operating synergies, and other strategic benefits, expected by the management of the Finisar to result from a combination of the businesses (the Expected Synergies );

reviewed and analyzed a comparison of the financial terms of the proposed transaction with the financial terms of certain other transactions that Barclays deemed relevant;

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had discussions with the management of Finisar and the management of II-VI concerning II-VI's business, operations, assets, liabilities, financial condition and prospects;

had discussions with the management of Finisar concerning Finisar's business, operations, assets, liabilities, financial condition and prospects; and

has undertaken such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and had not assumed responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of management of Finisar and the management of II-VI that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the Finisar Projections, upon advice of Finisar, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Finisar as to Finisar's future financial performance. With respect to the Barclays Fairness Opinion II-VI projections, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of II-VI as to the future financial performance of II-VI. Furthermore, upon the advice of Finisar, Barclays assumed that the amounts and timing of the Expected Synergies were reasonable and that the Expected Synergies would be realized in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Finisar or II-VI and did not make or obtain any evaluations or appraisals of the assets or liabilities of Finisar or II-VI. Barclays' opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, November 8, 2018. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after November 8, 2018. Barclays expressed no opinion as to the prices at which shares of Finisar Common Stock or shares of II-VI Common Stock would trade following the announcement of the proposed transaction or as to the prices at which shares of II-VI Common Stock would trade following the consummation of the proposed transaction. Barclays' opinion should not be viewed as providing any assurance that the market value of the shares of II-VI Common Stock to be held by the stockholders of Finisar after the consummation of the proposed transaction will be in excess of the market value of the shares of Finisar Common Stock owned by such stockholders at any time prior to the announcement or consummation of the proposed transaction.

Barclays assumed the accuracy of the representations and warranties contained in the Merger Agreement and all the agreements related thereto. Barclays also assumed, upon the advice of Finisar, that all material governmental, regulatory and third party approvals, consents and releases for the proposed transaction would be obtained within the constraints contemplated by the Merger Agreement and that the proposed transaction will be consummated in accordance with the terms of the Merger Agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the proposed transaction, nor did Barclays' opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood Finisar had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Finisar Common Stock but rather made its determination as to fairness, from a financial point of view, to Finisar's stockholders (other than holders of Excluded Shares (as defined in the Merger Agreement)) of the Merger Consideration to be offered to such stockholders in the proposed transaction on the basis of various financial and

comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

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In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

***Summary of Material Financial Analyses***

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the Finisar Board. The summary of Barclays' analyses and reviews provided below is not a complete description of the analyses and reviews underlying Barclays' opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of analysis and review and the application of those methods to particular circumstances, and, therefore, is not readily susceptible to summary description.

For the purposes of its analyses and reviews, Barclays made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Finisar or any other parties to the proposed transaction. No company, business or transaction considered in Barclays' analyses and reviews is identical to Finisar, II-VI, Merger Sub or the proposed transaction, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions considered in Barclays' analyses and reviews. None of Finisar, II-VI, Merger Sub, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of companies, businesses or securities do not purport to be appraisals or reflect the prices at which the companies, businesses or securities may actually be sold. Accordingly, the estimates used in, and the results derived from, Barclays' analyses and reviews are inherently subject to substantial uncertainty.

The summary of the financial analyses and reviews summarized below include information presented in tabular format. In order to fully understand the financial analyses and reviews used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Barclays' analyses and reviews.

***Selected Comparable Company Analysis for Finisar***

In order to assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per share of Finisar by reference to those companies, Barclays reviewed and compared specific financial and operating data relating to Finisar with selected companies that Barclays, based on its experience in the optical components industry, deemed comparable to Finisar. The selected comparable companies with respect to Finisar were:

Acacia Communications, Inc.

Applied Optoelectronics, Inc.

Lumentum Holdings, Inc.

NeoPhotonics Corporation

II-VI Incorporated

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Barclays calculated and compared various financial multiples and ratios of Finisar and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company's enterprise value, or EV, as a multiple of (i) its calendar year 2018 and 2019 estimated revenue, (ii) its calendar year 2018 and 2019 estimated earnings before interest, taxes, depreciation, amortization and stock-based compensation, or EBITDAS, which, for Acacia Communications, Inc. and NeoPhotonics Corporation, was not meaningful for calendar year 2018 due to a negative EBITDAS value or because the multiple was greater than 25.0x, and (iii) its calendar year 2018 and 2019 estimated operating income, which, for Acacia Communications, Inc. (for calendar years 2018 and 2019), Applied Optoelectronics, Inc. (for calendar year 2018) and NeoPhotonics Corporation (for calendar years 2018 and 2019), was not meaningful because the multiple was greater than 25.0x. Barclays also calculated and analyzed each company's ratio of its current stock price to its estimated calendar year 2018 and 2019 non-GAAP earnings per share, or EPS (commonly referred to as a price earnings ratio, or P/E), which, for Acacia Communications, Inc. (for calendar year 2018) and NeoPhotonics Corporation (for calendar years 2018 and 2019), was not meaningful because the multiple yielded was greater than 45.0x. The EV of each company was obtained by adding the principal amount of its short and long-term debt to the sum of the market value of its diluted equity value, using the treasury stock method, the value of any preferred stock (at liquidation value), the value of any pension liabilities, the value of capital leases and the book value of any minority interest, and subtracting its cash and cash equivalents. All of these calculations for the comparable companies (other than for II-VI) were performed, and based, on publicly available financial data and closing prices, as of November 8, 2018, the last trading date prior to the delivery of Barclays' opinion. All of these calculations for Finisar were performed, and based on, the Finisar Projections. All of the calculations for II-VI were performed, and based, on the Barclays Fairness Opinion II-VI projections.

Barclays selected the comparable companies listed above because of similarities in one or more business or operating characteristics with Finisar. However, because no selected comparable company is exactly the same as Finisar, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Finisar and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Finisar and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of multiples for Finisar and applied such range to the Finisar Projections to calculate a range of implied prices per share of Finisar. The following table summarizes the result of these calculations:

	Low	Median	High	Selected Multiple		Implied Value per Share of Finisar	
				Range	Range		
EV/CY 2018E Revenue	1.35x	2.54x	4.93x	1.50x	2.00x	\$ 18.19	\$23.38
EV/CY 2019E Revenue	1.22x	2.22x	3.85x	1.30x	1.80x	\$ 18.78	\$24.99
EV/CY 2018E Operating Income	12.6x	15.3x	18.1x	15.5x	18.0x	\$ 12.05	\$13.57
EV/CY 2019E Operating Income	10.2x	11.9x	16.1x	12.5x	14.5x	\$ 23.28	\$26.56
EV/CY 2018E EBITDAS	9.8x	12.7x	13.7x	10.0x	12.0x	\$ 16.90	\$19.75
EV/CY 2019E EBITDAS	8.2x	9.0x	22.6x	9.0x	12.0x	\$ 25.87	\$33.37
P/CY 2018E Non-GAAP EPS	13.3x	20.8x	21.0x	16.0x	22.0x	\$ 11.18	\$15.38
P/CY 2019E Non-GAAP EPS	11.5x	16.3x	32.8x	14.0x	18.0x	\$ 24.00	\$30.86

For purposes of its opinion, Barclays calculated the implied value, as of November 8, 2018, of the Merger Consideration to be \$26.00 per Finisar share, which was determined by adding the cash portion of the Merger Consideration of \$15.60 per Finisar share to \$10.40, the implied value of the stock portion of the Merger Consideration per Finisar share that was derived by multiplying the closing price of \$46.88 per share of II-VI Common Stock on November 8, 2018, the last trading day prior to the announcement of the proposed transaction, by the exchange ratio of 0.2218 of a share of II-VI Common Stock per Finisar share.

