
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 27, 2018

RPM INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-14187
(Commission
File Number)

02-0642224
(IRS Employer
Identification No.)

2628 Pearl Road, P.O. Box 777, Medina, Ohio
(Address of principal executive offices)

44258
(Zip Code)

Registrant's telephone number, including area code: (330) 273-5090

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 27, 2018, RPM International Inc. (the “Company”) entered into a Cooperation Agreement (the “Cooperation Agreement”) with Elliott Associates, L.P., Elliott International, L.P. and Elliott International Capital Advisors Inc. (collectively, “Elliott”).

Pursuant to the Cooperation Agreement, and subject to the conditions set forth therein, on June 27, 2018 the board of directors of the Company (the “Board”) expanded the size of the Board to fourteen (14) directors and appointed Kirkland Andrews to serve as a Class I member of the Board (the “Class I Designee”) and John Ballbach to serve as a Class II member of the Board (the “Class II Designee” and, together with the Class I Designee, the “Designees” and each a “Designee”). The Company also agreed that, subject to the conditions set forth therein, the Board will nominate the Class II Designee for election to the Board at the Company’s 2018 Annual Meeting of Stockholders (the “2018 Annual Meeting”). If, prior to the Trigger Date (as defined below), a Designee resigns, refuses or is unable to serve or fulfill such Designee’s duties as director, then Elliott shall select a replacement director, subject to the consent of the Company (which consent shall not be unreasonably withheld or delayed), whom the Board reasonably determines qualifies as independent and otherwise satisfies the Board membership criteria set forth in the Company’s Corporate Governance Guidelines, Categorical Independence Standards for Directors and the Governance and Nominating Committee Charter.

Under the Cooperation Agreement, at the 2018 Annual Meeting and any annual or special meeting of the stockholders held prior to the Expiration Date (as defined below), Elliott has agreed to vote, or cause to be voted, all of the Company’s common stock that Elliott or its controlled affiliates are entitled to vote in favor of directors currently on the Board and nominated by the Company’s Board and otherwise in accordance with the Board’s recommendation on any proposal not related to an Extraordinary Transaction (as defined below), subject to certain limited exceptions.

Also under the Cooperation Agreement, the Company has agreed to propose amendments, and recommend that the Company’s stockholders vote in favor of such amendments at the 2018 Annual Meeting to the Company’s Amended and Restated Certificate of Incorporation (as may be amended from time to time, the “Certificate of Incorporation”) and the Company’s Amended and Restated By-Laws (as may be amended from time to time, the “By-Laws”), as applicable, to (i) eliminate Classes I, II and III of the Board, so that the Board will have no classification (the “Declassification Amendment”) and (ii) reduce the threshold for action taken by the Company’s stockholders to a simple majority. The Declassification Amendment will provide that beginning at the 2018 annual meeting of the Company’s stockholders and at each succeeding annual meeting of stockholders thereafter, the successors to the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the annual meeting of the Company’s stockholders held in the year following the year of their election; and accordingly, following the annual meeting of stockholders held in 2020, the classification of the Company’s directors will terminate in its entirety.

In addition, the Company has agreed to form an Operating Improvement Committee of the Board (the “Operating Improvement Committee”), which will be comprised of not more than four voting members, including Thomas S. Gross, Robert A. Livingston and the Designees. Mr. Livingston and Mr. Andrews will serve as the co-chairs of the Operating Improvement Committee at all times prior to the Trigger Date. The Operating Improvement Committee shall include the Company’s Chief Executive Officer as a non-voting *ex officio* member. The Operating Improvement Committee will assist and advise the Board on issues relating to a High-Performance Plan Initiative for the Company with respect to cost-cutting initiatives, short-term and long-term balance sheet optimization plans, net working capital streamlining initiatives and initiatives regarding appropriate share repurchases (the “HPP Initiative”). The Operating Improvement Committee will adopt a charter, which will provide, among other things, that the responsibilities of the Operating Improvement Committee will include: (i) reviewing and evaluating, and making recommendations to the Board regarding, the HPP Initiative, including the timing for the implementation thereof, (ii) providing the Board with updates summarizing its progress to date, as may be requested by the Board from time to time, (iii) providing recommendations to the Compensation Committee of the Board with respect to alignment of management equity incentives, (iv) from time to time as it determines appropriate, making recommendations to the Board regarding actions to be considered in furtherance of the Operating Improvement Committee’s purpose, and (v) retaining accountants, consultants, financial advisors, lawyers and other advisors as it may determine, in its sole discretion, are necessary and appropriate. The Operating Improvement Committee will use reasonable best efforts to make an initial recommendation to the Board on the HPP Initiative as soon as practicable following its review, which the Board will consider as soon as practicable thereafter (and in any event no later than October 4, 2018). The Company will finalize and announce the launch of the HPP Initiative no later than November 30, 2018.

Pursuant to the Cooperation Agreement, Elliott is subject to certain standstill provisions (the “Standstill”) until the Expiration Date (as defined below), which prohibit Elliott from, among other things, (i) engaging in any solicitation of proxies or consents with respect to the election or removal of directors or any other matter or proposal with respect to the Company; (ii) knowingly encouraging,

advising, knowingly influencing or instructing any third party or knowingly assisting any person with the respect to giving or withholding any proxy or authority to vote or dispose of Company securities; (iii) forming, joining, acting in concert, knowingly encouraging or in any way participating with others, including a “group” (within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended) with respect to any voting securities of the Company; (iv) acquiring, offering, seeking or agreeing to acquire, directly or indirectly securities of the Company resulting in Elliott having beneficial ownership of ten percent (10%) or more of the Company’s then-outstanding shares or economic exposure to fifteen percent (15%) or more of the Company’s then-outstanding shares; (v) engaging in any short sale or any purchase, sale or grant of any option, warrant, convertible security, stock appreciation right, or other similar right that relates to or derives any significant part of its value from a decline in the market price or value of any securities of the Company if such short sale, purchase, sale or grant would result in the Investors no longer having a net long position (as defined in Rule 14e-4 under the Exchange Act) in respect of the Company’s stock; (vi) initiating, effecting, or participating, seeking, offering, proposing to effect, cause or participate in any tender offer, exchange offer, merger, consolidation, acquisition, business combination, sale of all or substantially all assets, sale, spinoff, splitoff or other similar separation of one or more business units, scheme of arrangement, plan of arrangement, business combination transaction, recapitalization, reorganization, liquidation, dissolution, issuance of at least fifteen percent (15%) of the Company’s equity or equity equivalent securities or other extraordinary business transaction involving the Company or any of its subsidiaries or joint ventures (an “Extraordinary Transaction”); (vii) entering into a voting trust, arrangement or agreement or subjecting any Company securities to any trust, arrangement or agreement with respect to Company securities owned by them; (viii) seeking, alone or in concert with others, representation on the Board or the removal of any member of the Board, requesting or knowingly encouraging any person to request the Company call a meeting of the stockholders, conducting or knowingly encouraging another person to conduct a referendum of stockholders of the Company or present any matter at a meeting of stockholders of the Company; (ix) making any stockholder proposal; (x) making any request for stock list materials or other books and records of the Company; (xi) making any public disclosure, communication, announcement or statement regarding any intent, purpose, plan or proposal with respect to the Board, the Company, its management, policies or affairs, any of its securities or assets or the Cooperation Agreement that is inconsistent with the provisions of the Cooperation Agreement; (xii) taking any action or making any proposal, statement or request with respect to controlling, changing or influencing the Board or management of the Company, including any plans or proposals relating to any change in the number or term of directors or the filling of any vacancies on the Board, any material change in the capitalization, stock repurchase programs and practices, capital allocation programs and practices or dividend policy of the Company, any other material change in the Company’s management, business, corporate or governance structure, any waiver, amendment or modification to the Certificate of Incorporation or By-Laws, or to other actions by the Company that may facilitate or impede the acquisition of control of the Company by any person, causing a class of securities of the Company to be delisted from, or to cease to be authorized to be quoted on, any securities exchange or causing a class of equity securities of the Company to become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; (xiii) instituting, soliciting, knowingly assisting or joining any litigation or other proceeding against the Company or any of its current, former or future officers; (xiv) making any public or private request or submit any proposal, directly or indirectly, to amend or waive the terms of the Cooperation Agreement, in each case, which would reasonably be expected to require a public announcement of such request or proposal; (xv) publicly disclosing or otherwise making any public statement or announcement of any intention, purpose, plan or arrangement inconsistent with any provision of the Standstill; (xvi) entering into any negotiations, discussions, agreements or understandings with any third party to take any action with respect to any of the foregoing, or advising, facilitating, knowingly assisting, financing, knowingly encouraging or seeking to persuade any third party to take any action that Elliott is prohibited from taking pursuant to the Standstill; in each case, subject to certain limited exceptions. Each of the parties also agreed to mutual non-disparagement obligations until the Expiration Date (as defined below).

