

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

**RPM INTERNATIONAL INC/DE/**

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SIC: **2851** Paints, varnishes, lacquers, enamels & allied prods

Mailing Address  
2628 PEARL RD  
P O BOX 777  
MEDINA OH 44258

Business Address  
2628 PEARL RD  
P O BOX 777  
MEDINA OH 44258  
3302735090

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

**Form 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2022,

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 1-14187

**RPM International Inc.**

(Exact name of Registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)  
**2628 PEARL ROAD;**  
**MEDINA, OHIO**  
(Address of principal executive offices)

**02-0642224**  
(IRS Employer  
Identification No.)  
**44256**  
(Zip Code)

**(330) 273-5090**

(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	RPM	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No .

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No .

As of September 28, 2022, the registrant had 129,098,924 shares of common stock, \$0.01 par value per share, outstanding.

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RPM INTERNATIONAL INC. AND SUBSIDIARIES\*

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\* As used herein, the terms "RPM" and the "Company" refer to RPM International Inc. and its subsidiaries, unless the context indicates otherwise.

**PART I. – FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**  
**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
*(In thousands, except per share amounts)*

	<u>August 31, 2022</u>	<u>May 31, 2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 197,574	\$ 201,672
Trade accounts receivable (less allowances of \$46,775 and \$46,669, respectively)	1,407,866	1,432,632
Inventories	1,339,954	1,212,618
Prepaid expenses and other current assets	342,294	304,887
<b>Total current assets</b>	<u>3,287,688</u>	<u>3,151,809</u>
<b>Property, Plant and Equipment, at Cost</b>	2,135,573	2,132,915
Allowance for depreciation	(1,036,199)	(1,028,932)
<b>Property, plant and equipment, net</b>	<u>1,099,374</u>	<u>1,103,983</u>
<b>Other Assets</b>		
Goodwill	1,333,066	1,337,868
Other intangible assets, net of amortization	586,204	592,261
Operating lease right-of-use assets	296,101	307,797
Deferred income taxes	16,450	18,914
Other	184,105	195,074
<b>Total other assets</b>	<u>2,415,926</u>	<u>2,451,914</u>
<b>Total Assets</b>	<u>\$ 6,802,988</u>	<u>\$ 6,707,706</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 785,984	\$ 800,369
Current portion of long-term debt	303,387	603,454
Accrued compensation and benefits	165,796	262,445
Accrued losses	26,160	24,508
Other accrued liabilities	367,920	325,632
<b>Total current liabilities</b>	<u>1,649,247</u>	<u>2,016,408</u>
<b>Long-Term Liabilities</b>		
Long-term debt, less current maturities	2,534,108	2,083,155
Operating lease liabilities	255,625	265,139
Other long-term liabilities	285,634	276,990
Deferred income taxes	80,772	82,186
<b>Total long-term liabilities</b>	<u>3,156,139</u>	<u>2,707,470</u>
Commitments and contingencies (Note 13)		
<b>Stockholders' Equity</b>		
Preferred stock, par value \$0.01; authorized 50,000 shares; none issued	—	—
Common stock, par value \$0.01; authorized 300,000 shares; issued 145,079 and outstanding 129,099 as of August 31, 2022; issued 144,685 and outstanding 129,199 as of May 31, 2022	1,291	1,292
Paid-in capital	1,105,211	1,096,147
Treasury stock, at cost	(754,477)	(717,019)
Accumulated other comprehensive (loss)	(612,905)	(537,337)
Retained earnings	2,256,939	2,139,346
<b>Total RPM International Inc. stockholders' equity</b>	<u>1,996,059</u>	<u>1,982,429</u>
Noncontrolling Interest	1,543	1,399
<b>Total equity</b>	<u>1,997,602</u>	<u>1,983,828</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 6,802,988</u>	<u>\$ 6,707,706</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended	
	August 31, 2022	August 31, 2021
<b>Net Sales</b>	<b>\$ 1,932,320</b>	<b>\$ 1,650,420</b>
Cost of Sales	1,187,849	1,037,069
Gross Profit	744,471	613,351
Selling, General and Administrative Expenses	485,205	418,850
Restructuring Expense	1,354	1,010
Interest Expense	26,711	21,109
Investment Expense (Income), Net	3,664	(5,750)
Other Expense (Income), Net	2,416	(3,339)
Income Before Income Taxes	225,121	181,471
Provision for Income Taxes	55,842	46,676
Net Income	169,279	134,795
Less: Net Income Attributable to Noncontrolling Interests	266	213
<b>Net Income Attributable to RPM International Inc. Stockholders</b>	<b>\$ 169,013</b>	<b>\$ 134,582</b>
<b>Average Number of Shares of Common Stock Outstanding:</b>		
<b>Basic</b>	<b>127,617</b>	<b>128,083</b>
<b>Diluted</b>	<b>128,161</b>	<b>128,570</b>
<b>Earnings per Share of Common Stock Attributable to RPM International Inc. Stockholders:</b>		
<b>Basic</b>	<b>\$ 1.31</b>	<b>\$ 1.04</b>
<b>Diluted</b>	<b>\$ 1.31</b>	<b>\$ 1.04</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)  
(In thousands)

	Three Months Ended	
	August 31, 2022	August 31, 2021
<b>Net Income</b>	\$ 169,279	\$ 134,795
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments (net of tax of \$1,621 and \$2,337, respectively)	(78,956)	(38,980)
Pension and other postretirement benefit liability adjustments (net of tax of \$1,431 and \$1,466, respectively)	4,272	4,442
Unrealized (loss) gain on securities and other (net of tax of \$89 and \$145, respectively)	(340)	274
Unrealized (loss) gain on derivatives (net of tax of zero and \$2,571, respectively)	(606)	8,610
Total other comprehensive (loss)	(75,630)	(25,654)
Total Comprehensive Income	93,649	109,141
Less: Comprehensive Income Attributable to Noncontrolling Interests	204	183
<b>Comprehensive Income Attributable to RPM International Inc. Stockholders</b>	<b>\$ 93,445</b>	<b>\$ 108,958</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)  
(In thousands)

	Three Months Ended	
	August 31, 2022	August 31, 2021
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 169,279	\$ 134,795
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38,416	37,944
Restructuring charges, net of payments	-	(2,004)
Fair value adjustments to contingent earnout obligations	-	1,027
Deferred income taxes	(1,919)	(3,452)
Stock-based compensation expense	9,062	5,763
Net loss (gain) on marketable securities	6,606	(3,476)
Other	111	(76)
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
(Increase) decrease in receivables	(266)	98,166
(Increase) in inventory	(148,188)	(68,155)
(Increase) in prepaid expenses and other current and long-term assets	(36,021)	(15,648)
Increase (decrease) in accounts payable	15,113	(42,912)
(Decrease) in accrued compensation and benefits	(92,970)	(100,201)
Increase (decrease) in accrued losses	1,873	(3,530)
Increase in other accrued liabilities	62,459	37,866
<b>Cash Provided by Operating Activities</b>	<b>23,555</b>	<b>76,107</b>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(57,818)	(51,888)
Acquisition of businesses, net of cash acquired	(36,373)	(35,802)
Purchase of marketable securities	(6,440)	(5,843)
Proceeds from sales of marketable securities	4,116	2,766
Other	80	250
<b>Cash (Used for) Investing Activities</b>	<b>(96,435)</b>	<b>(90,517)</b>
<b>Cash Flows from Financing Activities:</b>		
Additions to long-term and short-term debt	250,051	60,547
Reductions of long-term and short-term debt	(75,264)	(471)
Cash dividends	(51,420)	(48,901)
Repurchases of common stock	(25,000)	(12,500)
Shares of common stock returned for taxes	(12,430)	(5,802)
Payments of acquisition-related contingent consideration	(3,705)	(60)
Other	(2,487)	-
<b>Cash Provided by (Used for) Financing Activities</b>	<b>79,745</b>	<b>(7,187)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(10,963)</b>	<b>(11,895)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(4,098)</b>	<b>(33,492)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>201,672</b>	<b>246,704</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 197,574</b>	<b>\$ 213,212</b>
<b>Supplemental Disclosures of Cash Flows Information:</b>		
Cash paid during the period for:		
Interest	\$ 24,493	\$ 17,301
Income Taxes, net of refunds	\$ 15,813	\$ 28,016
<b>Supplemental Disclosures of Noncash Investing Activities:</b>		
Capital expenditures accrued within accounts payable at quarter-end	\$ 8,733	\$ 8,442

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited)  
(In thousands)

	Common Stock		Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Par/Stated Value							
<b>Balance at June 1, 2022</b>	129,199	\$ 1,292	\$ 1,096,147	\$ (717,019)	\$ (537,337)	\$ 2,139,346	\$ 1,982,429	\$ 1,399	\$ 1,983,828
Net income	-	-	-	-	-	169,013	169,013	266	169,279
Other comprehensive (loss)	-	-	-	-	(75,568)	-	(75,568)	(62)	(75,630)
Dividends declared and paid (\$0.40 per share)	-	-	-	-	-	(51,420)	(51,420)	-	(51,420)
Other noncontrolling interest activity	-	-	-	-	-	-	-	(60)	(60)
Share repurchases under repurchase program	(303)	(3)	3	(25,000)	-	-	(25,000)	-	(25,000)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	203	2	9,061	(12,458)	-	-	(3,395)	-	(3,395)
<b>Balance at August 31, 2022</b>	<u>129,099</u>	<u>\$ 1,291</u>	<u>\$ 1,105,211</u>	<u>\$ (754,477)</u>	<u>\$ (612,905)</u>	<u>\$ 2,256,939</u>	<u>\$ 1,996,059</u>	<u>\$ 1,543</u>	<u>\$ 1,997,602</u>