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Barclays noted that on the basis of the selected comparable company analysis with respect to Finisar, the implied value of the Merger Consideration of \$26.00 per share was (i) above the range of implied values per share of Finisar Common Stock calculated using calendar year 2018 estimated revenue, calendar year 2019 estimated revenue, calendar year 2018 estimated operating income, calendar year 2018 estimated EBITDAS and calendar year 2018 estimated non-GAAP EPS and (ii) within the range of implied values per share of Finisar Common Stock calculated using calendar year 2019 estimated operating income, calendar year 2019 estimated EBITDAS and calendar year 2019 estimated non-GAAP EPS.

***Selected Comparable Company Analysis for II-VI***

In order to assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per share of II-VI by reference to those companies, Barclays reviewed and compared specific financial and operating data relating to II-VI with selected companies that Barclays, based on its experience in the optical components industry and Industrial Lasers industry, deemed comparable to II-VI. The selected comparable companies with respect to II-VI were:

Finisar Corporation

Acacia Communications, Inc.

Lumentum Holdings, Inc.

Coherent, Inc.

IPG Photonics Corporation

MKS Instruments, Inc.

JENOPTIK AG

Barclays calculated and compared various financial multiples and ratios of II-VI and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company's EV (calculated as described above) as a multiple of (i) its calendar year 2018 and 2019 estimated revenue and (ii) its calendar year 2018 and 2019 estimated EBITDAS, which, for Acacia Communications, Inc., was not meaningful for calendar year 2018 due to a negative EBITDAS value or because the multiple was greater than 25.0x. Barclays also calculated and analyzed each company's ratio of its current stock price to its calendar year 2018 and 2019 estimated non-GAAP EPS, which, for Acacia Communications, Inc., was not meaningful for calendar year 2018 because the multiple yielded was greater than 45.0x. All of these calculations for the comparable companies (other than for Finisar) were performed, and based, on publicly available financial data and closing prices, as of November 8, 2018, the last trading date prior to the delivery of Barclays' opinion. All of these calculations for Finisar were performed, and based on, the Finisar Projections. All of the calculations for II-VI were performed, and based, on the Barclays Fairness Opinion II-VI projections.



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Barclays selected the comparable companies listed above because of similarities in one or more business or operating characteristics with II-VI. However, because no selected comparable company is exactly the same as II-VI, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of II-VI and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between II-VI and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of multiples for II-VI and applied such range to the Barclays Fairness Opinion II-VI projections to calculate a range of implied prices per share of II-VI. The following table summarizes the result of these calculations:

	Low	Median	High	Selected Multiple		Implied Value per Share of II-VI	
				Range	Range		
EV/CY 2018E Revenue	1.57x	1.96x	4.93x	2.00x	2.50x	\$ 34.41	\$43.75
EV/CY 2019E Revenue	1.31x	2.00x	4.52x	1.90x	2.40x	\$ 39.67	\$50.49
EV/CY 2018E EBITDAS	6.6x	10.2x	12.4x	10.0x	12.0x	\$ 36.29	\$44.14
EV/CY 2019E EBITDAS	6.3x	8.2x	22.6x	9.0x	12.0x	\$ 47.84	\$63.08
P/CY 2018E Non-GAAP EPS	9.7x	15.7x	27.0x	16.0x	22.0x	\$ 36.11	\$49.65
P/CY 2019E Non-GAAP EPS	9.6x	11.8x	32.8x	14.0x	18.0x	\$ 45.52	\$58.53

Barclays noted that on the basis of the selected comparable company analysis with respect to II-VI, the closing price of \$46.88 per share of II-VI Common Stock, as of November 8, 2018, was (i) above the range of implied values per share of II-VI Common Stock calculated using calendar year 2018 estimated revenue and calendar year 2018 estimated EBITDAS, (ii) within the range of implied values per share of II-VI Common Stock calculated using calendar year 2019 estimated revenue, calendar year 2018 estimated non-GAAP EPS and calendar year 2019 estimated non-GAAP EPS and (iii) below the range of implied values per share of II-VI Common Stock calculated using calendar year 2019 estimated EBITDAS. Shortly prior to the execution of the Merger Agreement by II-VI and Finisar, II-VI management prepared updated projections for its fiscal year 2019, which provided for \$1,378.2 million of revenue, \$314 million of adjusted EBITDA and \$2.63 for adjusted EPS, none of which were provided to Finisar or Barclays prior to the execution of the Merger Agreement. Based on the II-VI projections (as defined below), as such projections would be adjusted in the same manner that II-VI adjusted the projections it made available to Finisar and Barclays on or prior to October 23, 2018 for FY19, which was used by Barclays in its financial analysis, for (i) revenue in calendar year 2019, the range of implied values per share of II-VI Common Stock would be \$39.71 to \$50.55, (ii) adjusted EBITDAS in calendar year 2019, the range of implied values per share of II-VI Common Stock would be \$48.52 to \$63.98, and (iii) adjusted EPS in calendar year 2019, the range of implied values per share of II-VI Common Stock would be \$45.60 to \$58.63. See *The Merger Unaudited Prospective Financial Information* for more information.

***Selected Precedent Transaction Analysis***

Barclays reviewed and compared, where publicly available, the purchase prices and financial multiples paid in twelve selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the similarity of the applicable target companies in the transactions to Finisar with respect to the size, mix, margins and other characteristics of their businesses. The selected precedent transactions were:

<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>
10/30/18	MKS Instruments, Inc.	Electro Scientific Industries, Inc.
3/12/18	Lumentum Holdings, Inc.	Oclaro, Inc.
12/11/17	Corning, Inc.	3M Communication Markets Division
9/27/16	Asia-IO, Redview, Axiom, Aberdeen and TR Advisors	Source Photonics, Inc. <sup>(1)</sup>
4/7/16	Corning, Inc.	Alliance Fiber Optic Products, Inc.