Elliott’s obligations under the Cooperation Agreement terminate on the date that is the earlier of (i) the fifth business day after written notice is delivered by Elliott to the Company of any material breach of the Cooperation Agreement that is uncured within the notice period, (ii) the 30th day prior to the last day of the Company’s advance notice period for the nomination of directors at the Company’s 2019 Annual Meeting of Stockholders and (iii) the failure of the Company to meet any of the deadlines with respect to the recommendations and announcement of the HPP Initiative set forth above (such date, the “Expiration Date”). The Company’s obligations under the Cooperation Agreement terminate on the date that is the earlier of (i) the fifth business day after written notice is delivered by the Company to Elliott of any material breach of the Cooperation Agreement that is uncured within the notice period and (ii) the 30th day prior to the last day of the time period, established pursuant to the By-Laws, for stockholders to deliver notice to the Company of director nominations to be brought before the Company’s 2019 Annual Meeting of Stockholders (such date, the “Trigger Date”).

The foregoing description of terms and conditions of the Cooperation Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Cooperation Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1 and incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Kirkland Andrews and John Ballbach to the Board of Directors

On June 27, 2018, the Board appointed Kirkland Andrews to serve as a Class I director of the Board and John Ballbach to serve as a Class II director of the Board in accordance with the terms of the Cooperation Agreement, as described in Item 1.01 hereof, and filed as Exhibit 10.1 hereto.

Other than as described in Item 1.01 hereof, (i) there are no arrangements or understandings between Mr. Andrews and any other person pursuant to which he was appointed as a director, and (ii) there are no arrangements or understandings between Mr. Ballbach and any other person pursuant to which he was appointed as a director. Following the appointment of the Designees to the Board, the size of the Board is fourteen (14) directors.

Mr. Ballbach served as an Operating Advisor with Clayton, Dubilier & Rice (“Clayton”), a private equity investment firm, from June 2014 to 2017. In connection with his role as an Operating Advisor at Clayton, Mr. Ballbach served as Chairman and director for Solenis, LLC, a specialty chemicals manufacturer, which is a portfolio company of Clayton. Mr. Ballbach served as Chairman of VWR International, LLC, a leading global laboratory supply and distribution company, from 2007 to 2012, and he was President and Chief Executive Officer from 2005 to 2012. Mr. Ballbach served as an independent director at Valspar from 2012 until the company’s sale to Sherwin-Williams in 2017. In addition, he is a former corporate officer of Valspar, having served as President and Chief Operating Officer from 2002 to 2004 and in various senior management positions since 1990. Mr. Ballbach also served as a director and member of the audit committee of The Timken Company, a publicly traded global manufacturer of bearings and related components, until mid-2014. He also previously served as a Director of Celanese Corp, a producer of specialty materials and chemical products.

Mr. Andrews has served as Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (“NRG”) since September 2011. Mr. Andrews is a director of NRG Yield, Inc., and he also served as Executive Vice President, Chief Financial Officer of NRG Yield, Inc. from December 2012 to November 2016. Prior to joining NRG, he served as Managing Director and Co-Head Investment Banking, Power and Utilities–Americas at Deutsche Bank Securities from June 2009 to September 2011. Prior to this, he served in several capacities at Citigroup Global Markets Inc., including Managing Director, Group Head, North American Power Investment Banking from November 2007 to June 2009, and Managing Director and Head of Power M&A from July 2005 to November 2007. In his banking career, Mr. Andrews led numerous strategic, debt, equity and commodities transactions, including multiple advisory roles for NRG.

Each Designee’s compensation for service as a director will be consistent with that of the Company’s other directors who are not employees or consultants of the Company, as described in the Company’s definitive proxy statement filed with the Securities and Exchange Commission on August 24, 2017 under the caption “Director Compensation,” which portion of such proxy statement is incorporated herein by reference.

In connection with their appointments as a director, the Company will enter into indemnification agreements with Messrs. Andrews and Ballbach effective as of June 27, 2018. The indemnification agreements are the same as the indemnification agreements the Company has entered into with each of its directors and executive officers. The indemnification agreement requires the Company to indemnify each director to the fullest extent permitted by law against all expenses, judgments, settlements, fines and penalties, actually and reasonably incurred in the defense or settlement of any civil, criminal, administrative or investigative action brought against the director by reason of his relationship with the Company, including third-party claims and proceedings brought by or in the right of the Company, subject to certain exceptions. The rights provided to Messrs. Andrews and Ballbach under the indemnification agreements are in addition to any other rights they may be entitled to under the Certificate of Incorporation or By-laws, the General Corporation Law of the State of Delaware or otherwise. The description of the indemnification agreement set forth in this Item 5.02 is not complete and is qualified in its entirety by reference to the full text of the form of indemnification agreement. The form of indemnification agreement between the Company and each of its directors and executive officers was filed as Exhibit 10.14 to the Company’s Quarterly Report on Form 10-Q for the quarter ended November 30, 2017 and is incorporated herein by reference.

There have been no transactions involving the Company or any of its subsidiaries in which Mr. Andrews or Mr. Ballbach have or will have a direct or indirect material interest that are required to be disclosed by Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

On June 28, 2018, the Company issued a press release announcing the Company's entry into the Cooperation Agreement, the increase in the size of the Board to fourteen (14) directors and the appointment of Kirkland Andrews and John Ballbach. A copy of the press release is attached hereto as Exhibit 99.1 and furnished herewith.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 [Cooperation Agreement, dated as of June 27, 2018, by and among RPM International Inc., Elliott Associates, L.P., Elliott International, L.P., and Elliott International Capital Advisors Inc.](#)

99.1 [Press Release, dated June 28, 2018, announcing the appointment of Kirkland Andrews and John Ballbach to the Board.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RPM International Inc.
(Registrant)

Date: June 28, 2018

/s/ Edward W. Moore

Edward W. Moore
Senior Vice President, General Counsel and
Chief Compliance Officer

COOPERATION AGREEMENT

This Cooperation Agreement (this "Agreement") is made and entered into as of June 27, 2018, by and among RPM International Inc., a Delaware corporation (the "Company"), Elliott Associates, L.P., a Delaware limited partnership ("Elliott Associates"), Elliott International, L.P., a Cayman Islands limited partnership ("Elliott International"), and Elliott International Capital Advisors Inc., a Delaware corporation (together with Elliott Associates and Elliott International, the "Investors"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in paragraph 15 below.