	Common Stock		Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Par/Stated Value							
<b>Balance at June 1, 2021</b>	129,573	\$ 1,295	\$ 1,055,400	\$ (653,006)	\$ (514,884)	\$ 1,852,259	\$ 1,741,064	\$ 1,961	\$ 1,743,025
Net income	-	-	-	-	-	134,582	134,582	213	134,795
Other comprehensive (loss)	-	-	-	-	(25,624)	-	(25,624)	(30)	(25,654)
Dividends declared and paid (\$0.38 per share)	-	-	-	-	-	(48,901)	(48,901)	-	(48,901)
Share repurchases under repurchase program	(133)	(1)	1	(12,500)	-	-	(12,500)	-	(12,500)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	303	3	5,760	(5,808)	-	-	(45)	-	(45)
<b>Balance at August 31, 2021</b>	<u>129,743</u>	<u>\$ 1,297</u>	<u>\$ 1,061,161</u>	<u>\$ (671,314)</u>	<u>\$ (540,508)</u>	<u>\$ 1,937,940</u>	<u>\$ 1,788,576</u>	<u>\$ 2,144</u>	<u>\$ 1,790,720</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**RPM INTERNATIONAL INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 — CONSOLIDATION, NONCONTROLLING INTERESTS AND BASIS OF PRESENTATION**

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”) for interim financial information and the instructions to Form 10-Q. In our opinion, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included for the three-month periods ended August 31, 2022, and August 31, 2021. For further information, refer to the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended May 31, 2022.

Our financial statements include all of our majority-owned subsidiaries. We account for our investments in less-than-majority-owned joint ventures, for which we have the ability to exercise significant influence, under the equity method. Effects of transactions between related companies are eliminated in consolidation.

Noncontrolling interests are presented in our Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (noncontrolling interests) in partially-owned subsidiaries have similar economic interests in a single entity. As a result, investments in noncontrolling interests are reported as equity in our Consolidated Financial Statements. Additionally, our Consolidated Financial Statements include 100% of a controlled subsidiary’s earnings, rather than only our share. Transactions between the parent company and noncontrolling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

Our business is dependent on external weather factors. Historically, we have experienced strong sales and net income in our first, second and fourth fiscal quarters comprising the three-month periods ending August 31, November 30 and May 31, respectively, with weaker performance in our third fiscal quarter (December through February).

**NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS**

*New Pronouncements Adopted*

The Company did not adopt any Accounting Standard Updates (“ASU”) during fiscal 2023 that have a material impact on our Consolidated Financial Statements.

*New Pronouncements Issued*

In September 2022, the FASB issued ASU 2022-04, “Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations,” which makes a number of changes meant to add certain disclosure requirements for a buyer in a supplier finance program. The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program’s key terms, the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period, and associated rollforward information. Only the amount outstanding at the end of the period must be disclosed in interim periods. The amendments are effective for all entities for fiscal years beginning after December 15, 2022 on a retrospective basis, including interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. Early adoption is permitted upon issuance of the update. We are currently reviewing the provisions of this new pronouncement, but do not expect this guidance will have a material impact on our Consolidated Financial Statements.

**NOTE 3 — RESTRUCTURING**

We record restructuring charges associated with management-approved restructuring plans to either reorganize one or more of our business segments, or to remove duplicative headcount and infrastructure associated with our businesses. Restructuring charges can include severance costs to eliminate a specified number of associates, infrastructure charges to vacate facilities and consolidate operations, contract cancellation costs and other costs. We record the short-term portion of our restructuring liability in Other Accrued Liabilities and the long-term portion, if any, in Other Long-Term Liabilities in our Consolidated Balance Sheets.

Between May and August 2018, we approved and implemented the initial phases of a multi-year restructuring plan, which was originally referred to as the 2020 Margin Acceleration Plan (“MAP to Growth”). On May 31, 2021, we formally concluded our MAP to Growth, however, certain projects identified prior to that date will be completed throughout fiscal 2023.

We incurred \$1.4 and \$1.0 million of restructuring costs for the three months ended August 31, 2022 and 2021, respectively. The current total expected costs associated with this plan are \$120.2 million, of which \$118.7 million has been incurred to date.



#### NOTE 4 — FAIR VALUE MEASUREMENTS

Financial instruments recorded in the balance sheet include cash and cash equivalents, trade accounts receivable, marketable securities, notes and accounts payable, and debt.

An allowance for credit losses is established for trade accounts receivable using assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowance for doubtful collection of accounts are included in selling, general and administrative ("SG&A") expense.

The valuation techniques utilized for establishing the fair values of assets and liabilities are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect management's market assumptions. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value, as follows:

*Level 1 Inputs* — Quoted prices for identical instruments in active markets.

*Level 2 Inputs* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

*Level 3 Inputs* — Instruments with primarily unobservable value drivers.

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at August 31, 2022
<b>Available-for-sale debt securities:</b>				
U.S. Treasury and other government	\$ -	\$ 24,949	\$ -	\$ 24,949
Corporate bonds	-	146	-	146
Total available-for-sale debt securities	-	25,095	-	25,095
<b>Marketable equity securities:</b>				
Stocks - foreign	603	-	-	603
Stocks - domestic	4,724	-	-	4,724
Mutual funds - foreign	-	36,353	-	36,353
Mutual funds - domestic	-	72,505	-	72,505
Total marketable equity securities	5,327	108,858	-	114,185
<b>Contingent consideration</b>	-	-	(3,196)	(3,196)
Total	\$ 5,327	\$ 133,953	\$ (3,196)	\$ 136,084

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at May 31, 2022
<b>Available-for-sale debt securities:</b>				
U.S. Treasury and other government	\$ -	\$ 25,239	\$ -	\$ 25,239
Corporate bonds	-	155	-	155
Total available-for-sale debt securities	-	25,394	-	25,394
<b>Marketable equity securities:</b>				
Stocks - foreign	598	-	-	598
Stocks - domestic	5,085	-	-	5,085
Mutual funds - foreign	-	39,139	-	39,139
Mutual funds - domestic	-	74,227	-	74,227
Total marketable equity securities	5,683	113,366	-	119,049
<b>Contingent consideration</b>	-	-	(10,529)	(10,529)
Total	\$ 5,683	\$ 138,760	\$ (10,529)	\$ 133,914

Our investments in available-for-sale debt securities and marketable equity securities are valued using a market approach. The availability of inputs observable in the market varies from instrument to instrument and depends on a variety of factors, including the type of instrument, whether the instrument is actively traded and other characteristics particular to the transaction. For most of our financial instruments, pricing inputs are readily observable in the market, the valuation methodology used is widely accepted by market participants, and the valuation does not require significant management discretion. For other financial instruments, pricing inputs are less observable in the market and may require management judgment.

The contingent consideration represents the estimated fair value of the additional variable cash consideration payable in connection with recent acquisitions that is contingent upon the achievement of certain performance milestones. We estimated the fair value using expected future cash flows over the period in which the obligation is expected to be settled which is considered to be a Level 3 input. During the first three months of fiscal 2023, we recorded an increase in the contingent consideration accrual related to acquisitions of \$3.0 million and paid approximately \$10.3 million to satisfy contingent consideration obligations relating to certain performance milestones that were established in prior periods and achieved during the current year. During the first three months of fiscal 2022, we recorded an increase in the accrual for approximately \$1.0 million related to fair value adjustments. In the Consolidated Statements of Cash Flows, payments of acquisition-related contingent consideration for the amount recognized at fair value as of the acquisition date are reported in cash flows from financing activities, while payments of contingent consideration in excess of fair value as of the acquisition date, are reported in cash flows from operating activities.