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<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>
3/16/16	Coherent, Inc.	Rofin-Sinar Technologies, Inc.
2/23/16	MKS Instruments, Inc.	Newport Corp.
11/19/14	Koch Industries, Inc.	Oplink Communications LLC
11/18/14	MA-COM Technology	BinOptics Corp. <sup>(2)</sup>
4/11/14	AMETEK, Inc.	Zygo Corp. <sup>(3)</sup>
9/12/13	II-VI, Inc.	Oclaro's Gallium Arsenide Laser Diode Business <sup>(4)</sup>
4/11/13	Avago Technologies Ltd.	CyOptics, Inc. <sup>(5)</sup>

- (1) EV/NTM Revenue, EV/LTM Operating Income, EV/NTM Operating Income and EV/NTM EBITDAS for this transaction were excluded for purposes of determining the respective selected multiple ranges and in the calculations of the low, median and high because financial information was not publicly available.
- (2) EV/LTM Operating Income, EV/NTM Operating Income, EV/LTM EBITDAS and EV/NTM EBITDAS for this transaction were excluded for purposes of determining the respective selected multiple ranges and in the calculations of the low, median and high because financial information was not publicly available.
- (3) EV/NTM Revenue, EV/NTM Operating Income and EV/NTM EBITDAS for this transaction were excluded for purposes of determining the respective selected multiple ranges and in the calculations of the low, median and high because financial information was not publicly available.
- (4) EV/NTM Operating Income, EV/LTM EBITDAS and EV/NTM EBITDAS for this transaction were excluded for purposes of determining the respective selected multiple ranges and in the calculations of the low, median and high because financial information was not publicly available. The EV/LTM Operating Income multiple for this transaction was deemed not meaningful due to a negative value.
- (5) EV/LTM Operating Income, EV/NTM Operating Income, EV/LTM EBITDAS and EV/NTM EBITDAS for this transaction were excluded for purposes of determining the respective selected multiple ranges and in the calculations of the low, median and high because financial information was not publicly available.

As part of its precedent transactions analysis, for each of the selected transactions, based on information Barclays obtained from publicly available information, Barclays analyzed the EV to (i) last-12-months for which financial information was publicly available, or LTM, revenue and the subsequent 12-months, or NTM, revenue, (ii) LTM operating income and NTM operating income and (iii) LTM EBITDAS and NTM EBITDAS. As part of its precedent transactions analysis, for each of the selected transactions, based on information Barclays obtained from publicly available information, Barclays also analyzed NTM revenue growth to LTM revenue growth.

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Finisar and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the proposed transaction. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the proposed transaction which would affect the acquisition values of the selected target companies and Finisar. Based upon these judgments, Barclays selected a range of multiples for Finisar and applied such range to the Finisar Projections to calculate a range of implied prices per share of Finisar Common Stock. The following table summarizes the result of these calculations:

<b>Low</b>	<b>Median</b>	<b>High</b>	<b>Selected Multiple Range</b>	<b>Implied Value per Share of Finisar</b>
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EV/LTM Revenue	1.06x	1.85x	6.57x	1.60x	2.40x	\$	19.23	\$27.50
EV/NTM Revenue	1.24x	1.95x	5.35x	1.50x	2.20x	\$	19.23	\$26.95
EV/LTM Operating Income	7.1x	12.9x	31.5x	15.0x	18.0x	\$	11.30	\$13.04
EV/NTM Operating Income	8.4x	12.4x	20.8x	12.0x	15.0x	\$	14.57	\$17.56
EV/LTM EBITDAS	6.6x	10.4x	16.2x	9.5x	11.0x	\$	15.78	\$17.86
EV/NTM EBITDAS	7.1x	10.3x	14.3x	9.0x	11.0x	\$	19.30	\$23.00

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Barclays noted that on the basis of the selected precedent transaction analysis, the implied value of the Merger Consideration of \$26.00 per share of Finisar Common Stock was (i) above the range of implied values per share of Finisar Common Stock calculated using EV/LTM operating income, EV/NTM operating income, EV/LTM EBITDAS and EV/NTM EBITDAS and (ii) within the range of implied values per share of Finisar Common Stock calculated using EV/LTM revenue and EV/NTM revenue.

***Discounted Cash Flow Analysis***

In order to estimate the present value of Finisar Common Stock, Barclays performed a discounted cash flow analysis of Finisar. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

Barclays performed a discounted cash flow analysis of Finisar based on estimates of unlevered free cash flows of Finisar as reflected in the Finisar Projections to derive a range of implied present values per share of Finisar Common Stock as of November 8, 2018. Barclays used the mid-year convention in its discounted cash flow analysis to more accurately reflect the present value of future cash flows because cash flows are actually earned throughout the year rather than at the end of the year. Utilizing discount rates ranging from 11.0% to 12.0%, reflecting estimates of Finisar's weighted average cost of capital, or WACC, Barclays derived a range of implied EVs for Finisar by discounting to present value as of November 8, 2018, (i) estimates of unlevered free cash flows of Finisar for the stub period from November 8, 2018 through April 30, 2019 and for the fiscal years 2020 and 2021 based on the Finisar Projections and (ii) a range of terminal values for Finisar derived by applying perpetuity growth rates ranging from 2.0% to 4.0% to the estimated terminal unlevered free cash flow for Finisar calculated based upon the Finisar Projections. The range of after-tax discount rates of 11.0% to 12.0% was selected based on an analysis of the WACC of Finisar and the comparable companies. The after-tax unlevered free cash flows were calculated by taking the after-tax non-GAAP operating income of Finisar (which did not include stock-based compensation as an expense), adding depreciation, and subtracting capital expenditures and adjusting for changes in net working capital. In calculating the after-tax unlevered free cash flows, it was assumed that capital expenditures would equal depreciation and amortization in the terminal year. To calculate estimated EVs, Barclays then added the present value of the terminal values to the present values of the unlevered free cash flows for the stub period from November 8, 2018 through April 30, 2019 and for the fiscal years 2020 and 2021. Barclays then calculated a range of implied prices per share of Finisar by subtracting net debt (found by subtracting the value of Finisar's short term cash and short term investments from the principal amount of its total convertible debt) as of July 29, 2018 from the estimated EVs using the discounted cash flow method and dividing such amount by the diluted number of shares of Finisar Common Stock, calculated using the treasury stock method, and using the number of shares of Finisar Common Stock, Finisar Stock Options and Finisar Restricted Stock Units outstanding as of November 6, 2018. This analysis implied a range of value per share of Finisar Common Stock of \$22.38 to \$30.64.

Barclays noted that on the basis of the discounted cash flow analysis, the implied value of the Merger Consideration of \$26.00 per share of Finisar Common Stock was within the range of implied values per share calculated using the Finisar Projections.

***Other Factors***

Barclays also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its opinion, but were references for informational purposes, including, among other things,

the Research Analysts Price Targets Analysis for Finisar and II-VI, Historical Share Price Analysis for Finisar and II-VI, and Premiums Paid Analysis described below.

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**Table of Contents***Discounted Cash Flow Analysis for II-VI*

In order to estimate the present value of II-VI Common Stock, Barclays performed a discounted cash flow analysis of II-VI based on estimates of unlevered free cash flows of II-VI as reflected in the Barclays Fairness Opinion II-VI projections to derive a range of implied present values per share of II-VI Common Stock as of November 8, 2018. In performing a discounted cash flow analysis of II-VI, Barclays used a methodology similar to the methodology it used in performing a discounted cash flow analysis of Finisar. Utilizing discount rates ranging from 10.0% to 11.0%, reflecting estimates of II-VI's WACC, Barclays derived a range of implied EVs for II-VI by discounting to present value as of November 8, 2018, (i) estimates of unlevered free cash flows of II-VI for the stub period from November 8, 2018 through June 30, 2019 and for the fiscal years 2020 through 2023 based on the Barclays Fairness Opinion II-VI projections and (ii) a range of terminal values for Finisar derived by applying perpetuity growth rates ranging from 2.0% to 4.0% to the estimated terminal unlevered free cash flow for II-VI calculated based upon the Barclays Fairness Opinion II-VI projections. This analysis implied a range of value per share of II-VI Common Stock of \$68.60 to \$100.56.

