



## **Frequently Asked Questions Related to Two-for-One Stock Split**

At its meeting on May 16, 2013, your company's board of directors approved a two-for-one stock split for shareholders of record on June 18, 2013. As a result of the stock split, each shareholder will receive one additional share of OGE Energy common stock for each share held at the close of business on June 18, 2013, the split record date. If you sell the shares between June 18, 2013 and July 1, 2013, you will not be entitled to the split shares.

To assist our shareholders in their understanding of the stock split, we are providing answers to some frequently asked questions.

### What does a two-for-one stock split mean for shareholders?

A two-for-one stock split means a shareholder will be issued one additional share of OGE Energy common stock for every share of OGE Energy common stock held by that shareholder at the close of business on the split record date. The split doubles the number of shares outstanding but the corresponding market value per share decreases by half.

Here's an example:

Assume that as of the June 18, 2013 split record date, you own 100 shares of our common stock and the market price is \$65 per share. Your total investment value would be \$6,500. On the July 2, 2013 ex-split date, you will own 200 shares at a market price of \$32.50 per share (assuming a \$65 stock price on July 1, 2013). Your total investment value in OGE Energy would remain the same at \$6,500 until the stock price moves up or down.

### What is the effective date of the split?

There are several key dates to be aware of:

- The record date, June 18, 2013, determines which shareholders are entitled to receive additional shares due to the split.
- The payable date (or distribution date), July 1, 2013, is the date shareholders of record are mailed notification of the shares received as a result of the split.
- The ex-split date, July 2, 2013, is the date when OGE Energy common shares will trade on the NYSE at the new split-adjusted price.

### Why did our Board approve a stock split?

We have a relatively high percentage of retail ownership. By splitting our shares, we remove what many retail investors perceive as a price barrier to entry. We believe most shareholders will view this as a constructive move and as an indicator of management's positive outlook for the future of our company.

### How does the split affect our quarterly dividend rate?

On May 16, 2013, the board of directors declared the stock split pursuant to which each shareholder of record of the company's common stock will be entitled to one additional share of common stock for each share of common stock held on June 18, 2013. The Board then declared a post-split quarterly dividend of \$0.20875 per common share of stock, to be paid July 30, 2013 to shareholders of record on July 11, 2013.

As an example, for a shareholder whose stock ownership increased from 100 to 200 shares because of the split, their next quarterly dividend will be based on 200 shares multiplied by \$.20875 cents per share.

### Is the stock split a taxable transaction?

The Company has been advised that, under current law, for United States federal income tax purposes, (1) the receipt of additional shares of common stock as a result of this stock split will not result in any taxable income, gain or loss to shareholders, (2) immediately after the stock split, the tax basis of the shares of common stock held by a shareholder prior to the stock split will be divided equally between such original shares and the new shares issued with respect to the original shares, and (3) the new shares will be deemed to have been acquired at the same time as the original shares with respect to which the new shares were issued. If a shareholder owns shares immediately prior to the stock split that were acquired on different dates or at different prices (i.e., in different "blocks"), the tax basis adjustment and holding period determinations for the new shares generally are made on a block-by-block basis. The laws of jurisdictions other than the United States may impose income taxes on the receipt of additional shares. The foregoing tax information is furnished for your assistance, but it is suggested that you consult your personal tax advisor.

### Does the two-for-one stock split dilute the value of my stock holdings by increasing the number of shares outstanding?

No. This move does not change the proportionate interest that a shareholder maintains in our company. If you owned 1% of OGE Energy common stock before the split, you will continue to own 1% of our common stock after the split.

### What happens if I sell my shares after the split record date and before the payable date?

Between June 14, 2013 and July 1, 2013, sellers will receive full value for the shares they sell, but they will not be entitled to the split shares they will receive by virtue of their being shareholders on the record date. Instead, the sellers transfer their rights to the split shares to their buyers by means of “due bills.”

When will the notice reporting additional shares be mailed to shareholders?

The week of July 8, 2013 Computershare (our transfer agent) will mail written notification of additional shares to registered shareholders.

If your shares are held in a brokerage account, the additional shares will be sent to your broker automatically with no action required on your part. Please contact your broker directly for an account statement reflecting the additional shares credited to your brokerage account as a result of the split.

What do I do with my existing OGE Energy stock certificate(s)?

Your existing common stock certificates are still valid. **KEEP YOUR STOCK CERTIFICATES. DO NOT DESTROY THEM.** The stock certificates you personally hold should be kept in a safe place such as a safety deposit box, as they are valuable documents.