The carrying value of our current financial instruments, which include cash and cash equivalents, marketable securities, trade accounts receivable, accounts payable and short-term debt approximates fair value because of the short-term maturity of these financial instruments. At August 31, 2022 and May 31, 2022, the fair value of our long-term debt was estimated using active market quotes, based on our current incremental borrowing rates for similar types of borrowing arrangements, which are Level 2 inputs. Based on the analysis performed, the fair value and the carrying value of our financial instruments and long-term debt as of August 31, 2022 and May 31, 2022 are as follows:

<i>(In thousands)</i>	<b>At August 31, 2022</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
Cash and cash equivalents	\$ 197,574	\$ 197,574
Marketable equity securities	114,185	114,185
Available-for-sale debt securities	25,095	25,095
Long-term debt, including current portion	2,837,495	2,676,538

<i>(In thousands)</i>	<b>At May 31, 2022</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
Cash and cash equivalents	\$ 201,672	\$ 201,672
Marketable equity securities	119,049	119,049
Available-for-sale debt securities	25,394	25,394
Long-term debt, including current portion	2,686,609	2,618,978

#### **NOTE 5 — INVESTMENT EXPENSE (INCOME), NET**

Investment expense (income), net, consists of the following components:

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Interest (income)	\$ (2,150)	\$ (1,153)
Net loss (gain) on marketable securities	6,606	(3,476)
Dividend (income)	(792)	(1,121)
Investment expense (income), net	<u>\$ 3,664</u>	<u>\$ (5,750)</u>

#### ***Net Loss (Gain) on Marketable Securities***

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Unrealized losses (gains) on marketable equity securities	\$ 6,513	\$ (3,218)
Realized losses (gains) on marketable equity securities	129	(269)
Realized (gains) losses on available-for-sale debt securities	(36)	11
Net loss (gain) on marketable securities	<u>\$ 6,606</u>	<u>\$ (3,476)</u>

## NOTE 6 — OTHER EXPENSE (INCOME), NET

Other expense (income), net, consists of the following components:

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2022	August 31, 2021
Pension non-service costs (credits)	2,516	\$ (2,723)
Other	(100)	(616)
Other expense (income), net	<u>\$ 2,416</u>	<u>\$ (3,339)</u>

## NOTE 7 — INCOME TAXES

The effective income tax rate of 24.8% for the three months ended August 31, 2022 compares to the effective income tax rate of 25.7% for the three months ended August 31, 2021. The effective income tax rates for the three-month periods ended August 31, 2022 and 2021 reflect variances from the 21% statutory rate due primarily to the unfavorable impact of state and local income taxes, non-deductible business expenses, and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions. Additionally, the effective income tax rate for the three-month period ended August 31, 2022 reflects an incremental favorable period-over-period tax benefit associated with equity compensation.

Our deferred tax liability for unremitted foreign earnings was \$1.4 million as of August 31, 2022, which represents our estimate of the net tax cost associated with the remittance of \$196.5 million of foreign earnings that are not considered to be permanently reinvested. We have not provided for foreign withholding or income taxes on the remaining foreign subsidiaries' undistributed earnings because such earnings have been retained and reinvested by the subsidiaries as of August 31, 2022. Accordingly, no provision has been made for foreign withholding or income taxes, which may become payable if the remaining undistributed earnings of foreign subsidiaries were remitted to us as dividends.

On August 16, 2022, Public Law No: 117-169, also known as the Inflation Reduction Act of 2022 ("IRA"), was signed into law. Included in the IRA, amongst other income tax provisions, is a new 15% corporate alternative minimum tax imposed on certain large corporations. Currently, we do not believe that this new minimum tax or the other income tax provisions of the IRA will have a material impact on our consolidated financial statements.

## NOTE 8 — INVENTORIES

Inventories, net of reserves, were composed of the following major classes:

<i>(In thousands)</i>	August 31, 2022	May 31, 2022
Raw material and supplies	\$ 607,697	\$ 560,886
Finished goods	732,257	651,732
<b>Total Inventory, Net of Reserves</b>	<u>\$ 1,339,954</u>	<u>\$ 1,212,618</u>

## NOTE 9 — BORROWINGS

### Revolving Credit Agreement

During the quarter ended August 31, 2022, we amended our \$1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027 and increased the borrowing capacity to \$1.35 billion. The Revolving Credit Facility bears interest at either the base rate or the adjusted Secured Overnight Financing Rate (SOFR), as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the Revolving Credit Facility adjusted for deferred financing fees, net of amortization as of August 31, and May 31, 2022, was \$393.1 and \$442.2 million, respectively. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

### Term Loan Credit Facility Agreement

On August 1, 2022, we amended the term loan credit facility, which was set to expire on February 21, 2023, to extend the maturity date to August 1, 2025, and paid down the borrowings outstanding on the term loan to \$250 million. The term loan bears interest at either the base rate or the adjusted SOFR, as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the term loan adjusted for deferred financing fees, net of amortization as of August 31, and May 31, 2022, was \$249.7 and \$299.8 million, respectively.



## NOTE 10 — STOCK REPURCHASE PROGRAM

On January 8, 2008, we announced our authorization of a stock repurchase program under which we may repurchase shares of RPM International Inc. common stock at management's discretion. As announced on November 28, 2018, our goal was to return \$1.0 billion in capital to stockholders by May 31, 2021 through share repurchases and the retirement of our convertible note during fiscal 2019. On April 16, 2019, after taking into account share repurchases under our existing stock repurchase program to date, our Board of Directors authorized the repurchase of the remaining \$600.0 million in value of RPM International Inc. common stock by May 31, 2021.

As previously announced, given macroeconomic uncertainty resulting from the Covid pandemic, we had suspended stock repurchases under the program, but in January 2021, our Board of Directors authorized the resumption of the stock repurchases. At the time of resuming the program, \$469.7 million of shares of common stock remained available for repurchase. The Board of Directors also extended the stock repurchase program beyond its original May 31, 2021 expiration date until such time that the remaining \$469.7 million of capital has been returned to our stockholders.

As a result, we may repurchase shares from time to time in the open market or in private transactions at various times and in amounts and for prices that our management deems appropriate, subject to insider trading rules and other securities law restrictions. The timing of our purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

During the three months ended August 31, 2022, we repurchased 303,079 shares of our common stock at a cost of approximately \$25.0 million, or an average of \$82.49 per share. During the three months ended August 31, 2021, we repurchased 133,388 shares of our common stock at a cost of approximately \$12.5 million, or an average of \$93.71 per share. The maximum dollar amount that may yet be repurchased under our stock repurchase program was approximately \$342.3 million at August 31, 2022.

## NOTE 11 — EARNINGS PER SHARE

The following table sets forth the reconciliation of the numerator and denominator of basic and diluted earnings per share for the three-month periods ended August 31, 2022 and 2021.

	Three Months Ended	
	August 31, 2022	August 31, 2021
<i>(In thousands, except per share amounts)</i>		
<b>Numerator for earnings per share:</b>		
Net income attributable to RPM International Inc. stockholders	\$ 169,013	\$ 134,582
Less: Allocation of earnings and dividends to participating securities	(1,312)	(1,142)
Net income available to common shareholders - basic	167,701	133,440
Add: Undistributed earnings reallocated to unvested shareholders	4	4
Net income available to common shareholders - diluted	<u>\$ 167,705</u>	<u>\$ 133,444</u>
<b>Denominator for basic and diluted earnings per share:</b>		
Basic weighted average common shares	127,617	128,083
Average diluted options and awards	544	487
Total shares for diluted earnings per share (1)	<u>128,161</u>	<u>128,570</u>
<b>Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:</b>		
Basic Earnings Per Share of Common Stock	<u>\$ 1.31</u>	<u>\$ 1.04</u>
Method used to calculate basic earnings per share	Two-class	Two-class
Diluted Earnings Per Share of Common Stock	<u>\$ 1.31</u>	<u>\$ 1.04</u>
Method used to calculate diluted earnings per share	Two-class	Two-class

- (1) For the three months ended August 31, 2022 and 2021, approximately 715,000 and 837,700 shares of stock, respectively, granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.



## NOTE 12 — PENSION PLANS

We offer defined benefit pension plans, defined contribution pension plans, and various postretirement benefit plans. The following tables provide the retirement-related benefit plans' impact on income before income taxes for the three months ended August 31, 2022 and 2021:

<i>(In thousands)</i>	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>Three Months Ended</u>		<u>Three Months Ended</u>	
	<u>August 31,</u>	<u>August 31,</u>	<u>August 31,</u>	<u>August 31,</u>
<b>Pension Benefits</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Service cost	\$ 10,890	\$ 11,914	\$ 951	\$ 1,348
Interest cost	7,173	3,842	1,728	1,282
Expected return on plan assets	(9,536)	(10,386)	(1,727)	(2,073)
Amortization of:				
Prior service cost (credit)	-	1	(27)	(38)
Net actuarial losses recognized	4,487	4,225	125	114
<b>Net Periodic Benefit Cost</b>	<b>\$ 13,014</b>	<b>\$ 9,596</b>	<b>\$ 1,050</b>	<b>\$ 633</b>

<i>(In thousands)</i>	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>Three Months Ended</u>		<u>Three Months Ended</u>	
	<u>August 31,</u>	<u>August 31,</u>	<u>August 31,</u>	<u>August 31,</u>
<b>Postretirement Benefits</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Service cost	\$ -	\$ -	\$ 287	\$ 432
Interest cost	21	10	368	299
Amortization of:				
Prior service (credit)	(30)	(40)	-	-
Net actuarial losses (gains) recognized	11	15	(14)	32
<b>Net Periodic Benefit Cost (Credit)</b>	<b>\$ 2</b>	<b>\$ (15)</b>	<b>\$ 641</b>	<b>\$ 763</b>

Due to a reduction in return on plan assets and higher interest costs which are only partially offset by a reduction in service cost due to higher discount rates, net periodic pension cost for fiscal 2023 is higher than our fiscal 2022 expense. We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, and these fluctuations may have a material impact on our consolidated financial results in the future. We previously disclosed in our financial statements for the fiscal year ended May 31, 2022 that we are required to contribute approximately \$1.3 million to our retirement plans in the U.S. and approximately \$4.9 million to plans outside the U.S. during the current fiscal year. Throughout fiscal 2023, we will evaluate whether to make additional contributions.