*Research Analysts Price Targets Analysis for Finisar and II-VI*

Barclays reviewed publicly available research on per share price targets for Finisar Common Stock and II-VI Common Stock obtained from brokers. The equity research analysts' per share price targets ranged from \$19.00 to \$26.00 for Finisar and from \$41.00 to \$64.00 for II-VI. The publicly available per share price targets published by equity research firms do not necessarily reflect the current market trading price of Finisar Common Stock or II-VI Common Stock, respectively, and these estimates are subject to uncertainties, including future financial performance of Finisar and II-VI as well as future market conditions.

*Historical Share Price Analysis of Finisar and II-VI*

To illustrate the trend in the historical trading prices of Finisar Common Stock, Barclays considered historical data with regard to the trading prices of Finisar Common Stock over the 52-week period prior to the announcement of the proposed transaction. During such period, the per share closing price of Finisar Common Stock ranged from \$14.67 to \$23.70.

To illustrate the trend in the historical trading prices of II-VI Common Stock, Barclays considered historical data with regard to the trading prices of II-VI Common Stock over the 52-week period prior to the announcement of the proposed transaction. During such period, the per share closing price of II-VI Common Stock ranged from \$35.59 to \$52.95.

*Premiums Paid Analysis*

In order to assess the premium offered to the stockholders of Finisar in the proposed transaction relative to the premiums offered to stockholders in other transactions, Barclays reviewed the premium paid in all electronics mergers and acquisitions transactions valued between \$1.0 billion and \$5.0 billion from January 1, 2010 to November 8, 2018, of which there were 44. For each transaction, Barclays calculated the premium per share paid by the acquirer by comparing the announced transaction value per share to the target company's historical average share price during the following periods: (i) closing price on the last trading day prior to announcement of the transaction or first reference in the public news media about the transaction and (ii) average closing price for the 30 calendar days prior to announcement of the transaction or first reference in the public news media about the transaction.

The reasons for and the circumstances surrounding each of the transactions analyzed in the transaction premium analysis were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Finisar, II-VI and the companies included in the transaction premium analysis. Accordingly, Barclays believed that a purely quantitative transaction premium analysis would not be particularly meaningful in the context of considering the proposed transaction. Barclays therefore made qualitative judgments concerning



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the differences between the characteristics of the selected transactions and the proposed transaction that would affect the acquisition values of the target companies and Finisar. Based upon these judgments, Barclays selected a range of premiums (i) to the closing price of Finisar Common Stock on November 8, 2018 (the last unaffected trading day prior to the first reference to a potential sale of Finisar in the public news media) and (ii) the 30-day average of the closing prices of Finisar Common Stock ended on November 8, 2018, to calculate a range of implied prices per share of Finisar Common Stock. The following summarizes the result of these calculations:

	Selected Premium Range		Implied Value per Finisar Share	
1-Day Unaffected Price	16%	45%	\$ 21.90	\$27.44
30-Day Average Unaffected Price	22%	48%	\$ 20.76	\$25.34

Barclays noted that on the basis of the transaction premium analysis, the implied value of the Merger Consideration of \$26.00 per share of Finisar Common Stock was (i) within the range of implied values per share calculated using the closing price of Finisar Common Stock on November 8, 2018 and (ii) above the range of implied values per share calculated using the 30-day average of the closing price of Finisar Common Stock ending on November 8, 2018.

**General**

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. In selecting an investment bank, the Finisar Board considered several factors, including such investment bank's capabilities, its industry sector experience and knowledge, and an evaluation of a potential working relationship with such investment bank. The Finisar Board selected Barclays because of, among other things, its perceived superiority in sector experience and technical ability.

Barclays is acting as financial advisor to Finisar in connection with the proposed transaction. As compensation for its services in connection with the proposed transaction, Finisar will pay Barclays a fee for its services, \$1.0 million of which was paid upon the delivery of Barclays' opinion, which is referred to as the Opinion Fee. The Opinion Fee was not contingent upon the consummation of the proposed transaction. The remaining amount of the fee due to Barclays, which remaining amount is currently estimated at approximately \$25.4 million, will be payable by Finisar on completion of the proposed transaction against which the amounts paid for the opinion will be credited. In addition, Finisar has agreed to reimburse Barclays for up to a specified amount of its reasonable and documented expenses incurred in connection with the proposed transaction and to indemnify Barclays for certain liabilities that may arise out of its engagement by Finisar and the rendering of Barclays' opinion. Barclays has performed various investment banking services for Finisar and II-VI in the past, and expects to perform such services in the future, and has received, and expects to receive, customary fees for such services. However, since January 1, 2015, Barclays has not earned any investment banking or commercial banking fees from either Finisar or II-VI.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Finisar and II-VI for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

**Opinion of II-VI s Financial Advisor**

II-VI has retained BofA Merrill Lynch to act as II-VI s financial advisor in connection with the Merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the

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valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. II-VI selected BofA Merrill Lynch to act as II-VI's financial advisor in connection with the Merger on the basis of BofA Merrill Lynch's experience in transactions similar to the Merger, its reputation in the investment community and its familiarity with II-VI and its business.

On November 8, 2018, at a meeting of the II-VI Board held to evaluate the Merger, BofA Merrill Lynch delivered to the II-VI Board an oral opinion, which was confirmed by delivery of a written opinion dated November 8, 2018, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the Merger Consideration to be paid by II-VI in the Merger was fair, from a financial point of view, to II-VI.

**The full text of BofA Merrill Lynch's written opinion to the II-VI Board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to the II-VI Board for the benefit and use of the II-VI Board (in its capacity as such) in connection with and for purposes of its evaluation of the Merger Consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the Merger and no opinion or view was expressed as to the relative merits of the Merger in comparison to other strategies or transactions that might be available to II-VI or in which II-VI might engage or as to the underlying business decision of II-VI to proceed with or effect the Merger. BofA Merrill Lynch's opinion does not address any other aspect of the Merger and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed Merger or any other matter.**

In connection with rendering its opinion, BofA Merrill Lynch has, among other things:

reviewed certain publicly available business and financial information relating to Finisar and II-VI;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Finisar furnished to or discussed with BofA Merrill Lynch by the management of Finisar, including certain financial forecasts relating to Finisar prepared by the management of Finisar, referred to herein as the Finisar management projections ;

reviewed certain financial forecasts relating to Finisar prepared by the management of II-VI, referred to herein as the adjusted Finisar projections, and discussed with the management of II-VI its assessments as to the relative likelihood of achieving the future financial results reflected in the Finisar management projections and the adjusted Finisar projections;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of II-VI furnished to or discussed with BofA Merrill Lynch by the management of II-VI, including certain financial forecasts relating to II-VI prepared by the management of II-VI, referred to herein as the II-VI projections ;

reviewed certain estimates as to the amount and timing of cost savings, referred to herein, collectively, as the Cost Savings, anticipated by the management of II-VI to result from the Merger;

discussed the past and current business, operations, financial condition and prospects of Finisar with members of the senior managements of Finisar and II-VI, and discussed the past and current business, operations, financial condition and prospects of II-VI with members of the senior management of II-VI;

discussed with the management of II-VI its assessments as to (a) Finisar's existing and future relationships, agreements and arrangements with, and II-VI's ability to retain, key customers, suppliers,