RECITALS

WHEREAS, the Company and the Investors have engaged in certain discussions concerning the Company; and

WHEREAS, the Company and the Investors desire to enter into an agreement regarding the appointment and election of certain directors to the Board of Directors of the Company (the "Board") and certain other matters, in each case, on the terms and subject to the conditions set forth therein.

NOW, THEREFORE, in consideration of and reliance upon the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Director Appointments; Committees; Board Size. Effective as of the date hereof and upon the execution and delivery of this Agreement, the Board shall (a) increase the size of the Board to fourteen (14) directors and (b) appoint Kirkland Andrews to serve as a Class I member of the Board (such Designee, the "Class I Designee") and John Ballbach to serve as a Class II member of the Board (such Designee, the "Class II Designee") and together with the Class I Designee, the "Designees" and each a "Designee").
2. Designee Agreements, Arrangements and Understandings. Each of the Investors represents, warrants and agrees that neither it nor any of its Affiliates (a) has made or will make any payments to any Designee in connection with such Designee's (i) agreement to serve or proposal of such person by the Investors as a Replacement Designee (as hereinafter defined) or (ii) service on the Board or any committee thereof or (b) has or will have any agreement, arrangement or understanding, written or oral, with any Designee in connection with such Designee's (i) agreement to serve or proposal of such person by the Investors as a Replacement Designee or (ii) service on the Board or any committee thereof.
3. Designee Replacements. If, prior to the Trigger Date (as hereinafter defined), a Designee resigns, refuses or is unable to serve or fulfill his or her duties as a director, then the Investors shall select a replacement director, subject to the consent of the Company (which consent shall not be unreasonably withheld or delayed), whom the Board shall have reasonably determined qualifies as Independent and otherwise satisfies the Board membership criteria set forth in the

Company's Corporate Governance Guidelines, Categorical Independence Standards for Directors and the Governance and Nominating Committee Charter (a "Replacement Designee"). Subject to paragraph 4 hereof, the Company shall cause such Replacement Designee to be appointed to the Board to serve the unexpired term of the departed Designee, and such Replacement Designee shall be considered a Designee and either the Class I Designee or Class II Designee, as the case may be, for all purposes of this Agreement.

4. Designee Information. As a condition to, and prior to, each Replacement Designee's appointment to the Board, such proposed Replacement Designee shall have provided the Company with: (i) a completed D&O questionnaire in the same form as the Company intends to use with all of its directors in advance of the 2018 Annual Meeting (as defined below) (with such changes as required by applicable law, rule, regulation or stock exchange rules or listing standards); (ii) information reasonably requested by the Company of all of its directors in connection with assessing eligibility, independence and other criteria applicable to outside directors or satisfying compliance and legal obligations; (iii) such written consents requested by the Company as may be reasonably necessary for the conduct of the Company's standard vetting procedures conducted with respect to all non-management directors and the execution of any documents reasonably required by the Company of non-management directors to assure compliance with the matters referenced in paragraph 8 hereof; and (iv) such other information reasonably requested by the Company including, without limitation, an acknowledgment from such proposed Replacement Designee that he or she intends to serve for the full term for which he or she is appointed or elected (including, in the case of any replacement of the Class II Designee prior to the 2018 Annual Meeting, any term to which he would be elected at the 2018 Annual Meeting). As a further condition to the Company's nomination of a Designee for election as a director at the Annual Meeting, such Designee shall have, reasonably promptly upon the request of the Company, provided the Company with: (i) an executed consent to be named as a nominee in the Company's proxy statement and to serve as a director if so elected and (ii) information requested by the Company from all non-management directors with respect to its proxy statement or other filings under applicable law or stock exchange rules or listing standards.
5. Amendments to Certificate of Incorporation and By-Laws. Promptly following the execution and delivery of this Agreement (and in no event later than July 17, 2018), the Board shall pass resolutions in the form attached hereto as Exhibit A proposing amendments (and recommending that the Company's stockholders vote in favor of such amendments at the Company's 2018 Annual Meeting of Stockholders (including any postponement or adjournment thereof, the "2018 Annual Meeting")) to the Company's Amended and Restated Certificate of Incorporation (as may be amended from time to time, the "Certificate of Incorporation") and the Company's Amended and Restated By-Laws (as may be amended from time to time, the "By-Laws"), as applicable, to (i) eliminate Classes I, II and III of the Board so that the Board shall have no classification and (ii) reduce the threshold for action taken by the Company's stockholders to a

simple majority (including, without limitation, Article VII of the Charter and Article XIV of the Bylaws) (collectively, the “Amendments”). For the avoidance of doubt, directors elected at the 2018 Annual Meeting (and directors up for election at each annual meeting thereafter) will be elected for one-year term.

6. 2018 Annual Meeting. The Company shall include the Class II Designee (or the Replacement Designee) on its slate for election as directors of the Company at the 2018 Annual Meeting and shall use its reasonable best efforts (which shall include the solicitation of proxies) to cause the election of the Class II Designee at the 2018 Annual Meeting (it being understood that such efforts shall not be less than the efforts used by the Company to cause the election of any other Class II director nominee nominated by the Company at the 2018 Annual Meeting). The Company shall include the Amendments in its proxy statement for the 2018 Annual Meeting, and shall use its reasonable best efforts (which shall include the solicitation of proxies) to cause the Amendments to be adopted by the Company’s stockholders by the appropriate vote.
7. Voting of Investors’ Shares. In connection with any annual or special meeting of the stockholders of the Company (and any adjournments or postponements thereof) held prior to the Expiration Date (as hereinafter defined), the Investors will cause to be present for quorum purposes and vote or cause to be voted all Voting Securities that they or their respective controlled Affiliates are entitled to vote as of the applicable record date, in favor of, (A) the election of the Designees and any other directors who are nominated by the Board; and (B) otherwise in accordance with the Board’s recommendation on any proposal not related to (i) an Extraordinary Transaction (as defined herein); (ii) any proposed issuance of shares of common stock, par value \$0.01, of the Company (the “Common Stock”) or any securities convertible into, or exercisable or exchangeable for, Common Stock, in each case, that requires a vote of the Company stockholders under NYSE Rule 312.03(c); (iii) any proposal by the Company to adopt any takeover defense measures or any other proposal by the Company that would diminish or otherwise impair in any material respect the rights of Company stockholders or (iv) the issuance of at least fifteen percent (15%) of the Company’s equity or equity equivalent securities to a Third Party (including in a PIPE, convertible note, convertible preferred security or similar structure).
8. Company Policies. The Investors acknowledge that each of the Designees, upon election or appointment to the Board, will serve as a member of the Board and will be governed by the same protections and obligations regarding confidentiality, conflicts of interest, related party transactions, fiduciary duties, codes of conduct, trading and disclosure policies, director resignation policy, and other governance guidelines and policies of the Company as other non-management directors (collectively, “Company Policies”) and shall be required to preserve the confidentiality of the Company’s business and information, including discussions or matters considered in meetings of the Board or committees thereof in accordance with their respective fiduciary duties, applicable law and applicable Company Policies, if any, and shall have the same rights and benefits, including

with respect to insurance, indemnification, compensation and fees, as are applicable to all non-management directors of the Company. All Company Policies in effect as of the date hereof are publicly available on the Company's website or described in its proxy statement filed with the SEC on August 24, 2017, or have otherwise been provided to the Investors. The Company agrees that (i) it will not amend any Company Policies in any manner for the purpose of disqualifying any Designee and (ii) any changes to the Company Policies, or new Company Policies, will be adopted in good faith and not for the purpose of undermining or conflicting with the arrangements contemplated by this Agreement.