## NOTE 13 — CONTINGENCIES AND ACCRUED LOSSES

### Product Liability Matters

We provide, through our wholly-owned insurance subsidiaries, certain insurance coverage, primarily product liability coverage, to our other subsidiaries. Excess coverage is provided by third-party insurers. Our product liability accruals provide for these potential losses as well as other uninsured claims. Product liability accruals are established based upon actuarial calculations of potential liability using industry experience, actual historical experience and actuarial assumptions developed for similar types of product liability claims, including development factors and lag times. To the extent there is a reasonable possibility that potential losses could exceed the amounts already accrued, we believe that the amount of any such additional loss would be immaterial to our results of operations, liquidity and consolidated financial position.

### Warranty Matters

We also offer warranties on many of our products, as well as long-term warranty programs at certain of our businesses, and have established product warranty liabilities. We review these liabilities for adequacy on a quarterly basis and adjust them as necessary. The primary factors that could affect these liabilities may include changes in performance rates as well as costs of replacement. Provision for estimated warranty costs is recorded at the time of sale and periodically adjusted, as required, to reflect actual experience. It is probable that we will incur future losses related to warranty claims we have received but that have not been fully investigated and related to claims not yet received. While our warranty liabilities represent our best estimates at August 31, 2022, we can provide no assurances that we will not experience material claims in the future or that we will not incur significant costs to resolve such claims beyond the amounts accrued or beyond what we may recover from our suppliers. Based upon the nature of the expense, product warranty expense is recorded as a component of cost of sales or within SG&A.

Also, due to the nature of our businesses, the amount of claims paid can fluctuate from one period to the next. While our warranty liabilities represent our best estimates of our expected losses at any given time, from time-to-time we may revise our estimates based on our experience relating to factors such as weather conditions, specific circumstances surrounding product installations and other factors.

The following table includes the changes in our accrued warranty balances:

	<b>Three Months Ended</b>	
	<b>August 31, 2022</b>	<b>August 31, 2021</b>
<i>(In thousands)</i>		
Beginning Balance	\$ 10,905	\$ 13,175
Deductions (1)	(6,344)	(6,258)
Provision charged to expense	7,939	6,115
Ending Balance	<u>\$ 12,500</u>	<u>\$ 13,032</u>

(1) Primarily claims paid during the period.

### **Environmental Matters**

Like other companies participating in similar lines of business, some of our subsidiaries are involved in environmental remediation matters. It is our policy to accrue remediation costs when the liability is probable and the costs are reasonably estimable, which generally is not later than at completion of a feasibility study or when we have committed to an appropriate plan of action. We also take into consideration the estimated period of time over which payments may be required. The liabilities are reviewed periodically and, as investigation and remediation activities continue, adjustments are made as necessary. Liabilities for losses from environmental remediation obligations do not consider the effects of inflation and anticipated expenditures are not discounted to their present value. The liabilities are not offset by possible recoveries from insurance carriers or other third parties, but do reflect anticipated allocations among potentially responsible parties at federal superfund sites or similar state-managed sites, third-party indemnity obligations, and an assessment of the likelihood that such parties will fulfill their obligations at such sites.

### **Other Contingencies**

One of our subsidiaries has been the subject of a proceeding in which one of its former distributors brought suit against our subsidiary for breach of contract. Following a June 2017 trial, a jury determined that the distributor was not entitled to any damages on the distributor's claims against our subsidiary. On appeal, the Ninth Circuit Court of Appeals ordered a new trial with respect to certain issues. On December 10, 2021, a new jury awarded \$6.0 million in damages to the distributor. Per the parties' contracts, the distributor may also be entitled to recover some portion of its attorneys' fees from our subsidiary. The distributor timely filed an appeal of the new jury's verdict, and our subsidiary timely filed a cross-appeal. The appeal action remains pending before the Ninth Circuit Court of Appeals. As a result of the jury's award and in consideration of our subsidiary's appeal, we accrued \$2.6 million for this matter in the second quarter of fiscal 2022, which we believe to be the low end of the range of loss. While an ultimate loss in excess of the accrued amount is reasonably possible, we believe that the high end of the range of loss would not be materially more than the \$6.0 million noted above.

## NOTE 14 — REVENUE

We operate a portfolio of businesses that manufacture and sell a variety of product lines that include specialty paints, protective coatings, roofing systems, sealants and adhesives, among other things. We disaggregate revenues from the sales of our products and services based upon geographical location by each of our reportable segments, which are aligned by similar economic factors, trends and customers, which best depict the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. See Note 15, “Segment Information,” to the Consolidated Financial Statements for further details regarding our disaggregated revenues, as well as a description of each of the unique revenue streams related to each of our four reportable segments.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The majority of our revenue is recognized at a point in time. However, we also record revenues generated under construction contracts, mainly in connection with the installation of specialized roofing and flooring systems and related services. For certain polymer flooring installation projects, we account for our revenue using the output method, as we consider square footage of completed flooring to be the best measure of progress toward the complete satisfaction of the performance obligation. In contrast, for certain of our roofing installation projects, we account for our revenue using the input method, as that method was the best measure of performance as it considers costs incurred in relation to total expected project costs, which essentially represents the transfer of control for roofing systems to the customer. In general, for our construction contracts, we record contract revenues and related costs as our contracts progress on an over-time model.

We have elected to apply the practical expedient to recognize revenue net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities. Payment terms and conditions vary by contract type, although our customers’ payment terms generally include a requirement to pay within 30 to 60 days of fulfilling our performance obligations. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component. We have elected to apply the practical expedient to treat all shipping and handling costs as fulfillment costs, as a significant portion of these costs are incurred prior to control transfer.

### *Significant Judgments*

Our contracts with customers may include promises to transfer multiple products and/or services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. For example, judgment is required to determine whether products sold in connection with the sale of installation services are considered distinct and accounted for separately, or not distinct and accounted for together with installation services and recognized over time.

We provide customer rebate programs and incentive offerings, including special pricing and co-operative advertising arrangements, promotions and other volume-based incentives. These customer programs and incentives are considered variable consideration and recognized as a reduction of net sales. Up-front consideration provided to customers is capitalized as a component of other assets and amortized over the estimated life of the contractual arrangement. We include in revenue variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the variable consideration is resolved. In general, this determination is made based upon known customer program and incentive offerings at the time of sale, and expected sales volume forecasts as it relates to our volume-based incentives. This determination is updated each reporting period. Certain of our contracts include contingent consideration that is receivable only upon the final inspection and acceptance of a project. We include estimates of such variable consideration in our transaction price. Based on historical experience, we consider the probability-based expected value method appropriate to estimate the amount of such variable consideration.

Our products are generally sold with a right of return and we may provide other credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Returns and credits are estimated at contract inception and updated at the end of each reporting period as additional information becomes available. We record a right of return liability to accrue for expected customer returns. Historical actual returns are used to estimate future returns as a percentage of current sales. Obligations for returns and refunds were not material individually or in the aggregate.

We offer assurance type warranties on our products as well as separately sold warranty contracts. Revenue related to warranty contracts that are sold separately is recognized over the life of the warranty term. Warranty liabilities for our assurance type warranties are discussed further in Note 13, “Contingencies and Accrued Losses,” to the Consolidated Financial Statements.

### Contract Balances

Timing of revenue recognition may differ from the timing of invoicing customers. Our contract assets are recorded for products and services that have been provided to our customer but have not yet been billed and are included in prepaid expenses and other current assets in our consolidated balance sheets. Our short-term contract liabilities consist of advance payments, or deferred revenue, and are included in other accrued liabilities in our consolidated balance sheets.

Trade accounts receivable, net of allowances, and net contract assets consisted of the following:

<i>(In thousands, except percentages)</i>	<b>August 31, 2022</b>	<b>May 31, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
Trade accounts receivable, less allowances	\$ 1,407,866	\$ 1,432,632	\$ (24,766)	-1.7%
Contract assets	\$ 80,155	\$ 57,234	\$ 22,921	40.0%
Contract liabilities - short-term	(49,850)	(44,938)	(4,912)	10.9%
<b>Net Contract Assets</b>	<b>\$ 30,305</b>	<b>\$ 12,296</b>	<b>\$ 18,009</b>	<b>146.5%</b>

The \$18.0 million increase in our net contract assets from May 31, 2022 to August 31, 2022, resulted primarily due to the timing and volume of construction jobs in progress at August 31, 2022 versus May 31, 2022.

We also record long-term deferred revenue, which amounted to \$62.1 million and \$62.5 million as of August 31, 2022 and May 31, 2022, respectively. The long-term portion of deferred revenue is related to warranty contracts and is included in other long-term liabilities in our consolidated balance sheets.

We have elected to adopt the practical expedient to not disclose the aggregate amount of transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period for performance obligations that are part of a contract with an original expected duration of one year or less.

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. As our contract terms are primarily one year or less in duration, we have elected to apply a practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include our internal sales force compensation program and certain incentive programs as we have determined annual compensation is commensurate with annual sales activities.

### Allowance for Credit Losses

Our primary allowance for credit losses is the allowance for doubtful accounts. The allowance for doubtful accounts reduces the trade accounts receivable balance to the estimated net realizable value equal to the amount that is expected to be collected. The allowance was based on assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowances for doubtful collection of accounts are included in selling, general and administrative expenses.