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and employees of Finisar and (b) the products, product candidates and technology of Finisar, including the validity of, risks associated with, and the integration by II-VI of, such products, product candidates and technology;

reviewed the potential pro forma financial impact of the Merger on the future financial performance of II-VI, including the potential effect on II-VI's estimated earnings per share;

reviewed the trading histories for Finisar Common Stock and II-VI Common Stock and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of Finisar and II-VI with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the Merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Finisar and II-VI to the future financial performance of the combined company on a pro forma basis;

reviewed the draft, dated November 8, 2018, of the Merger Agreement, and share capitalization information furnished by Finisar and II-VI, referred to herein, collectively, as the Draft Agreement ; and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of Finisar and II-VI that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Finisar management projections, BofA Merrill Lynch was advised by Finisar, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Finisar as to the future financial performance of Finisar. With respect to the adjusted Finisar projections, the II-VI projections and the Cost Savings, BofA Merrill Lynch assumed, at the direction of II-VI, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of II-VI as to the future financial performance of Finisar and II-VI and the other matters covered thereby, and, based on the assessments of the management of II-VI as to the relative likelihood of achieving the future financial results reflected in the Finisar management projections and the adjusted Finisar projections, BofA Merrill Lynch relied, at the direction of II-VI, on the adjusted Finisar projections for purposes of its opinion. BofA Merrill Lynch relied at the direction of II-VI on the assessments of the management of II-VI as to II-VI's ability to achieve the Cost Savings and was advised by II-VI, and assumed, that the Cost Savings will be realized in the amounts and at the times projected.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Finisar or II-VI, nor did it make any physical inspection of the properties or assets of Finisar or II-VI. BofA Merrill Lynch did not evaluate the solvency or fair value of Finisar or II-VI under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of II-VI, that the Merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Finisar, II-VI or the contemplated benefits of the Merger. BofA Merrill Lynch also assumed, at the direction of II-VI, that the final executed Merger Agreement would not differ in any material respect from the Draft Agreement reviewed by it.

BofA Merrill Lynch expressed no opinion or view as to any terms or other aspects or implications of the Merger (other than the Merger Consideration to the extent expressly specified in its opinion), including, without

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limitation, the form or structure of the Merger, any related transactions or any other agreement, arrangement or understanding entered into in connection with or related to the Merger or otherwise. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, to II-VI of the Merger Consideration to be paid in the Merger and no opinion or view was expressed with respect to any consideration received in connection with the Merger by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Merger, or class of such persons, relative to the Merger Consideration or otherwise. Furthermore, no opinion or view was expressed as to the relative merits of the Merger in comparison to other strategies or transactions that might be available to II-VI or in which II-VI might engage or as to the underlying business decision of II-VI to proceed with or effect the Merger. BofA Merrill Lynch did not express any opinion or view as to what the value of II-VI Common Stock actually would be when issued or the prices at which II-VI Common Stock or Finisar Common Stock would trade at any time, including following announcement or consummation of the Merger. BofA Merrill Lynch also did not express any opinion or view with respect to, and BofA Merrill Lynch relied, at the direction of II-VI, upon the assessments of representatives of II-VI regarding, legal, regulatory, accounting, tax or similar matters relating to Finisar, II-VI or the Merger, as to which matters BofA Merrill Lynch understood that II-VI obtained such advice as it deemed necessary from qualified professionals. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the Merger or any other matter.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. BofA Merrill Lynch noted that the credit, financial and stock markets have been experiencing unusual volatility, and BofA Merrill Lynch expressed no opinion or view as to any potential effects of such volatility on II-VI, Finisar or the Merger. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch. Except as described in this summary, II-VI imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

The discussion set forth below in the sections entitled *Summary of Material Finisar Financial Analyses* and *Summary of Material II-VI Financial Analyses* represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to the II-VI Board in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, 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 performed by BofA Merrill Lynch. Considering the data set forth in the tables 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 the financial analyses performed by BofA Merrill Lynch. In addition, II-VI, Finisar and the other publicly traded companies reviewed by BofA Merrill Lynch in connection with its analyses have different fiscal year ends. Accordingly, for purposes of its financial analyses and for ease of reference, BofA Merrill Lynch conformed information contained in the Finisar management projections and the financial and stock market information for the publicly traded companies it reviewed to reflect fiscal years ending on June 30, to be consistent with and comparable to II-VI's fiscal year.**

### *Summary of Material Finisar Financial Analyses*

*Selected Publicly Traded Companies Analysis.* BofA Merrill Lynch reviewed publicly available financial and stock market information for Finisar and the following 10 publicly traded companies with material operations engaged in

the manufacturing of components for optical communications and/or the laser industry:

Acacia Communications, Inc.

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Coherent, Inc.

Cree, Inc.

II-VI Incorporated

Inphi Corporation

IPG Photonics Corporation

Lumentum Holdings, Inc,

MKS Instruments, Inc.

NeoPhotonics Corporation

Novanta, Inc.

BofA Merrill Lynch reviewed, among other things, per share equity values, based on closing stock prices on November 7, 2018, of the selected publicly traded companies as a multiple of June 30, 2019 and 2020 estimated earnings per share, plus amortization of intangibles, stock-based compensation and certain one-time costs, referred to in this section as adjusted EPS. The overall low to high June 30, 2019 estimated adjusted EPS multiples observed for selected publicly traded companies were 7.4x to 40.6x (with a mean of 21.4x and a median of 18.6x), and the overall low to high June 30, 2020 estimated adjusted EPS multiples observed for such companies were 6.8x to 31.5x (with a mean of 19.4x and a median of 18.1x). BofA Merrill Lynch also reviewed enterprise values of the selected publicly traded companies, calculated as equity values based on closing stock prices on November 7, 2018, plus debt and preferred equity, and less cash and cash equivalents (referred to collectively in this section as net debt), as a multiple of 2019 and 2020 estimated earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA. The overall low to high June 30, 2019 EBITDA multiples observed for selected publicly traded companies were 6.6x to 29.4x (with a mean of 15.6x and a median of 14.5x), and the overall low to high June 30, 2020 EBITDA multiples observed for selected publicly traded companies were 6.3x to 19.8x (with a mean of 12.6x and a median of 11.6x).