Will I receive a new stock certificate for my additional shares?

No. As a convenience to shareholders, all additional shares will be issued in book-entry form, either through the Direct Registration System (DRS) or as a credit to an existing Automatic Dividend Reinvestment and Stock Purchase Plan account.

How will additional shares from the split be distributed to registered shareholders?

If you are a participant in our Automatic Dividend Reinvestment and Stock Purchase Plan, additional shares will be credited to your existing account.

If you are a registered shareholder but do not participate in our Automatic Dividend Reinvestment and Stock Purchase Plan, additional shares will be issued in book-entry form through DRS. These shares will be described on account statements as DRS shares.

As described above, if your shares are held in a brokerage account, the additional shares will be sent to your broker.

What is Direct Registration?

The direct registration form of ownership allows registered shareholders to maintain their shares in book-entry form without the need for a physical certificate. The shareholder

retains full ownership of the shares without the responsibility of holding the actual certificate.

### Why are we using DRS?

There are advantages to having your shares in DRS. The benefits are that it:

- saves you the burden of storing your certificate(s) in a safe place, i.e., safe deposit box or vault;
- eliminates the risk of potential loss thus avoiding the significant costs involved in replacing any lost, stolen or destroyed certificates;
- eliminates the risk of fraudulent transfer of cancelled certificates;
- saves the costs associated with the issuance and delivery of physical stock certificates;
- makes your stock transactions faster and easier;
- saves you the inconvenience of delivering stock certificate(s) to your broker for sale or safekeeping; and
- allows for shares to be moved electronically to your brokerage account.

### Are there any fees associated with DRS?

No. There is no fee to hold your shares in book entry with the transfer agent, Computershare.

### Without certificates, how will I know how many shares I own?

You will receive a statement that will indicate the number of additional shares you own as a result of the split. This statement will be your proof of ownership. When you receive your statement, keep it with your existing stock certificate(s), if applicable, and other important documents as a record of your ownership. Each time there is a transaction in your account, you will be sent a statement that reports the number of shares you own.

### Can I receive a stock certificate for the DRS shares?

Yes. After the July 1, 2013 distribution, you may request a stock certificate and one will be issued at no cost to you. Your request must be in writing and signed by all shareholders on the account. Your written request can be mailed or faxed to us or our transfer agent, Computershare.

While it is solely your decision how to hold your shares, you should carefully review each alternative form and should consult with your financial advisor to determine which form is best for you.

### Can I convert my other OGE Energy stock certificates into book-entry form?

Yes. If you would like to take advantage of the convenience of having all shares held in book-entry form, you must mail your certificates to Computershare. It is recommended that you mail your stock certificates, certified or registered and insured for 3% of the current market value. This is the cost to replace the certificates if they are lost. ***Do not sign your stock certificates.*** Include written instructions indicating you would like to deposit your stock certificate(s). All shareholders shown on the account must sign the written request. The certificated shares will then be added to your account.

Will I be charged a fee to convert my certificate shares into book-entry form now?

No. This is a free service that eliminates the worry and responsibility of keeping track of stock certificates, as well as the time and expense of replacement if certificates are lost or misplaced.

What happens if my stock certificate(s) is lost or stolen?

You should immediately notify Computershare of the loss or theft and request paperwork to have your certificate(s) replaced. You must complete an affidavit to have the certificate(s) replaced. You will have to pay the cost of an indemnity bond and any processing fees (an indemnity bond typically costs approximately 3% of the value of the lost certificate).

If I previously authorized partial reinvestment or cash dividends based on a specific number of shares, what effect will the stock split have on my dividend payment?

Your current instruction will be followed and dividends will be reinvested or paid in cash based on the specific number of shares you originally authorized. If you would like to adjust the number to reflect the additional shares issued as a result of the split, you may do so by providing a new written authorization under the terms of the plan. For the change to be effective for the July 30, 2013 dividend payment, your written authorization must be received by July 22, 2013.

*To ensure compliance with Treasury Department Circular 230, shareholders are hereby notified that any discussion of tax matters set forth in this letter (including any attachments) was not intended or written to be used, and cannot be used, by any shareholder for purposes of avoiding penalties under the Internal Revenue Code and (2) any such discussion has been written in connection with the promotion or marketing (within the meaning of Circular 230) of the transactions or matters addressed herein; and (c) each such shareholder should seek advice from an independent tax advisor based on his or her particular circumstances.*