The following tables summarize the activity for the allowance for credit losses for the three months ended August 31, 2022 and 2021:

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Beginning Balance	\$ 46,669	\$ 55,922
Bad debt provision	2,407	1,205
Uncollectible accounts written off, net of recoveries	(667)	(4,087)
Translation adjustments	(1,634)	(859)
<b>Ending Balance</b>	<b>\$ 46,775</b>	<b>\$ 52,181</b>

## NOTE 15 — SEGMENT INFORMATION

We operate a portfolio of businesses and product lines that manufacture and sell a variety of specialty paints, protective coatings, roofing systems, flooring solutions, sealants, cleaners and adhesives. We manage our portfolio by organizing our businesses and product lines into four reportable segments as outlined below, which also represent our operating segments. Within each operating segment, we manage product lines and businesses which generally address common markets, share similar economic characteristics, utilize similar technologies and can share manufacturing or distribution capabilities. Our four operating segments represent components of our business for which separate financial information is available that is utilized on a regular basis by our chief operating decision maker in determining how to allocate the assets of the company and evaluate performance. These four operating segments are each managed by an operating segment manager, who is responsible for the day-to-day operating decisions and performance evaluation of the operating segment's underlying businesses. We evaluate the profit performance of our segments primarily based on income before income taxes, but also look to earnings (loss) before interest and taxes ("EBIT"), as a performance evaluation measure because interest (income) expense, net is essentially related to corporate functions, as opposed to segment operations.

Our CPG reportable segment products are sold throughout North America and also account for the majority of our international sales. Our construction product lines are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include construction sealants and adhesives, coatings and chemicals, roofing systems, concrete admixture and repair products, building envelope solutions, insulated cladding, flooring systems, and weatherproofing solutions.

Our PCG reportable segment products are sold throughout North America, as well as internationally, and are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include high-performance flooring solutions, corrosion control and fireproofing coatings, infrastructure repair systems, fiberglass reinforced plastic gratings and drainage systems.

Our Consumer reportable segment manufactures and markets professional use and do-it-yourself ("DIY") products for a variety of mainly consumer applications, including home improvement and personal leisure activities. Our Consumer reportable segment's major manufacturing and distribution operations are located primarily in North America, along with a few locations in Europe and other parts of the world. Our Consumer reportable segment products are primarily sold directly to mass merchandisers, home improvement centers, hardware stores, paint stores, craft shops and through distributors. The Consumer reportable segment offers products that include specialty, hobby and professional paints; caulks; adhesives; cleaners; sandpaper and other abrasives; silicone sealants and wood stains.

Our SPG reportable segment products are sold throughout North America and a few international locations, primarily in Europe. Our specialty product lines are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. The SPG reportable segment offers products that include industrial cleaners, restoration services equipment, colorants, nail enamels, exterior finishes, edible coatings and specialty glazes for pharmaceutical and food industries, and other specialty original equipment manufacturer ("OEM") coatings.

In addition to our four reportable segments, there is a category of certain business activities and expenses, referred to as corporate/other, that does not constitute an operating segment. This category includes our corporate headquarters and related administrative expenses, results of our captive insurance companies, gains or losses on the sales of certain assets and other expenses not directly associated with any reportable segment. Assets related to the corporate/other category consist primarily of investments, prepaid expenses and headquarters' property and equipment. These corporate and other assets and expenses reconcile reportable segment data to total consolidated income before income taxes and identifiable assets.

We reflect income from our joint ventures on the equity method and receive royalties from our licensees.

The following tables present a disaggregation of revenues by geography, and the results of our reportable segments consistent with our management philosophy, by representing the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

<b>Three Months Ended August 31, 2022</b>	<b>CPG Segment</b>	<b>PCG Segment</b>	<b>Consumer Segment</b>	<b>SPG Segment</b>	<b>Consolidated</b>
<i>(In thousands)</i>					
<b>Net Sales (based on shipping location)</b>					
United States	\$ 463,408	\$ 223,669	\$ 550,619	\$ 172,863	\$ 1,410,559
Foreign					
Canada	70,138	22,663	44,250	986	138,037
Europe	117,195	56,708	53,618	22,125	249,646
Latin America	55,672	9,482	6,186	406	71,746
Asia Pacific	23,284	5,769	4,819	6,317	40,189
Other Foreign	-	22,143	-	-	22,143
Total Foreign	266,289	116,765	108,873	29,834	521,761
<b>Total</b>	<b>\$ 729,697</b>	<b>\$ 340,434</b>	<b>\$ 659,492</b>	<b>\$ 202,697</b>	<b>\$ 1,932,320</b>

<b>Three Months Ended August 31, 2021</b>	<b>CPG Segment</b>	<b>PCG Segment</b>	<b>Consumer Segment</b>	<b>SPG Segment</b>	<b>Consolidated</b>
<i>(In thousands)</i>					
<b>Net Sales (based on shipping location)</b>					
United States	\$ 372,313	\$ 176,194	\$ 432,399	\$ 149,411	\$ 1,130,317
Foreign					
Canada	76,559	18,452	33,942	2,140	131,093
Europe	130,418	57,835	60,267	24,335	272,855
Latin America	47,422	6,390	7,318	494	61,624
Asia Pacific	17,605	6,661	4,482	5,675	34,423
Other Foreign	45	20,063	-	-	20,108
Total Foreign	272,049	109,401	106,009	32,644	520,103
<b>Total</b>	<b>\$ 644,362</b>	<b>\$ 285,595</b>	<b>\$ 538,408</b>	<b>\$ 182,055</b>	<b>\$ 1,650,420</b>

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>August 31, 2022</b>	<b>August 31, 2021</b>
<b>Income (Loss) Before Income Taxes</b>		
CPG Segment	\$ 109,202	\$ 114,357
PCG Segment	46,954	35,077
Consumer Segment	116,689	45,915
SPG Segment	27,885	24,556
Corporate/Other	(75,609)	(38,434)
<b>Consolidated</b>	<b>\$ 225,121</b>	<b>\$ 181,471</b>

<i>(In thousands)</i>	<b>August 31, 2022</b>	<b>May 31, 2022</b>
<b>Identifiable Assets</b>		
CPG Segment	\$ 2,205,904	\$ 2,160,071
PCG Segment	1,133,869	1,115,780
Consumer Segment	2,378,105	2,405,764
SPG Segment	849,352	839,419
Corporate/Other	235,758	186,672
<b>Consolidated</b>	<b>\$ 6,802,988</b>	<b>\$ 6,707,706</b>

**ITEM 2.     *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Our financial statements include all of our majority-owned and controlled subsidiaries. Investments in less-than-majority-owned joint ventures over which we have the ability to exercise significant influence are accounted for under the equity method. Preparation of our financial statements requires the use of estimates and assumptions that affect the reported amounts of our assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We continually evaluate these estimates, including those related to our allowances for doubtful accounts; reserves for excess and obsolete inventories; allowances for recoverable sales and/or value-added taxes; uncertain tax positions; useful lives of property, plant and equipment; goodwill and other intangible assets; environmental, warranties and other contingent liabilities; income tax valuation allowances; pension plans; and the fair value of financial instruments. We base our estimates on historical experience, our most recent facts, and other assumptions that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of our assets and liabilities. Actual results, which are shaped by actual market conditions, may differ materially from our estimates.

A comprehensive discussion of the accounting policies and estimates that are the most critical to our financial statements are set forth in our Annual Report on Form 10-K for the year ended May 31, 2022.



## BUSINESS SEGMENT INFORMATION

The following tables reflect the results of our reportable segments consistent with our management philosophy, and represent the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2022	August 31, 2021
<b>Net Sales</b>		
CPG Segment	\$ 729,697	\$ 644,362
PCG Segment	340,434	285,595
Consumer Segment	659,492	538,408
SPG Segment	202,697	182,055
<b>Consolidated</b>	<b>\$ 1,932,320</b>	<b>\$ 1,650,420</b>
<b>Income Before Income Taxes (a)</b>		
CPG Segment		
Income Before Income Taxes (a)	\$ 109,202	\$ 114,357
Interest (Expense), Net (b)	(767)	(1,870)
EBIT (c)	<u>\$ 109,969</u>	<u>\$ 116,227</u>
PCG Segment		
Income Before Income Taxes (a)	\$ 46,954	\$ 35,077
Interest Income, Net (b)	181	82
EBIT (c)	<u>\$ 46,773</u>	<u>\$ 34,995</u>
Consumer Segment		
Income Before Income Taxes (a)	\$ 116,689	\$ 45,915
Interest Income, Net (b)	26	75
EBIT (c)	<u>\$ 116,663</u>	<u>\$ 45,840</u>
SPG Segment		
Income Before Income Taxes (a)	\$ 27,885	\$ 24,556
Interest Income (Expense), Net (b)	2	(35)
EBIT (c)	<u>\$ 27,883</u>	<u>\$ 24,591</u>
Corporate/Other		
(Loss) Before Income Taxes (a)	\$ (75,609)	\$ (38,434)
Interest (Expense), Net (b)	(29,817)	(13,611)
EBIT (c)	<u>\$ (45,792)</u>	<u>\$ (24,823)</u>
<b>Consolidated</b>		
Net Income	\$ 169,279	\$ 134,795
Add: Provision for Income Taxes	55,842	46,676
Income Before Income Taxes (a)	225,121	181,471
Interest (Expense)	(26,711)	(21,109)
Investment (Expense) Income, Net	(3,664)	5,750
EBIT (c)	<u>\$ 255,496</u>	<u>\$ 196,830</u>

- (a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by GAAP, to EBIT.
- (b) Interest Income (Expense), Net includes the combination of Interest Income (Expense) and Investment Income (Expense), Net.
- (c) EBIT is a non-GAAP measure, and is defined as Earnings (Loss) Before Interest and Taxes. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT, as a performance evaluation measure because Interest (Income) Expense, Net is essentially related to corporate functions, as opposed to segment operations. We believe EBIT is useful to investors for this purpose as well, using EBIT as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, income before income taxes as determined in accordance with GAAP, since EBIT omits the impact of interest in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness. Nonetheless, EBIT is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is critical to the capital markets' analysis of our segments' core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure in offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.