BofA Merrill Lynch then applied June 30, 2019 adjusted EPS multiples of 15.0x to 18.0x and June 30, 2020 adjusted EPS multiples of 11.0x to 15.0x derived from the selected publicly traded companies based on its professional judgment and experience to Finisar's June 30, 2019 and June 30, 2020 estimated adjusted EPS. BofA Merrill Lynch also applied 2019 EBITDA multiples of 7.0x to 11.0x and 2020 EBITDA multiples of 6.0x to 9.0x derived from the selected publicly traded companies based on its professional judgment and experience to Finisar's June 30, 2019 and June 30, 2020 estimated EBITDA to calculate indicative enterprise values, from which BofA Merrill Lynch subtracted net debt as of July 29, 2018 to derive equity values. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of Finisar were based on the

adjusted Finisar projections. This analysis indicated the following approximate implied per share equity value reference ranges for Finisar, as compared to the Merger Consideration, which BofA Merrill Lynch deemed to have a value of \$26.00 per share of Finisar Common Stock for purposes of its analyses:

Implied Per Share Equity Value Reference Ranges for Finisar								Merger Consideration
2019E P/EPS		2020E P/EPS		2019E EV/EBITDA		2020E EV/EBITDA		
\$15.60	\$18.70	\$20.90	\$28.45	\$15.25	\$22.50	\$19.70	\$28.20	\$26.00

No company used in this analysis is identical or directly comparable to Finisar. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Finisar was compared.

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*Selected Precedent Transactions Analysis.* BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following 19 selected transactions involving companies with material operations engaged in the manufacturing of components for optical communications and/or the laser industry:

Acquiror	Target
Lumentum Holdings Inc.	Oclaro, Inc.
Cree, Inc.	Infineon Technologies AG's RF Power Assets
TDK Corporation	InvenSense, Inc.
Inphi Corporation	ClariPhy Communications, Inc.
Corning Incorporated	Alliance Fiber Optic Products, Inc.
Coherent, Inc.	Rofin-Sinar Technologies Inc.
MKS Instruments, Inc.	Newport Corporation
Microchip Technology Incorporated	Atmel Corporation
Uphill Investment Co.	Integrated Silicon Solution, Inc.
Lattice Semiconductor Corporation	Silicon Image, Inc.
Koch Industries, Inc.	Oplink Communications, Inc.
M/A-COM Technology Solutions Holdings, Inc.	BinOptics Corporation
AMETEK, Inc.	Zygo Corporation
M/A-COM Technology Solutions Holdings, Inc.	Mindspeed Technologies, Inc.
II-VI Incorporated	Oclaro, Inc.'s Gallium Arsenide Laser Diode Business
Avago Technologies Limited	CyOptics, Inc.
Oclaro Inc.	Opnext, Inc.
Ardian	Photonis Technologies SAS
Newport Corporation	Ophir Optronics Ltd.

BofA Merrill Lynch reviewed transaction values, calculated as the enterprise value implied for the target company based on the consideration payable in the selected transaction, as a multiple of the target company's estimated EBITDA for the next 12 months (referred to in this section as NTM EBITDA). The overall low to high multiples of the target companies' estimated NTM EBITDA for the selected transactions were 7.6x to 34.8x (with a mean of 15.8x and a median of 13.8x). BofA Merrill Lynch then applied estimated NTM EBITDA multiples of 10.0x to 14.0x derived from the selected transactions based on its professional judgment and experience to the estimated NTM EBITDA for Finisar as of June 30, 2018 to calculate indicative enterprise values, from which BofA Merrill Lynch subtracted net debt as of July 29, 2018 to derive equity values. Estimated financial data of the selected transactions were based on publicly available information. Estimated financial data of Finisar were based on the adjusted Finisar projections. This analysis indicated the following approximate implied per share equity value reference ranges for Finisar, as compared to the Merger Consideration of \$26.00 per share of Finisar Common Stock:

Implied Per Share Equity Value Reference Range for Finisar	Merger Consideration
\$20.30 - \$27.35	\$ 26.00

No company, business or transaction used in this analysis is identical or directly comparable to Finisar or the Merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Finisar and the Merger were compared.

*Discounted Cash Flow Analysis.* BofA Merrill Lynch performed a discounted cash flow analysis of Finisar to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Finisar was forecasted to generate from June 30, 2018 through 2023 based on the adjusted Finisar projections, both (i) taking

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into account the value per share of assumed cost savings in the amount of \$150 million at perpetuity growth rates of 0.0% to 2.5%, phased in \$35 million in year 1, \$100 million in year 2 and \$150 million in year 3, and assuming one-time costs to achieve such cost savings equal to \$75 million in year 1 and \$50 million in year 2, and incremental capital expenditures of \$5 million in year 1, \$20 million in year 2 and \$9 million in year 3, and (ii) without taking into account such assumed cost savings. BofA Merrill Lynch calculated terminal values for Finisar by extrapolating Finisar's normalized unlevered free cash flow at perpetuity growth rates of 3.5% to 4.0%, which perpetuity growth rates were selected based on BofA Merrill Lynch's professional judgment and experience. The cash flows and terminal values were then discounted to present value as of June 30, 2018, assuming a mid-year convention, using discount rates ranging from 8.75% to 11.00%, which were based on an estimate of Finisar's weighted average cost of capital. To the resulting enterprise values, BofA Merrill Lynch subtracted net debt, estimated as of June 30, 2018, to derive equity values. This analysis indicated the following approximate implied per share equity value reference ranges for Finisar as compared to the Merger Consideration of \$26.00 per share of Finisar Common Stock:

## Implied Per Share Equity Value

Reference Range for Finisar		Merger Consideration
Standalone	Taking Into Account Cost Savings	
\$18.70	\$28.95	\$26.00

**Summary of Material II-VI Financial Analyses**

BofA Merrill Lynch performed has/gets analyses comparing the illustrative (i) present value of the future price of II-VI Common Stock, (ii) public market trading price for II-VI Common Stock and (iii) intrinsic value of II-VI, assuming (x) in one case the pro forma ownership by II-VI shareholders of the combined company following the Merger, and (y) in another case the 100% ownership by II-VI shareholders of the II-VI Common Stock on a stand-alone basis. The actual results achieved by the combined company in each case may vary from projected results, and the variations may be material.

*Present Value of Future Stock Price.* BofA Merrill Lynch performed an analysis to derive implied present values of hypothetical future prices for II-VI Common Stock on a stand-alone basis, and on a pro forma basis after giving effect to the Merger, in each case as of June 30 of 2020 through 2022. BofA Merrill Lynch calculated hypothetical future prices for II-VI Common Stock by applying an illustrative weighted average estimated 2019 adjusted EPS multiple of 19.6x for the stand-alone case and 18.6x for the pro forma case (calculated by using illustrative Finisar and II-VI five-year average NTM adjusted EPS multiples of 17.4x and 19.6x, respectively) to estimated adjusted EPS and pro forma adjusted EPS for II-VI for the following year, in each case as of June 30 of 2020 through 2022, as reflected in the II-VI projections and the estimated cost savings. The resulting hypothetical future stock prices were then discounted to present value as of November 8, 2018 using a discount rate of 11.0%, based on an estimate of II-VI's cost of equity. This analysis indicated approximate implied present values for the price of II-VI Common Stock, on a stand-alone and pro forma basis, ranging from \$83.14 to \$105.86 and \$100.21 to \$119.90, respectively. This analysis indicated that the present value of the hypothetical June 2022 pro forma future stock price (giving effect to the Merger) would represent a 13.3% premium to the present value of the hypothetical June 2022 stand-alone future stock price.