9. Operating Improvement Committee.

- a. As promptly as practicable following the execution of this Agreement, the Board shall take all action necessary to form a committee of the Board to assist, advise and make recommendations to the Board on issues relating to the Company's operational and cost improvement initiatives and optimization (the "Operating Improvement Committee"). The Board shall cause the Operating Improvement Committee to adopt a charter (the "Operating Improvement Committee Charter"), as promptly as practicable following its formation, in accordance with the terms set forth on Exhibit B attached hereto, and subject to the Investors' reasonable consent. Once the Operating Improvement Committee Charter is adopted, the Operating Improvement Committee Charter may not be amended prior to the Trigger Date without the prior written consent of the Investors (in their sole and absolute discretion). The Company shall cause the Operating Improvement Committee to be comprised of not more than four (4) voting members from its formation until the Trigger Date and shall include the Company's Chief Executive Officer as a non-voting *ex officio* member. The four initial voting members shall consist of Thomas S. Gross, Robert A. Livingston and the Designees. For the avoidance of doubt, the Designees shall always be entitled to act as members of the Operating Improvement Committee. Robert A. Livingston and Kirkland Andrews shall serve as co-chairs of the Operating Improvement Committee at all times prior to the Trigger Date.
- b. The Operating Improvement Committee shall use reasonable best efforts to make the initial HPP Initiative Recommendation (as defined in Exhibit B) as soon as practicable, which the Board shall consider as soon as practicable thereafter (and in any event no later than October 4, 2018). The Company shall finalize and announce the launch of the HPP Initiative no later than November 30, 2018 (such announcement, the "Launch Announcement").

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10. Private Communications; Confidentiality. Notwithstanding anything to the contrary contained in this Agreement, during the Restricted Period (as defined herein), the Investors and their respective Affiliates may initiate and hold private communications regarding the Company and its Affiliates with the Board as a whole and/or any director without pre-approval or participation of any other director or any other Person, in each case, only so long as such private communications do not violate the terms of this Agreement (including, without limitation, paragraph 12 hereof). Each of the Investors acknowledges and agrees that the directors may engage in discussions with the Investors and their respective Affiliates only subject to, and in accordance with, their respective fiduciary duties and other obligations to the Company and the Company Policies.
 11. Press Releases; SEC Filings. Not later than 7:30 am ET on June 28, 2018, the Company shall issue a press release in the form attached hereto as Exhibit C (the “Company Press Release”). Substantially concurrently with the release of the Company Press Release, the Company shall file a Current Report on Form 8-K, which shall be in form and substance reasonably acceptable to the Company and the Investors. Neither of (i) the Company nor any of its Affiliates or Associates nor (ii) the Investors nor any of their Affiliates or Associates shall make any public statement regarding the subject matter of this Agreement or the matters set forth in the Company Press Release prior to the issuance thereof. The Investors shall, and shall cause their respective Affiliates and Associates to, cause any public filings or public announcements that reference this Agreement or the actions contemplated to be taken in connection with this Agreement or are otherwise made in connection therewith to be consistent with the Company Press Release and the terms of this Agreement.
 12. Standstill. From the date of this Agreement until the Expiration Date (such period, the “Restricted Period”), the Investors will not, and will cause their respective Affiliates and Associates and their respective principals, directors, general partners, officers, employees, and agents and representatives acting on their behalf (collectively, the “Restricted Persons”) not to, directly or indirectly, alone or in concert with others, absent prior express written invitation or authorization on behalf of the Board:
 - a. engage in any “solicitation” (as such term is defined under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of proxies or consents with respect to the election or removal of directors or any other matter or proposal with respect to the Company or become a “participant” (as such term is defined in Instruction 3 to Item 4 of Schedule 14A promulgated under the Exchange Act) in any such solicitation of proxies (including, without limitation, by initiating, encouraging or participating in any “withhold” or similar campaign);
 - b. knowingly encourage, advise, knowingly influence or instruct any Third Party or knowingly assist any Person in so encouraging, advising, knowingly influencing or instructing any Third Party with respect to the giving or withholding of any proxy or other authority to vote, the voting or disposition of Voting Securities, or in conducting any type of referendum, binding or non-binding, relating to the Company (other than such

encouragement, advice or influence that is consistent with Company management's recommendation in connection with such matter); provided that nothing in this clause (b) shall be deemed to restrict the Investor or any of its Affiliates from acquiring any Voting Securities;

- c. form, join, act in concert, knowingly encourage or in any way participate with any partnership, limited partnership, syndicate or other group, including a "group" as defined pursuant to Section 13(d) of the Exchange Act with respect to any Voting Securities, other than solely with other Affiliates (that are not portfolio companies) of the Investors with respect to Voting Securities now or hereafter owned by them;
- d. acquire, or offer, seek or agree to acquire, by purchase or otherwise, or direct any Third Party in the acquisition of, any securities (or any rights decoupled from the underlying securities) or assets of the Company, or rights or options to acquire any securities (or rights decoupled from the underlying securities) or assets of the Company, or engage in any swap or hedging transactions or other derivative agreements of any nature with respect to securities (or rights decoupled from the underlying securities) or assets of the Company, in each case, if such acquisition would result in the Investors having an aggregate beneficial ownership of ten percent (10%) or more of the then-outstanding Voting Securities or economic exposure to fifteen percent (15%) or more of the then-outstanding Voting Securities; provided that nothing herein will require any Voting Securities to be sold solely to the extent that the Investors exceed the ownership limit under this clause (d) as the result of a share repurchase or similar Company action that reduces the number of outstanding shares of any Voting Securities;
- e. engage in any short sale or any purchase, sale or grant of any option, warrant, convertible security, stock appreciation right, or other similar right (including any put or call option or "swap" transaction with respect to any security (other than a broad-based market basket or index)) that includes, relates to or derives any significant part of its value from a decline in the market price or value of any securities of the Company if such short sale, purchase, sale or grant would result in the Investors no longer having a net long position (as defined in Rule 14e-4 under the Exchange Act) in respect of the Common Stock;
- f. initiate, effect or participate in any way in, or seek to offer or propose to effect, cause or participate in any way in, any tender or exchange offer, merger, consolidation, acquisition, sale of all or substantially all assets or sale, spinoff, splitoff or other similar separation of one or more business units, scheme of arrangement, plan of arrangement, business combination transaction, recapitalization, reorganization, liquidation, dissolution, issuance of at least fifteen percent (15%) of the Company's equity or equity equivalent securities (including in a PIPE, convertible note, convertible preferred security or similar structure) or other extraordinary

transaction involving the Company or any of its subsidiaries or joint ventures or any of their respective securities or a material amount of any of their respective assets or businesses (each, an “Extraordinary Transaction”); provided, however, that this clause (f) shall not restrict: (i) the tender (or failure to tender) by the Investor or any of its Affiliates of any securities of the Company into any tender or exchange offer, (ii) the vote for or against any transaction by the Investor or any of its Affiliates of any securities of the Company with respect to any Extraordinary Transaction, or (iii) the receipt of any consideration by the Investor or any of its Affiliates on the same basis as other stockholders of the Company in connection with an Extraordinary Transaction;