## RESULTS OF OPERATIONS

### Three Months Ended August 31, 2022

#### Net Sales

(in millions, except percentages)	Three months ended		Total Growth	Organic Growth <sup>(1)</sup>	Acquisition Growth	Foreign Currency Exchange Impact
	August 31, 2022	August 31, 2021				
CPG Segment	\$ 729.7	\$ 644.4	13.2%	15.8%	1.9%	-4.5%
PCG Segment	340.4	285.6	19.2%	23.6%	0.0%	-4.4%
Consumer Segment	659.5	538.4	22.5%	24.1%	0.4%	-2.0%
SPG Segment	202.7	182.0	11.3%	12.8%	0.6%	-2.1%
<b>Consolidated</b>	<b>\$ 1,932.3</b>	<b>\$ 1,650.4</b>	<b>17.1%</b>	<b>19.5%</b>	<b>1.0%</b>	<b>-3.4%</b>

(1) Organic growth includes the impact of price and volume.

Our CPG segment generated significant organic growth during the first quarter of fiscal 2023 when compared to the same quarter in the prior year due to increased demand and improved pricing to catch up with continued cost inflation. Performing particularly well were providers of commercial roofing systems, which benefitted from increased public sector spending, its turn-key service model, and focus on renovations. Additionally, the segment's concrete admixtures business benefitted from market share gains.

Our PCG segment generated significant sales growth during the first quarter of fiscal 2023 in nearly all the major business units in the segment when compared to the same quarter in the prior year, particularly businesses that provide flooring systems, protective coatings and fiberglass reinforced plastic grating, all of which were strategically well-positioned to benefit from continued reshoring of manufacturing to the United States. This increase was also facilitated by strong demand in energy markets and price increases.

Our Consumer segment generated significant organic growth in comparison to the prior year due to improved raw material supply, particularly of alkyd-based resins secured through strategic investment in its supply chain, insourcing, and qualifying new suppliers, resulting in improved product availability. In addition, sales growth benefitted from price increases to catch up with continued inflation and the prior year comparison when supply chain disruptions impacted raw material supply.

Our SPG segment generated significant sales growth during the first quarter of fiscal 2023, particularly those businesses serving the food coatings and additives market, which benefitted from a new management team that has positioned the business to profit from increased institutional demand as pandemic-related restrictions eased. The segment's disaster restoration business also continued to benefit as it worked through backlog after resolving previous semiconductor chip supply shortages.

**Gross Profit Margin** Our consolidated gross profit margin of 38.5% of net sales for the first quarter of fiscal 2023 compares to a consolidated gross profit margin of 37.2% for the comparable period a year ago. The current quarter gross profit margin increase of approximately 1.3%, or 130 basis points ("bps"), resulted primarily from the realization of production efficiencies due to improved raw material supply, MAP to Growth savings, and improved sales volume and pricing. Partially offsetting these improvements were continued inflation in raw materials, freight, and wages.

As indicated previously, several macroeconomic factors resulted in inflation, beginning in the fourth quarter of fiscal 2021. We expect that these increased costs will continue to be reflected in our results throughout the remainder of fiscal 2023 and into fiscal 2024. We plan to continue working to offset these increased costs with commensurate increases in selling prices. Furthermore, "force majeures" remain in effect from some of our material suppliers, which may impact our ability to timely meet customer demand in certain of our businesses and across certain product categories.

The macroeconomic factors identified above include, but are not limited to, the following: (i) availability of specialized transportation and elevated costs to transport products, (ii) strained supply chains leading to shortages in some areas, and (iii) the Russian invasion of Ukraine and subsequent boycott of materials and energy of Russian origin.

**SG&A** Our consolidated SG&A expense during the period was \$66.4 million higher versus the same period last year but decreased to 25.1% of net sales from 25.4% of net sales for the prior year quarter. Additional SG&A expense recognized by companies we recently acquired approximated \$3.9 million during the first quarter of fiscal 2023.

Our CPG segment SG&A was approximately \$15.7 million higher for the first quarter of fiscal 2023 versus the comparable prior year period but decreased as a percentage of net sales. The increase in expense was mainly due to higher distribution costs, higher commission expense associated with higher roofing sales, pay inflation, as well as increases in discretionary spending (i.e. meetings, travel, etc.) and investments in growth initiatives. Additionally, companies recently acquired generated approximately \$2.7 million of additional SG&A expense.

Our PCG segment SG&A was approximately \$11.1 million higher for the first quarter of fiscal 2023 versus the comparable prior year period but decreased as a percentage of net sales. The increase in expense as compared to the prior year period is mainly due to increased commissions, higher distribution costs, pay inflation, along with restoration of travel expenses and investments in growth initiatives for diversification of its industrial coatings business.

Our Consumer segment SG&A increased by approximately \$17.7 million during the first quarter of fiscal 2023 versus the same period last year, but decreased as a percentage of net sales. The quarter-over-quarter increase in SG&A was attributable to increases in advertising and promotional expense, increased distribution costs, pay inflation, and the restoration of travel expenses. Additionally, companies recently acquired generated approximately \$0.9 million of additional SG&A expense.

Our SPG segment SG&A was approximately \$5.4 million higher during the first quarter of fiscal 2023 versus the comparable prior year period and increased slightly as a percentage of net sales. The increase in SG&A expense is attributable to pay inflation and investments in growth initiatives across each of its business units. Additionally, companies recently acquired generated approximately \$0.3 million of additional SG&A expense.

SG&A expenses in our corporate/other category increased by \$16.5 million during the first quarter of fiscal 2023 as compared to last year's first quarter mainly due to higher professional fees related to operational improvement initiatives.

The following table summarizes the retirement-related benefit plans' impact on income before income taxes for the three months ended August 31, 2022 and 2021, as the service cost component has a significant impact on our SG&A expense:

<i>(in millions)</i>	Three months ended		Change
	August 31, 2022	August 31, 2021	
Service cost	\$ 12.2	\$ 13.7	\$ (1.5)
Interest cost	9.3	5.4	3.9
Expected return on plan assets	(11.3)	(12.5)	1.2
Amortization of:			
Prior service (credit)	(0.1)	(0.1)	-
Net actuarial losses recognized	4.6	4.4	0.2
<b>Total Net Periodic Pension &amp; Postretirement Benefit Costs</b>	<b>\$ 14.7</b>	<b>\$ 10.9</b>	<b>\$ 3.8</b>

We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, both of which are difficult to predict, but which may have a material impact on our consolidated financial results in the future.

### **Restructuring Charges**

See Note 3, "Restructuring," to the Consolidated Financial Statements, for details.

### **Interest Expense**

<i>(in millions, except percentages)</i>	Three months ended	
	August 31, 2022	August 31, 2021
Interest expense	\$ 26.7	\$ 21.1
Average interest rate (a)	3.50%	3.15%

(a) The interest rate increase was a result of higher market rates on the variable cost borrowings.

<i>(in millions)</i>	Change in interest expense
Acquisition-related borrowings	\$ 1.1
Non-acquisition-related average borrowings	1.8
Change in average interest rate	2.7
<b>Total Change in Interest Expense</b>	<b>\$ 5.6</b>

### **Investment Expense (Income), Net**

See Note 5, "Investment Expense (Income), Net," to the Consolidated Financial Statements for details.

### **Other Expense (Income), Net**

See Note 6, "Other Expense (Income), Net," to the Consolidated Financial Statements for details.

## Income (Loss) Before Income Taxes (“IBT”)

(in millions, except percentages)	Three months ended			
	August 31, 2022	% of net sales	August 31, 2021	% of net sales
CPG Segment	\$ 109.2	15.0%	\$ 114.4	17.7%
PCG Segment	46.9	13.8%	35.1	12.3%
Consumer Segment	116.7	17.7%	45.9	8.5%
SPG Segment	27.9	13.8%	24.5	13.5%
Non-Op Segment	(75.6)	—	(38.4)	—
<b>Consolidated</b>	<u>\$ 225.1</u>		<u>\$ 181.5</u>	

Our CPG segment, the most internationally concentrated segment, results reflect the negative impact of a transportation strike and concrete shortages in Canada, along with deteriorated macroeconomic conditions in Europe. Our PCG segment results reflect improved pricing, volume growth and improved product mix, resulting from digital sales management tools. Our Consumer segment results reflect improved material supply which allowed for previously developed operating efficiencies to be realized and improved pricing. Our SPG segment results reflect improved pricing, operating improvement cost savings, as well as increased operating efficiencies due to improved material supply. Our Non-Op segment results reflect the unfavorable swing in pension non-service costs and returns on marketable securities, along with increased stock compensation, interest expense and professional fees.