*Public Market Valuation.* BofA Merrill Lynch reviewed the potential pro forma financial effect of the Merger on the market value of II-VI Common Stock. BofA Merrill Lynch calculated an illustrative pro forma market value for the II-VI Common Stock as comprising 69% of the sum of (i) the aggregate market value of the II-VI Common Stock based on its closing price of \$46.26 per share as of November 7, 2018, (ii) the aggregate market value of the Finisar

Common Stock based on its closing price of \$17.93 as of November 7, 2018, and (iii) the value of the \$150 million of assumed annual cost savings, based on a 10.0x pro forma EBITDA multiple, less (iv) the tax-effected one-time costs required to achieve the cost savings and less (v) the incremental net debt incurred to fund the Merger. This analysis resulted in an illustrative pro forma market value for the II-VI Common Stock, after giving effect to the Merger, of \$49.09 per share, as compared with the actual closing price for the II-VI Common Stock of \$46.26 per share as of November 7, 2018.

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*Intrinsic Valuation.* BofA Merrill Lynch reviewed the potential pro forma financial effect of the Merger on the intrinsic discounted cash flow value of II-VI Common Stock. BofA Merrill Lynch calculated an illustrative pro forma intrinsic value for the II-VI Common Stock as comprising 69% of the sum of (i) the implied aggregate value of the II-VI Common Stock derived from a discounted cash flow analysis of II-VI similar to that described above under Summary of Material Finisar Financial Analyses Discounted Cash Flow Analysis, based on the II-VI projections, (ii) the implied aggregate value of the Finisar Common Stock derived from the discounted cash flow analysis of Finisar described above under Summary of Material Finisar Financial Analyses Discounted Cash Flow Analysis and (iii) the present value of the net cost savings assumed to be realized from the Merger, less (iv) the incremental net debt incurred to fund the Merger. For purposes of its discounted cash flow analysis of II-VI, BofA Merrill Lynch calculated terminal values for II-VI by extrapolating II-VI's normalized unlevered free cash flow at perpetuity growth rates of 3.5% to 4.0%, which perpetuity growth rates were selected based on BofA Merrill Lynch's professional judgment and experience. The cash flows to and terminal values were then discounted to present value as of June 30, 2018, assuming mid-year convention and using discount rates ranging from 8.75% to 11.00%, which were based on an estimate of II-VI's weighted average cost of capital. From the resulting enterprise values, BofA Merrill Lynch subtracted net debt, estimated as of June 30, 2018, to derive equity values. Estimated financial data of II-VI were based on the II-VI projections and estimated financial data of Finisar were based on the adjusted Finisar projections, respectively. This analysis indicated that the Merger could result in dilution of 49.3% to accretion of 57.3% in the intrinsic discounted cash flow valuation of II-VI Common Stock.

***Other Factors***

BofA Merrill Lynch also noted certain additional factors that were not considered part of BofA Merrill Lynch's material financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

historical trading prices of Finisar Common Stock during the 52-week period ended November 7, 2018, which indicated that during such period Finisar's closing prices ranged from \$14.67 to \$23.70;

one-year forward stock price targets as of November 7, 2018, for Finisar Common Stock in publicly available Wall Street research analyst reports, which indicated stock price targets for Finisar, discounted to present value as of November 7, 2018 utilizing a discount rate of 10.00%, of approximately \$17.25 to \$23.65 per share; and

the relationship between movements in Finisar Common Stock and II-VI Common Stock during the five-year period ended November 7, 2018.

***Miscellaneous***

As noted above, the discussion set forth above in the sections entitled Summary of Material Finisar Financial Analyses and Summary of Material II-VI Financial Analyses is a summary of the material financial analyses presented by BofA Merrill Lynch to the II-VI Board in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular

circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.



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In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Finisar and II-VI. The estimates of the future performance of Finisar and II-VI in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, to II-VI of the Merger Consideration to be paid by II-VI in the Merger and were provided to the II-VI Board in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of Finisar or II-VI.

The type and amount of consideration payable in the Merger was determined through negotiations between Finisar and II-VI, rather than by any financial advisor, and was approved by the II-VI Board. The decision to enter into the Merger Agreement was solely that of the II-VI Board. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the II-VI Board in its evaluation of the proposed Merger and should not be viewed as determinative of the views of the II-VI Board or management with respect to the Merger or the Merger Consideration.

II-VI has agreed to pay BofA Merrill Lynch for its services in connection with the Merger an aggregate fee currently estimated to be approximately \$29,000,000, approximately \$2,000,000 will be payable in connection with delivery of its opinion and the remaining portion of which is contingent upon consummation of the Merger. II-VI also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of II-VI, Finisar and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to II-VI and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as a co-lead arranger for, and as a lender under, II-VI's revolving credit facility, (ii) having acted as a book running manager in a convertible bond offering for II-VI, (iii) having provided or providing foreign exchange trading services to II-VI, and (iv) having provided or providing certain treasury management services and products to II-VI. From October 1, 2016 through September 30, 2018, BofA Merrill Lynch and its affiliates derived aggregate revenues from II-VI and its affiliates of approximately \$11 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing and in the future may provide investment banking, commercial banking and other financial services to Finisar and have received or in the future may receive compensation for the rendering of these services, including having acted as a book running

manager in a convertible bond offering for Finisar and having provided or providing foreign

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exchange and fixed income trading services to Finisar. From October 1, 2016 through September 30, 2018, BofA Merrill Lynch and its affiliates derived aggregate revenues from Finisar and its affiliates of approximately \$4.5 million for investment and corporate banking services.

**Unaudited Prospective Financial Information*****Finisar Projections***

Although Finisar historically has publicly issued limited short-term guidance concerning certain aspects of its expected financial performance, it does not, as a matter of course, make public disclosure of detailed forecasts or projections of its expected financial performance for extended periods due to, among other things, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. In connection with Finisar's evaluation of strategic alternatives and a possible business combination transaction involving Finisar, in August 2018, Finisar prepared certain unaudited projections and estimates of future financial and operating performance with respect to Finisar's fiscal years ending in 2019, 2020 and 2021, which are referred to in this joint proxy statement/prospectus as the Finisar management projections, which it made available to II-VI and BofA Merrill Lynch on August 27, 2018. The Finisar management projections also were provided to Barclays for its use and reliance in connection with its respective financial analysis and opinion in connection with the Merger.

The Finisar management projections were prepared on a stand-alone basis and do not take into account any of the transactions contemplated by the Merger Agreement, including the Merger and associated expenses, or Finisar's compliance with its covenants under the Merger Agreement. For these reasons and for the reasons described above, actual results likely will differ, and may differ materially, from those contained in the Finisar management projections.

The Finisar management projections have been prepared by, and are the responsibility of, Finisar management for internal use by Finisar and Barclays, and approved by the Finisar Board, and were provided to Barclays for use in the financial analyses undertaken by representatives of Barclays in connection with Barclays' rendering its opinion to the Finisar Board and were not prepared for purposes of public disclosure.