- g. enter into a voting trust, arrangement or agreement or subject any Voting Securities to any voting trust, arrangement or agreement, in each case other than solely with other Affiliates (that are not portfolio companies) of the Investors, with respect to Voting Securities now or hereafter owned by them and other than granting proxies in solicitations approved by the Board;
- h. (i) seek, alone or in concert with others, election or appointment to, or representation on, the Board or nominate or propose the nomination of, or recommend the nomination of, any candidate to the Board (except as set forth in paragraphs 1(b) and 3), (ii) request that, or knowingly encourage any Person to request that, the Company call any meeting of the stockholders (iii) seek, or knowingly encourage any Person to seek, the removal of any member of the Board, (iv) conduct, or knowingly encourage any Person to conduct, a referendum of stockholders of the Company; or (v) present any matter at any meeting of stockholders of the Company;
- i. make or be the proponent of any stockholder proposal (pursuant to Rule 14a-8 under the Exchange Act, the By-Laws or otherwise);
- j. make any request for stock list materials or other books and records of the Company under Section 220 of the Delaware General Corporation Law or other statutory or regulatory provisions providing for stockholder access to books and records;
- k. make any public disclosure, communication, announcement or statement regarding any intent, purpose, plan or proposal with respect to the Board, the Company, its management, policies or affairs, any of its securities or assets or this Agreement that is inconsistent with the provisions of this Agreement;

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- l. take any action or make any public proposal or request with respect to: (i) controlling, changing or influencing the Board or management of the Company, including any plans or proposals relating to any change in the number or term of directors or the filling of any vacancies on the Board, (ii) any material change in the capitalization, stock repurchase programs and practices, capital allocation programs and practices or dividend policy of the Company, (iii) any other material change in the Company's management, business, corporate or governance structure, (iv) any waiver, amendment or modification to the Certificate of Incorporation or the By-Laws, or to other actions by the Company that may facilitate or impede the acquisition of control of the Company by any Person, (v) causing a class of securities of the Company to be delisted from, or to cease to be authorized to be quoted on, any securities exchange or (vi) causing a class of equity securities of the Company to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;
 - m. institute, solicit, knowingly assist or join any litigation, arbitration or other proceeding against or involving the Company or any of its current, former or future directors or officers (including derivative actions); provided, however, that for the avoidance of doubt the foregoing shall not prevent any Restricted Person from (i) bringing litigation to enforce the provisions of this Agreement instituted in accordance with and subject to this paragraph 12, (ii) making counterclaims with respect to any proceeding initiated by, or on behalf of, the Company against a Restricted Person, (iii) bringing bona fide commercial disputes that do not relate to the subject matter of this Agreement or (iv) exercising statutory appraisal rights; provided, further, that the foregoing shall also not prevent the Restricted Persons from responding to or complying with a validly issued legal process;
 - n. make any public or private request or submit any proposal, directly or indirectly, to amend or waive the terms of this Agreement, in each case, which would reasonably be expected to require a public announcement of such request or proposal;
 - o. publicly disclose or otherwise make any public statement or announcement of any intention, purpose, plan or arrangement inconsistent with any provision of this paragraph 12; or
 - p. enter into any negotiations, discussions, agreements or understandings with any Third Party to take any action with respect to any of the foregoing, or advise, facilitate, knowingly assist, finance, knowingly encourage or seek to persuade any Third Party to take any action that the Investors are prohibited from taking pursuant to this paragraph 12;

provided that (i) the restrictions in this paragraph 12 shall not prevent the Investor or any of its Affiliates from making (1) any factual statement as required by applicable legal process, subpoena, or legal requirement from any governmental authority with competent jurisdiction over the party from whom information is sought (so long as such request did not arise as a result of discretionary acts by the

Investors or any of their respective Affiliates); (2) any confidential communication to the Company in accordance with paragraph 10, including the requirement therein that the communication not be reasonably expected to require any public disclosure; (3) any public or private statement or announcement with respect to an Extraordinary Transaction that is publicly announced by the Company or a Third Party; (4) any public or private statement or announcement after the Launch Announcement with respect to the process, findings or recommendations of the Operating Improvement Committee and the Board (including the final HPP Initiative Recommendation) with respect to the HPP Initiative Recommendation, the HPP Initiative or the implementation thereof; and (5) any statement (whether positive or negative) that is in substance not inconsistent with this Agreement and the Press Release (or as otherwise consented to by the Company, such consent not to be unreasonably withheld, conditioned or delayed) in response to any public statements by any other current or potential investor in the Company; and (ii) the restrictions in this paragraph 12 shall terminate automatically upon the earliest of (A) the Expiration Date; (B) upon the announcement by the Company that it has entered into a definitive agreement with respect to any Extraordinary Transaction that would, if consummated, result in the acquisition of beneficial ownership by any Person or group of Persons (other than any direct or indirect subsidiaries of the Company) of more than 50% of the Common Stock; (C) the commencement of any tender or exchange offer (by a Person other than the Investors or their Affiliates) which, if consummated, would constitute an Extraordinary Transaction that would result in the acquisition of beneficial ownership by any person or group of more than 50% of the Common Stock, where the Company files a Schedule 14D-9 (or any amendment thereto), other than a “stop, look and listen” communication by the Company pursuant to Rule 14d-9(f) promulgated under the Exchange Act, that does not recommend that the Company’s stockholders reject such tender or exchange offer; and (D) any public statement or announcement by the Company with respect to the adoption or recommendation by the Board of any amendment to the Certificate of Incorporation or By-Laws that would reasonably be expected to impair the ability of a stockholder to submit nominations for election to the Board or stockholder proposals in connection with any future annual meeting of stockholders of the Company.

13. Non-Disparagement. During the Restricted Period, the Company and the Investors shall each refrain from making, and shall cause their respective Affiliates and its and their respective principals, directors, members, general partners, officers and employees not to make or cause to be made any statement or announcement, including in any document or report filed with or furnished to the SEC or through the press, media, analysts or other Persons, that constitutes an ad hominem attack on, or otherwise disparages, defames, slanders, impugns or is reasonably likely to damage the reputation of, (a) in the case of statements or announcements by any of the Investors and their related Persons, the current, former or future officers, directors or employees of the Company or any of its Affiliates or, prior to November 30, 2018, the Company or any of its Affiliates, and (b) in the case of statements or announcements by the Company and its

related Persons, the Investors or any of the Investors' advisors, their respective current, former or future officers, directors, employees, members or general partners. The foregoing shall not (i) restrict the ability of any Person to comply with any subpoena or other legal process or respond to a request for information (provided that such request is not targeted at this Agreement or the other party hereto) from any governmental authority with competent jurisdiction over the party from whom information is sought, (ii) apply to any private communications between the Investors, their respective Affiliates and its and their respective principals, directors, members, general partners, officers and employees, on the one hand, and the directors of the Company, on the other hand, pursuant to paragraph 10 hereof to the extent that it would not be reasonably expected that such communication would require a public disclosure, (iii) restrict the ability of the Investors and their related Persons to make any public or private statement or announcement after the Launch Announcement with respect to the process, findings or recommendations of the Operating Improvement Committee and the Board (including the final HPP Initiative Recommendation), with respect to the HPP Initiative Recommendation, the HPP Initiative or the implementation thereof, or (iv) restrict the ability of the Investors and their related Persons to make any statement in response to any criminal or civil investigation by any governmental authority related to the Company, its Affiliates, or any of its and their respective current, former or future officers, directors or employees.