**Income Tax Rate** The effective income tax rate of 24.8% for the three months ended August 31, 2022 compares to the effective income tax rate of 25.7% for the three months ended August 31, 2021. The effective income tax rates for the presented periods reflect variances from the 21% statutory rate due primarily to the impact of state and local income taxes, non-deductible business expenses and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions. Additionally, the effective income tax rate for the three-month period ended August 31, 2022 reflects an incremental favorable period-over-period tax benefit associated with equity compensation.

## Net Income

(in millions, except percentages and per share amounts)	Three months ended			
	August 31, 2022	% of net sales	August 31, 2021	% of net sales
Net income	\$ 169.3	8.8%	\$ 134.8	8.2%
Net income attributable to RPM International Inc. stockholders	169.0	8.8%	134.6	8.2%
Diluted earnings per share	1.31		1.04	

## LIQUIDITY AND CAPITAL RESOURCES

### Fiscal 2023 Compared with Fiscal 2022

#### Operating Activities

Approximately \$23.6 million of cash was provided by operating activities during the first three months of fiscal 2023, compared with \$76.1 million of cash provided by operating activities during the same period last year. The net change in cash from operations includes the change in net income, which increased by \$34.5 million during the first three months of fiscal 2023 versus the same period during fiscal 2022.

During the first three months of fiscal 2023, the change in accounts receivable provided approximately \$98.4 million less cash than the first three months of fiscal 2022. This resulted from the timing of sales in our Consumer segment, which saw lower sales growth due to supply chain constraints in the prior year quarter. The Consumer segment also had significant cash collections in the prior year quarter as a result of strong sales in the fourth quarter of fiscal 2021. Average days sales outstanding (“DSO”) at August 31, 2022, increased to 64.0 days from 63.6 days at August 31, 2021.

During the first three months of fiscal 2023, the change in inventory used approximately \$80.0 million more cash compared to our spending during the same period a year ago, as a result of material price inflation and increased purchases to secure price and availability where possible. Average days of inventory outstanding (“DIO”) was approximately 96.5 and 84.7 days at August 31, 2022 and 2021, respectively. The increase in DIO was driven mainly by material price inflation and strategic build-up of inventory in order to mitigate supply chain disruptions.

The change in accounts payable during the first three months of fiscal 2023 used approximately \$58.0 million less cash than during the first three months of fiscal 2022 due principally to the timing of purchases and raw material inflation. Average days payables outstanding (“DPO”) increased by approximately 5.2 days to 86.3 days at August 31, 2022 from 81.1 days at August 31, 2021.

The change in other accrued liabilities during the first three months of fiscal 2023 provided approximately \$24.6 million more cash than during the first three months of fiscal 2022 due principally to changes in the taxes payable balances and timing of income tax payments.

## **Investing Activities**

For the first three months of fiscal 2023, cash used for investing activities increased by \$5.9 million to \$96.4 million as compared to \$90.5 million in the prior year period. This year-over-year increase in cash used for investing activities was mainly driven by capital expenditures.

We paid for capital expenditures of \$57.8 million and \$51.9 million during the first three months of fiscal 2023 and fiscal 2022, respectively. Our capital expenditures accommodate our continued growth to achieve production and distribution efficiencies, expand capacity, introduce new technology, improve environmental health and safety capabilities, improve information systems, and enhance our administration capabilities. We continue to increase capital spending in fiscal 2023, to expand capacity to respond to brisk product demand and to continue our growth initiatives.

Our captive insurance companies invest their excess cash in marketable securities in the ordinary course of conducting their operations, and this activity will continue. Differences in the amounts related to these activities on a year-over-year basis are primarily attributable to differences in the timing and performance of their investments balanced against amounts required to satisfy claims. At August 31, 2022 and May 31, 2022, the fair value of our investments in available-for-sale debt securities and marketable equity securities, which includes captive insurance-related assets, totaled \$139.3 million and \$144.4 million, respectively. The fair value of our portfolio of marketable securities is based on quoted market prices for identical, or similar, instruments in active or non-active markets or model-derived-valuations with observable inputs. We have no marketable securities whose fair value is subject to unobservable inputs.

As of August 31, 2022, approximately \$180.3 million of our consolidated cash and cash equivalents were held at various foreign subsidiaries, compared with \$187.1 million at May 31, 2022. Undistributed earnings held at our foreign subsidiaries that are considered permanently reinvested will be used, for instance, to expand operations organically or for acquisitions in foreign jurisdictions. Further, our operations in the U.S. generate sufficient cash flow to satisfy U.S. operating requirements. Refer to Note 7, "Income Taxes," to the Consolidated Financial Statements for additional information regarding unremitted foreign earnings.

## **Financing Activities**

For the first three months of fiscal 2023, financing activities provided \$79.7 million of cash, which compares to cash used for financing activities of \$7.2 million during the first three months of fiscal 2022. The overall increase in cash provided by financing activities was driven principally by debt-related activities. During the first three months of fiscal 2023, we provided approximately \$189.5 million more cash from additions to short and long-term debt, as a result of utilizing our \$250 million AR Program. We also used approximately \$74.8 million more cash to paydown existing debt during the first three months of fiscal 2023, compared to the same period in fiscal 2022. See below for further details on the significant components of our debt.

Our available liquidity, including our cash and cash equivalents and amounts available under our committed credit facilities, stood at \$1.15 billion and \$1.31 billion as of August 31, 2022 and May 31, 2022, respectively.

### ***Revolving Credit Agreement***

During the quarter ended August 31, 2022, we amended our \$1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027 and increased the borrowing capacity to \$1.35 billion. The Revolving Credit Facility bears interest at either the base rate or the adjusted Secured Overnight Financing Rate (SOFR), as defined, at our option, plus a spread determined by our debt rating. The Revolving Credit Facility includes sublimits for the issuance of swingline loans, which are comparatively short-term loans used for working capital purposes and letters of credit. The aggregate maximum principal amount of the commitments under the Revolving Credit Facility may be expanded upon our request, subject to certain conditions, up to \$1.5 billion. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

The Revolving Credit Facility requires us to comply with various customary affirmative and negative covenants, including a leverage covenant (i.e., Net Leverage Ratio) and interest coverage ratio, which are calculated in accordance with the terms as defined by the Revolving Credit Facility. Under the terms of the leverage covenant, we may not permit our leverage ratio for total indebtedness to consolidated EBITDA for the four most recent fiscal quarters to exceed 3.75 to 1.00. During certain periods and per the terms of the Revolving Credit Facility, this ratio may be increased to 4.25 to 1.00 upon delivery of a notice to our lender requesting an increase to our maximum leverage or in connection with certain "material acquisitions." The minimum required consolidated interest coverage ratio for EBITDA to interest expense is 3.50 to 1.00. The interest coverage ratio is calculated at the end of each fiscal quarter for the four fiscal quarters then ended using EBITDA as defined in the Revolving Credit Facility.

As of August 31, 2022, we were in compliance with all financial covenants contained in our Revolving Credit Facility, including the Net Leverage Ratio and Interest Coverage Ratio covenants. At that date, our Net Leverage Ratio was 2.69 to 1.00, while our Interest Coverage Ratio was 10.90 to 1.00. As of August 31, 2022, we had \$953.6 million of borrowing availability on our Revolving Credit Facility.

Our access to funds under our Revolving Credit Facility is dependent on the ability of the financial institutions that are parties to the Revolving Credit Facility to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Moreover, the obligations of the financial institutions under our Revolving Credit Facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others.

#### ***Accounts Receivable Securitization Program***

As of August 31, 2022, we had an outstanding balance under our accounts receivable securitization program (the "AR Program") of \$250.0 million. The maximum availability under the AR Program is \$250.0 million, but availability is further subject to changes in the credit ratings of our customers, customer concentration levels or certain characteristics of the accounts receivable being transferred and, therefore, at certain times, we may not be able to fully access the \$250.0 million of funding available under the AR Program.

The AR Program contains various customary affirmative and negative covenants, as well as customary default and termination provisions. Our failure to comply with the covenants described above and other covenants contained in the Revolving Credit Facility could result in an event of default under that agreement, entitling the lenders to, among other things, declare the entire amount outstanding under the Revolving Credit Facility to be due and payable immediately. The instruments governing our other outstanding indebtedness generally include cross-default provisions that provide that, under certain circumstances, an event of default that results in acceleration of our indebtedness under the Revolving Credit Facility will entitle the holders of such other indebtedness to declare amounts outstanding immediately due and payable. See "Revolving Credit Agreement" above for details on our compliance with all significant financial covenants at August 31, 2022.

#### ***Term Loan Facility Credit Agreement***

On August 1, 2022, we amended the term loan credit facility, which was set to expire on February 21, 2023, to extend the maturity date to August 1, 2025, and paid down the borrowings outstanding on the term loan to \$250 million. The term loan bears interest at either the base rate or the adjusted SOFR, as defined, at our option, plus a spread determined by our debt rating. The term loan contains customary covenants, including but not limited to, limitations on our ability, and in certain instances, our subsidiaries' ability, to incur liens, make certain investments, or sell or transfer assets. Additionally, we may not permit (i) our consolidated interest coverage ratio to be less than 3.50 to 1.00, or (ii) our leverage ratio (defined as the ratio of total indebtedness to consolidated EBITDA for the four most recent fiscal quarters) to exceed 3.75 to 1.00. During certain periods this ratio may be increased to 4.25 to 1.0 upon delivery of a notice to our lender requesting an increase to our maximum leverage or in connection with certain "material acquisitions." See "Revolving Credit Agreement" above for details on our compliance with all significant financial covenants at August 31, 2022.