The following table presents a summary of the unaudited Finisar management projections<sup>(1)(2)</sup>:

<i>(in millions, except per share data and percentages)</i>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>CY2018<sup>(3)</sup></b>	<b>CY2019<sup>(4)</sup></b>
Revenue	\$ 1,321	\$ 1,657	\$ 1,860	\$ 1,292	\$ 1,548
Non-GAAP Gross Margin	27.6%	31.7%	34.0%	27.1%	30.5%
Non-GAAP Gross Profit	\$ 364	\$ 525	\$ 632	\$ 351	\$ 473
Non-GAAP Total Operating Expenses	\$ 265	\$ 268	\$ 289	\$ 275	\$ 267
Non-GAAP Operating Income	\$ 99	\$ 258	\$ 344	\$ 76	\$ 206
Non-GAAP Operating Margin	7.5%	15.5%	18.5%	5.9%	13.3%
Non-GAAP EBITDAS	\$ 203	\$ 380	\$ 478	\$ 178	\$ 322
Non-GAAP Pre-Tax Income	\$ 114	\$ 276	\$ 372	\$ 91	\$ 223
Non-GAAP Net Income	\$ 105	\$ 253	\$ 342	\$ 82	\$ 205
Non-GAAP Fully Diluted EPS	\$ 0.89	\$ 2.11	\$ 2.76	\$ 0.70	\$ 1.71

(1) The Finisar management projections were calculated excluding certain charges and credits that would be required by U.S. generally accepted accounting principles, or GAAP, considered by management to be outside of Finisar's

core ongoing operating results in the same manner as Finisar has historically calculated financial information on a non-GAAP basis. These excluded items have historically consisted of, among others: (i) amortization of acquired technology (non-cash charges related to technology obtained in acquisitions); (ii) stock-based compensation expense (non-cash charges); (iii) impairment of long-lived/intangible assets (non-cash charges); (iv) reduction in force costs and other restructuring charges (non-core

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cash charges); (v) acquisition related retention payments (non-core cash charges); (vi) inventory write-offs related to discontinued products (non-cash charges); (vii) discontinued product services fees (non-core cash charges); (viii) duplicate facility costs during facility move (non-core cash charges); (ix) acquisition related costs (non-core cash charges); (x) litigation settlements and resolutions and related costs (non-core cash charges); (xi) amortization of purchased intangibles (non-core, non-cash charges); (xii) start-up cash costs related to Finisar's Sherman VCSEL fab until Finisar begins commercial production; (xiii) imputed interest expenses on convertible debt (non-cash charges); (xiv) imputed interest related to restructuring (non-cash charges); (xv) other interest income (non-core benefits); (xvi) gains and losses on sales of assets and other miscellaneous (non-cash losses and cash gains related to the periodic disposal of assets no longer required for current activities); (xvii) loss (gain) related to minority investments (non-core charges or benefits); (xviii) dollar denominated foreign exchange transaction losses (gains) (non-cash charges or benefits); and (xix) amortization of debt issuance costs (non-cash charges). In addition, the Finisar management projections have adjusted non-GAAP income and non-GAAP income per share for the difference between GAAP income taxes and non-GAAP income taxes.

(2) All fiscal year periods assume a 52-week year.

(3) CY2018 has been prepared using the sum of the implied calendar quarters based on historical fiscal quarter financial data and fiscal quarter projections provided by Finisar. Calendar quarter financials have been prepared using the following formulae based on historical fiscal quarter financial data and fiscal quarter projections provided by Finisar:

$$\text{CQ1 2018} = (0.326 * \text{FQ3 2018}) + (0.674 * \text{FQ4 2018})$$

$$\text{CQ2 2018} = (0.326 * \text{FQ4 2018}) + (0.674 * \text{FQ1 2019})$$

$$\text{CQ3 2018} = (0.326 * \text{FQ1 2019}) + (0.674 * \text{FQ2 2019})$$

$$\text{CQ4 2018} = (0.326 * \text{FQ2 2019}) + (0.674 * \text{FQ3 2019}).$$

(4) CY2019 has been prepared using the following formula based on fiscal year projections provided by Finisar:

$$\text{CY2019} = (0.326 * \text{FY2019}) + (0.674 * \text{FY2020}).$$

The following is a summary of the projected unlevered free cash flow, which is derived from the Finisar management projections summarized in the table above.

<i>(in millions)</i>	<b>Stub FY2019<sup>(1)</sup></b>	<b>FY2020</b>	<b>FY2021</b>
Revenue	\$ 649	\$ 1,657	\$ 1,860
Non-GAAP EBITDAS	\$ 101	\$ 380	\$ 478
Non-GAAP EBIT	\$ 50	\$ 258	\$ 344
Non-GAAP NOPAT	\$ 46	\$ 236	\$ 316
Non-GAAP Unlevered Free Cash Flow <sup>(2)</sup>	\$ 8	\$ 126	\$ 247

(1) FY2019 stub period is from November 8, 2018 to April 30, 2019.

(2) Unlevered Free Cash Flow is a non-GAAP financial measure calculated by starting with net operating profit after tax, or NOPAT, and adding back depreciation and then subtracting change in net working capital and capital

expenditures. Net working capital projections used to calculate Unlevered Free Cash Flow are based on FY2017 and FY2018 historical levels. It is also assumed that capital expenditures equal depreciation in the terminal year.

***Adjusted Finisar Projections***

In connection with its evaluation of the Merger, II-VI made certain adjustments to the assumptions and estimates underlying the Finisar management projections in light of, among other things, the fact that II-VI and Finisar have different fiscal years, the due diligence II-VI conducted on Finisar, and certain macroeconomic and

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industry trends. II-VI's adjusted version of the Finisar management projections are referred to in this section of this joint proxy statement/prospectus as the adjusted Finisar projections. The adjusted Finisar projections were made available by II-VI management to BofA Merrill Lynch for purposes of its financial analysis and opinion. II-VI directed BofA Merrill Lynch to use and rely upon (and BofA Merrill Lynch accordingly used and relied upon) the adjusted Finisar projections for purposes of its financial analysis and opinion (see The Merger Opinion of II-VI's Financial Advisor beginning on page 112 of this joint proxy statement/prospectus). The II-VI Board also reviewed and considered the adjusted Finisar projections in connection with its review of BofA Merrill Lynch's financial analysis at the meeting of the II-VI Board held on November 8, 2018.

The following table presents a summary of the unaudited adjusted Finisar projections.<sup>(1)</sup>

	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22<sup>(2)</sup></b>	<b>FY23<sup>(3)</sup></b>
	<b>(in millions, except per share amounts)</b>				
Revenues	\$ 1,377	\$ 1,691	\$ 1,877	\$ 1,979	\$ 2,060
Non-GAAP Adjusted EBITDA	225	354	449	473	493
Non-GAAP Adjusted Earnings Per Share	1.04	1.90	2.54	2.67	2.77
Non-GAAP Unlevered Free Cash Flow <sup>(4)</sup>	(148)	76	195	211	228

(1) The Finisar management projections have been adjusted to correspond with II-VI's fiscal year periods.

(2) FY22 projections prepared exclusively by II-VI management.