14. Termination. The obligations of the Company under this Agreement shall terminate on the Trigger Date. The obligations of the Investors under this Agreement shall terminate on the Expiration Date. Termination of obligations shall be without prejudice to any rights or remedies arising from breach of such obligations before such termination.
15. Defined Terms. As used in this Agreement,
 - a. "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under the Exchange Act and shall include Persons who become Affiliates of any Person subsequent to the date of this Agreement; provided that "Affiliates" of a Person shall not include any entity, solely by reason of the fact that one or more of such Person's employees or principals serves as a member of its board of directors or similar governing body, unless such Person otherwise controls such entity (as the term "control" is defined in Rule 12b-2 promulgated by the SEC under the Exchange Act);
 - b. "Associate" shall have the meaning set forth in Rule 12b-2 promulgated under the Exchange Act (provided, that the term "Associates" in such definition shall be deemed to be preceded by the word "controlled") and shall include Persons who become Associates of any Person subsequent to the date of this Agreement.

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- c. “beneficial owner,” “beneficially own” and “beneficial ownership” shall have the respective meanings set forth in Rule 13d-3 (“Rule 13d-3”) promulgated by the SEC under the Exchange Act;
- d. “business day” shall mean any day other than a Saturday, Sunday or a day on which the Federal Reserve Bank of New York is closed;
- e. “economic owner,” “economically own” and “economic ownership” shall have the same meanings as “beneficial owner,” “beneficially own” and “beneficial ownership” except that a Person will also be deemed to “economically own,” to be the “economic owner” and to have “economic ownership” of (i) all shares of Common Stock or other Voting Securities which such Person has the right to acquire pursuant to the exercise of any rights in connection with any securities or any agreement, regardless of when such rights may be exercised and whether they are conditional, and (ii) all shares of Common Stock or other Voting Securities in which such Person has an economic interest pursuant to a cash settled call option or other derivative security, contract or instrument related to the price of shares of Common Stock or other Voting Securities (other than a broad-based market basket or index);
- f. “Expiration Date” means the date that is the earlier of (i) the fifth (5th) business day after written notice is delivered by the Investors to the Company of a material breach of this Agreement by the Company if such breach has not been cured within such notice period; provided that no Investor is then in material breach of this Agreement (it being understood that occurrence of the Expiration Date shall be a non-exclusive remedy for such breach); (ii) the thirtieth (30th) day prior to the last day of the time period, established pursuant to the By-Laws, for stockholders to deliver notice to the Company of director nominations to be brought before the Company’s 2019 Annual Meeting of Stockholders; and (iii) the failure of the Company to meet any of the deadlines set forth in paragraph 9(b) of this Agreement.
- g. “Independent” means that a Person (x) (i) shall not be an employee, director, general partner, manager, advisor, representative, trustee, or other agent or fiduciary of an Investor or of any Affiliate of an Investor, (ii) shall not be a limited partner, member or other investor in any Investor or any Affiliate (that is not a publicly traded portfolio company) of an Investor and (iii) shall not have any agreement, arrangement or understanding, written or oral, with, or received or have any right to receive any payment from, an Investor or any Affiliate thereof in connection with such Designee’s agreement to serve or service on the Board, and (y) shall qualify as an independent director of the Company under the Company’s independence guidelines applicable to non-management directors (as interpreted and determined by the Board), applicable law and the rules and regulations of the SEC and the NYSE (or applicable requirements of such other national securities exchange designated as the primary market on which the Company’s Common Stock is listed for trading);

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- h. “Person” shall be interpreted broadly to include, among others, any individual, general or limited partnership, corporation, limited liability or unlimited liability company, joint venture, estate, trust, group, association or other entity of any kind or structure;
 - i. “SEC” means the U.S. Securities and Exchange Commission;
 - j. “Third Party” means any Person that is not (i) a party to this Agreement or an Affiliate thereof, (ii) a director or officer of the Company or (iii) legal counsel to any party to this Agreement;
 - k. “Trigger Date” means the date that is the earlier of (i) the fifth (5th) business day after written notice is delivered by the Company to the Investors of a material breach of this Agreement by the Investors if such breach has not been cured within such notice period; provided that the Company is not then in material breach of this Agreement (it being understood that occurrence of the Trigger Date shall be a non-exclusive remedy for such breach) and (ii) the thirtieth (30th) day prior to the last day of the time period, established pursuant to the By-Laws, for stockholders to deliver notice to the Company of director nominations to be brought before the Company’s 2019 Annual Meeting of Stockholders; and
 - l. “Voting Securities” shall mean the shares of Common Stock and any other securities of the Company entitled to vote in the election of directors, or securities convertible into, or exercisable or exchangeable for, such shares, whether or not subject to the passage of time or other contingencies.
16. Investors’ Representations and Warranties, Covenants. Each of the Investors represents and warrants that (a) this Agreement has been duly authorized, executed and delivered by it and is a valid and binding obligation of such Investor, enforceable against it in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles; (b) each Investor has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement; (c) the execution and delivery by the Investors of this Agreement and the performance of the Investors’ obligations hereunder does not and will not violate any law, any order of any court or other agency of government, the organizational documents of any Investor, or any provision of any agreement or other instrument to which any Investor or any of its properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such agreement or other

instrument, or result in the creation or imposition of, or give rise to, any material lien, charge, restriction, claim, encumbrance or adverse penalty of any nature whatsoever pursuant to any such indenture, agreement or other instrument; and (d) as of the date of this Agreement, each of the Investors and their Affiliates, beneficially owns or economically owns, directly or indirectly, such number of shares of Common Stock as indicated on Exhibit D attached hereto, and such shares of Common Stock constitute all of the Common Stock beneficially or economically owned, as of the date of this Agreement, by any Investor and Affiliate thereof or in which any Investor or Affiliate thereof has any interest or right to acquire or vote, whether through derivative securities, voting agreements or otherwise.

17. Company Representations and Warranties. The Company represents and warrants that (a) this Agreement has been duly authorized, executed and delivered by it and is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles; (b) it has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement; (c) this Agreement does not require the approval of the stockholders of the Company; (d) the execution and delivery by the Company of this Agreement and the performance of the Company's obligations hereunder does not and will not violate any law, any order of any court or other agency of government, the Certificate of Incorporation, the By-Laws or any provision of any agreement or other instrument to which the Company or any of its properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such agreement or other instrument, or result in the creation or imposition of, or give rise to, any material lien, charge, restriction, claim, encumbrance or adverse penalty of any nature whatsoever pursuant to any such indenture, agreement or other instrument; and (e) the Company has not taken any actions that require disclosure on a Form 8-K prior to the date of this Agreement that have not previously been disclosed.
18. Affiliates. Each of the Investors agrees that it will cause its controlled Affiliates to comply with the terms of this Agreement.
19. Specific Performance. The Company and each of the Investors each acknowledge and agree that money damages would not be a sufficient remedy for any breach (or threatened breach) of this Agreement by it and that, in the event of any breach or threatened breach hereof, (a) the non-breaching party will be entitled to injunctive and other equitable relief, without proof of actual damages; (b) the breaching party will not plead in defense thereto that there would be an adequate remedy at law; and (c) the breaching party agrees to waive any applicable right or requirement that a bond be posted by the non-breaching party. Such remedies will not be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.

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20. Entire Agreement; Successors and Assigns; Amendment and Waiver. This Agreement (including its exhibits and schedules) constitutes the only agreement between the Investors and the Company with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written (except for any consent given prior to the date hereof). This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No party may assign or otherwise transfer either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party. Any purported transfer without such consent shall be void. No amendment, modification, supplement or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party affected thereby, and then only in the specific instance and for the specific purpose stated therein. Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.
21. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable. The parties further agree to replace such invalid or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the purposes of such invalid or unenforceable provision.
22. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Each of the Investors and the Company (a) irrevocably and unconditionally consents to the personal jurisdiction and venue of the Delaware Court of Chancery (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, the federal or other state courts located in Wilmington, Delaware) and any appellate courts thereof; (b) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; (c) agrees that it shall not bring any action relating to this Agreement or the transactions contemplated by this Agreement in any court other than such courts; (d) waives any claim of improper venue or any claim that those courts are an inconvenient forum and (e) agrees that a final judgment in any action or proceeding shall be conclusive and enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in paragraph 24 hereof or in such other manner as may be permitted by applicable law, shall be valid and sufficient service thereof. Each of the parties hereto, after

consulting or having had the opportunity to consult with counsel, knowingly, voluntarily, intentionally and irrevocably waives any right that such party may have to a trial by jury in any litigation based upon or arising out of this Agreement or any related instrument or agreement, or any of the transactions contemplated thereby, or any course of conduct, dealing, statements (whether oral or written), or actions of any of them. No party hereto shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

23. Parties in Interest. This Agreement is solely for the benefit of the parties hereto and is not binding upon (other than successors to the parties hereto) or enforceable by any other Persons. No party to this Agreement may assign its rights or delegate its obligations under this Agreement, whether by operation of law or otherwise, and any assignment in contravention hereof shall be null and void. Nothing in this Agreement, whether express or implied, is intended to or shall confer any rights, benefits or remedies under or by reason of this Agreement on any Persons other than the parties hereto, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any Third Party to any party hereto.
24. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein, and all legal process in regard hereto, will be in writing and will be deemed validly given, made or served when delivered in person, by electronic mail, by overnight courier or two business days after being sent by registered or certified mail (postage prepaid, return receipt requested) as follows:

If to the Company to:

RPM International Inc.
2628 Pearl Road, P.O. Box 777
Medina, Ohio 44258
Attn: General Counsel and Chief Compliance Officer
E-mail: emoore@rpminc.com

with a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attn: Mario Ponce
Eric Swedenburg
E-mail: mponce@stblaw.com; eswedenburg@stblaw.com

If to the Investors:

Elliott Associates, L.P.
Elliott International, L.P.

Elliott International Capital Advisors Inc.
40 West 57th Street
New York, New York 10019
Attn: Jesse A. Cohn; Jeffrey Rosenbaum
E-mail: jcohn@elliottmgmt.com; jrosenbaum@elliottmgmt.com

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
1 Bryant Park
New York, NY 10036
Attn: Jeffrey L. Kochian
E-mail: jkochian@akingump.com

At any time, any party hereto may, by notice given in accordance with this paragraph 24 to the other party, provide updated information for notices hereunder.

25. Expenses. All attorneys' fees, costs and expenses incurred in connection with this Agreement and all matters related hereto will be paid by the party incurring such fees, costs or expenses.
26. Interpretation. When a reference is made in this Agreement to a paragraph, such reference shall be to a paragraph of this Agreement, unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" and "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "will" shall be construed to have the same meaning as the word "shall." The words "date hereof" will refer to the date of this Agreement. The word "or" is not exclusive. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement, instrument, law, rule or statute defined or referred to herein means, unless otherwise indicated, such agreement, instrument, law, rule or statute as from time to time amended, modified or supplemented. Each of the parties acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed this Agreement with the advice of such counsel. Each party hereto and its counsel cooperated and participated in the drafting and preparation of this Agreement, and any and all drafts relating thereto exchanged among the parties shall be deemed the work product of all of the parties and may not be construed against any party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted or prepared it is of no application and is hereby expressly waived by each of the

parties, and any controversy over interpretations of this Agreement shall be decided without regard to events of drafting or preparation. Notwithstanding anything contained in the definitions of "Affiliate" or "Associates" to the contrary, for purposes of this Agreement (i) the covenants applicable to each Investor as set forth in this Agreement shall only require such Investor to cause its portfolio companies to take or refrain from taking action to the extent such Investor has a contractual, legal or other right or ability to cause such portfolio company to take or refrain from taking such action (provided that it shall also constitute a breach of any such covenant for any Investor to request, instruct or direct any of its portfolio companies to take any action or fail to take any action which action or failure to act would if taken by such Investor constitute a breach of this Agreement) and (ii) the representations and warranties applicable to each Investor as set forth in this Agreement shall only be made to the knowledge of such Investor to the extent such representations and warranties relate to the portfolio companies of such Investor.

27. Counterparts. This Agreement may be executed by the parties in separate counterparts (including by fax, jpeg, .gif, .bmp and .pdf), each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. This Agreement shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (which delivery may be physically, by facsimile, e-mail or by other electronic means) to the other parties hereto.

[Signature page follows]

If the terms of this Agreement are in accordance with your understanding, please sign below, whereupon this Agreement shall constitute a binding agreement among us.

Very truly yours,

RPM INTERNATIONAL INC.

By: /s/ Frank C. Sullivan

Name: Frank C. Sullivan

Title: Chairman and CEO

[Signature Page to Cooperation Agreement]

Accepted and agreed to as of the date first written above:

ELLIOTT ASSOCIATES, L.P.

By: Elliott Capital Advisors, L.P., as General Partner

By: Braxton Associates, Inc., as General Partner

By: /s/ Joshua Nadell

Name: Joshua Nadell

Title: Vice President

ELLIOTT INTERNATIONAL, L.P.

By: Elliott Capital Advisors, L.P., as General Partner

By: Braxton Associates, Inc., as General Partner

By: /s/ Joshua Nadell

Name: Joshua Nadell

Title: Vice President

ELLIOTT INTERNATIONAL CAPITAL ADVISORS INC.

By: /s/ Joshua Nadell

Name: Joshua Nadell

Title: Vice President

[Signature Page to Cooperation Agreement]



RPM INTERNATIONAL INC. • P.O. Box 777 • Medina, Ohio 44258 • 330-273-5090 • FAX 330-225-8743

News Release

RPM Announces Agreement with Elliott Management on New Initiatives to Improve Operating and Financial Performance and Enhance Shareholder Value

- Two New Independent Directors, Kirkland (“Kirk”) B. Andrews and John M. Ballbach, with Highly Value-Added Skill Sets, Appointed to the Board of Directors
- Forms New Operating Improvement Committee of the Board to Conduct Comprehensive Business Review Focused on Operational and Financial Value Creating Initiatives
- Engages Leading Consulting Firm Focused on Operational Improvements

MEDINA, OH – June 28, 2018 – RPM International Inc. (NYSE: RPM), a world leader in specialty coatings and sealants, today announced several new initiatives designed to bolster operational and financial improvement and enhance shareholder value. The initiatives announced today include the appointment of two new independent directors to RPM’s Board of Directors (the “Board”), Kirkland (“Kirk”) B. Andrews and John M. Ballbach, and the formation of a new Operating Improvement Committee (“OIC”) of the Board. As part of its commitment to good corporate governance, the Company also announced that it will approve and recommend amendments to its Amended and Restated Certificate of Incorporation to provide for an annually elected Board. These initiatives follow constructive dialogue and collaboration with Elliott Management Corporation (“Elliott”) and entry into an associated cooperation agreement between RPM and affiliates of Elliott.

RPM’s newly formed OIC will be composed of four independent directors: Kirk Andrews and Robert Livingston, who will serve as Co-Chairs, Thomas Gross and John Ballbach. Frank Sullivan, Chairman and CEO of RPM, will serve as a non-voting ex officio member. The OIC’s review, among other things, will focus on operational and financial initiatives to create and enhance shareholder value. Certain of these initiatives will center around setting and achieving new company margin targets based on top-performing industry standards and optimization of RPM’s balance sheet, including streamlining working capital and implementing new capital allocation guidelines and capital return plans. The Company has engaged AlixPartners, LLP, a leading outside management consulting firm, to work with the OIC and management on this review. RPM expects to provide a comprehensive update to the market as promptly as practicable, but in no event by later than November 30, 2018. Concurrent with the announcement, the Company will introduce transparent metrics to track achievements relative to plan on a regular basis.

“Over the past year, RPM’s Board and management have begun working on initiatives to drive greater efficiency across our operations while maintaining our growth momentum,” said Mr. Sullivan. “We have made some progress in reducing SG&A and identified key opportunities to improve manufacturing efficiencies, lower operating costs, and improve working capital. The initiatives announced today position us to progress significantly on these plans. Both Kirk and John add new perspectives and proven operational track records to our Board, and we look forward to benefitting from their expertise and experience as we take action to drive operational efficiencies, long-term performance, and value creation.”

Jeff Rosenbaum, Portfolio Manager at Elliott Management, said, “We are pleased to have worked constructively with RPM’s Board and management team on the initiatives announced today. RPM has an outstanding collection of leading brands, and we believe the company has significant potential for further operating, financial, and balance sheet improvements. Kirk Andrews brings strong portfolio and operational review and execution experience with his leadership in NRG’s recent \$855 million cost and margin enhancement program. And John Ballbach brings strong industry know-how and leadership skills from his work as a Valspar senior executive. They will both add immediate value to RPM’s Board and newly formed Operating Improvement Committee. We are confident that this ‘no stone unturned’ review will lead to several hundred basis points of margin improvement, capital returned to shareholders, and superior overall results for the Company.”

The appointments of Messrs. Andrews and Ballbach are effective immediately and expand the size of RPM’s Board from 12 to 14 members, 13 of whom are independent.

Under the terms of the cooperation agreement between RPM and Elliott, Elliott has agreed to customary standstill, voting and other provisions. The full cooperation agreement will be filed on a Form 8-K with the Securities and Exchange Commission.

About Kirkland (“Kirk”) B. Andrews

As Chief Financial Officer of NRG Energy, Inc. (“NRG”), a Fortune 500 integrated power company, Mr. Andrews leads all of NRG’s corporate financial functions, including treasury, financial planning, accounting, risk management, tax, insurance, supply chain and investor relations. He also plays an instrumental role in formulating and executing NRG’s capital allocation strategies and in financing the company’s repowering initiatives. Mr. Andrews has also helped lead NRG’s transformation plan, announced in 2017 – targeting significant cost and operational enhancements across the company.

Mr. Andrews joined NRG in 2011 after a successful 15-year career in investment banking. Mr. Andrews served as Managing Director and Head of Power Mergers and Acquisitions and subsequently headed the North American Power Investment Banking group at Citigroup Global Markets. Later, he served as Managing Director and co-head of Power and Utilities–Americas at Deutsche Bank. In his banking career, Mr. Andrews led numerous large and innovative strategic, debt, equity and commodities transactions, including multiple advisory roles for NRG.

About John M. Ballbach

A seasoned chemicals and coatings industry executive, Mr. Ballbach served as an Operating Advisor with Clayton, Dubilier & Rice (“Clayton”), a private equity investment firm, from 2014 to 2017. In connection with his role as an Operating Advisor at Clayton, Mr. Ballbach also served as Chairman and director for Solenis, LLC, a specialty chemicals manufacturer and portfolio company of Clayton. Mr. Ballbach served as an independent director at Valspar from 2012 until the company’s sale to Sherwin-Williams in 2017. In addition, he is a former corporate officer of Valspar, having served as President and Chief Operating Officer from 2002 to 2004 and in various senior management positions since 1990.

From 2007 to 2012, Mr. Ballbach served as Chairman of VWR International, LLC, a leading global laboratory supply and distribution company, and he was President and Chief Executive Officer from 2005 to 2012. Mr. Ballbach served as a director and member of the audit committee of The Timken Company, a publicly traded global manufacturer of bearings and related components, until mid-2014. He also previously served as a Director of Celanese Corp, a global technology leader in the production of specialty materials and chemical products.

About RPM

RPM International Inc. owns subsidiaries that are world leaders in specialty coatings, sealants, building materials and related services across three segments. RPM's industrial products include roofing systems, sealants, corrosion control coatings, flooring coatings and other construction chemicals. Industrial companies include Stonhard, Tremco, illbruck, Carboline, Flowcrete, Euclid Chemical and RPM Belgium Vandex. RPM's consumer products are used by professionals and do-it-yourselfers for home maintenance and improvement and by hobbyists. Consumer brands include Rust-Oleum, DAP, Zinsser, Varathane and Testors. RPM's specialty products include industrial cleaners, colorants, exterior finishes, specialty OEM coatings, edible coatings, restoration services equipment and specialty glazes for the pharmaceutical and food industries. Specialty segment companies include Day-Glo, Dryvit, RPM Wood Finishes, Mantrose-Hauser, Legend Brands, Kop-Coat and TCI. Additional details can be found at www.RPMinc.com and by following RPM on Twitter at www.twitter.com/RPMintl.

For more information, contact Barry M. Slifstein, vice president – investor relations, at 330-273-5090 or bslifstein@rpminc.com.

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Forward-Looking Statements

This press release contains “forward-looking statements” relating to our business. These forward-looking statements, or other statements made by us, are made based on our expectations and beliefs concerning future events impacting us, and are subject to uncertainties and factors (including those specified below) which are difficult to predict and, in many instances, are beyond our control. As a result, our actual results could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) global markets and general economic conditions, including uncertainties surrounding the volatility in financial markets, the availability of capital and the effect of changes in interest rates, and the viability of banks and other financial institutions; (b) the prices, supply and capacity of raw materials, including assorted pigments, resins, solvents and other natural gas- and oil-based materials; packaging, including plastic containers; and transportation services, including fuel surcharges; (c) continued growth in demand for our products; (d) legal, environmental and litigation risks inherent in our construction and chemicals businesses and risks related to the adequacy of our insurance coverage for such matters; (e) the effect of changes in interest rates; (f) the effect of fluctuations in currency exchange rates upon our foreign operations; (g) the effect of non-currency risks of investing in and conducting operations in foreign countries, including those relating to domestic and international political, social, economic and regulatory factors; (h) risks and uncertainties associated with our ongoing acquisition and divestiture activities; (i) risks related to the adequacy of our contingent liability reserves; and (j) other risks detailed in our filings with the Securities and Exchange Commission, including the risk factors set forth in our Annual Report on Form 10-K for the year ended May 31, 2017, as the same may be updated from time to time. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release.