Refer to Note G, "Borrowings," to the Consolidated Financial Statements, in our Annual Report on Form 10-K for the fiscal year ended May 31, 2022 for more comprehensive details on the significant components of our debt.

#### ***Stock Repurchase Program***

See Note 10, "Stock Repurchase Program" to the Consolidated Financial Statements, for further detail surrounding our stock repurchase program.

#### ***Off-Balance Sheet Arrangements***

We do not have any off-balance sheet financings. We have no subsidiaries that are not included in our financial statements, nor do we have any interests in, or relationships with, any special purpose entities that are not reflected in our financial statements.

### **OTHER MATTERS**

#### ***Environmental Matters***

Environmental obligations continue to be appropriately addressed and, based upon the latest available information, it is not anticipated that the outcome of such matters will materially affect our results of operations or financial condition. Our critical accounting policies and estimates set forth above describe our method of establishing and adjusting environmental-related accruals and should be read in conjunction with this disclosure. For additional information, refer to "Part II, Item 1. Legal Proceedings."



## FORWARD-LOOKING STATEMENTS

The foregoing discussion includes 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 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 and metal 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) the timing of and the realization of anticipated cost savings from restructuring initiatives and the ability to identify additional cost savings opportunities; (j) risks related to the adequacy of our contingent liability reserves; (k) risks relating to the Covid pandemic; (l) risks related to adverse weather conditions or the impacts of climate change and natural disasters; (m) risks related to the Russian invasion of Ukraine and other wars; (n) risks related to data breaches and data privacy violations; and (o) 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, 2022, 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 filing date of this document.

### ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

We are exposed to market risk from changes in raw materials costs, interest rates and foreign exchange rates since we fund our operations through long- and short-term borrowings and conduct our business in a variety of foreign currencies. There were no material potential changes in our exposure to these market risks since May 31, 2022. However, refer to the "Gross Profit Margin" paragraphs in the "RESULTS OF OPERATIONS" for the "Three Months Ended August 31, 2022" section above, for additional details on recent inflationary cost pressure and supply chain disruption at some of our businesses across certain product categories.

### ITEM 4. *CONTROLS AND PROCEDURES*

#### (a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of August 31, 2022 (the "Evaluation Date"), have concluded that as of the Evaluation Date, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and (2) is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

#### (b) CHANGES IN INTERNAL CONTROL.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended August 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

#### *Environmental Proceedings*

Like other companies participating in similar lines of business, some of our subsidiaries are identified as a “potentially responsible party” under the federal Comprehensive Environmental Response, Compensation and Liability Act and similar local environmental statutes or are participating in the cost of certain clean-up efforts or other remedial actions relating to environmental matters. Our share of such costs to date, however, has not been material and management believes that these environmental proceedings will not have a material adverse effect on our consolidated financial condition or results of operations. See “Item 1 — Business — Environmental Matters,” in our Annual Report on Form 10-K for the year ended May 31, 2022.

As permitted by SEC rules, and given the size of our operations, we have elected to adopt a quantitative threshold for environmental proceedings of \$1 million. As of the date of this filing, we are not aware of any matters that exceed this threshold and meet the definition for disclosure.

### ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the other risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 31, 2022.

### ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information about repurchases of RPM International Inc. common stock made by us during the first quarter of fiscal 2023:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet be Purchased Under the Plans or Programs(2)
June 1, 2022 through June 30, 2022	306,318	\$ 82.54	303,079	
July 1, 2022 through July 31, 2022	92,918	\$ 82.70	-	
August 1, 2022 through August 31, 2022	47,406	\$ 94.11	-	
Total - First Quarter	446,642	\$ 83.80	303,079	

- (1) All of the 143,563 shares of common stock that were disposed of back to us during the three-month period ended August 31, 2022 were in satisfaction of tax obligations related to the vesting of restricted stock, which was granted under RPM International Inc.'s equity and incentive plans.
- (2) The maximum dollar amount that may yet be repurchased under our program was approximately \$342.3 million at August 31, 2022. Refer to Note 10 “Stock Repurchase Program” to the Consolidated Financial Statements for further information regarding our stock repurchase program.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
10.1	<a href="#">Fourth Amendment to Credit Agreement among RPM International Inc., the Borrowers party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent, dated August 1, 2022 (x)</a>
10.2	<a href="#">Fourth Amendment to Credit Agreement among RPM International Inc., RPM Europe Holdco B.V., the Lenders party thereto and PNC Bank, National Association, as Administrative Agent, dated August 1, 2022 (x)</a>
31.1	<a href="#">Rule 13a-14(a) Certification of the Company's Chief Executive Officer.(x)</a>
31.2	<a href="#">Rule 13a-14(a) Certification of the Company's Chief Financial Officer.(x)</a>
32.1	<a href="#">Section 1350 Certification of the Company's Chief Executive Officer.(x)</a>
32.2	<a href="#">Section 1350 Certification of the Company's Chief Financial Officer.(x)</a>
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 2022, has been formatted in Inline XBRL

(x) Filed herewith.



**SIGNATURES**

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 thereunto duly authorized.

**RPM International Inc.**

By: /s/ Frank C. Sullivan  
Frank C. Sullivan  
Chairman and Chief Executive Officer

By: /s/ Russell L. Gordon  
Russell L. Gordon  
Vice President and  
Chief Financial Officer

Dated: October 5, 2022

## FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "**Amendment**"), dated as of August 1, 2022 is made by and among RPM INTERNATIONAL INC., a Delaware corporation (the "**Company**"), RPM ENTERPRISES, INC., a Delaware corporation ("**Enterprises**") RPOW UK LIMITED, a limited company incorporated under the laws of England and Wales ("**RPOW-UK**"), RPM EUROPE HOLDCO B.V., a private company with limited liability formed under the laws of the Netherlands ("**RPM-Europe**"), RPM CANADA, a general partnership registered under the laws of the Province of Ontario ("**RPM Canada**"), RPM CANADA COMPANY FINANCE ULC, an unlimited liability company organized under the laws of the Province of British Columbia, ("**RPM Canada Company**"), TREMCO ASIA PACIFIC PTY. LIMITED, a corporation incorporated under the laws of the Commonwealth of Australia ("**Tremco**"), RPM EUROPE FINANCE DESIGNATED ACTIVITY COMPANY, an Irish Designated Activity Company Limited by Shares ("**RPM Europe Finance**") (each of the foregoing referred to herein as a "**Borrower**" and collectively referred to as the "**Borrowers**") and TREMCO CPG UK LIMITED, a limited company incorporated under the laws of England and Wales ("**Tremco CPG**"), NEW VENTURES (UK) LIMITED, a limited company incorporated under the laws of England and Wales ("**New Ventures (UK)**"), RPM CH, G.P., a partnership organized under the laws of Delaware ("**RPM CH**" and together with Tremco CPG and New Ventures (UK), the "**Released Foreign Borrowers**"), the other LENDERS party hereto (the "**Continuing Lenders**"), U.S. BANK NATIONAL ASSOCIATION and FIRST NATIONAL BANK OF PENNSYLVANIA (each, a "**New Lender**", collectively, the "**New Lenders**", and together with the Continuing Lenders, collectively, the "**Lenders**") and PNC BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders (hereinafter referred to in such capacity as the "**Administrative Agent**").

### W I T N E S S E T H:

WHEREAS, the Borrowers, the Released Foreign Borrowers, the Continuing Lenders and the Exiting Lenders (as hereinafter defined) and the Administrative Agent are parties to that certain Credit Agreement, dated as of October 31, 2018, as amended by that certain First Amendment to Credit Agreement, dated as of April 30, 2020, as further amended by that certain Second Amendment to Credit Agreement, dated as of December 16, 2021 and as further amended by that certain Third Amendment to Credit Agreement (the "**Third Amendment**"), dated as of December 30, 2021 (as amended, the "**Credit Agreement**");

WHEREAS, the Company has provided notice to the Administrative Agent pursuant to Section 12.15.2 of the Credit Agreement to provide for the release of the Released Foreign Borrower;

WHEREAS, the Administrative Agent hereby acknowledges that as, of the date hereof, as all Obligations of the Released Foreign Borrowers have been paid in full (including principal, interest and all other amounts) and no Letter of Credit issued for the account of any Released Foreign Borrower is outstanding;

WHEREAS, each of Fifth Third Bank, National Association, The Bank of Nova Scotia, Commerzbank AG, New York Branch, Santander Bank, N.A. and HSBC Bank USA, N.A. (the

"**Exiting Lenders**") have requested to, as of the Fourth Amendment Effective Date (i) no longer be a party to the Credit Agreement, (ii) have its commitments assumed by the other Lenders in accordance with Schedule 1.1(B)-Part 1 attached hereto and (iii) have any existing Loans owed to it to be repaid; and

WHEREAS, the Borrowers have requested that (i) the Administrative Agent and the Lenders extend the Expiration Date, (ii) the Lenders increase the revolving credit facility up to an aggregate principal amount not to exceed \$1,350,000,000, (iii) the New Lenders join the Credit Agreement pursuant to the terms of this Amendment, (iv) the Administrative Agent and the Lenders release the Released Foreign Borrowers and (v) the parties hereto make certain amendments and grant certain other accommodations all as hereinafter provided, and, subject to the terms and conditions hereof, the Administrative Agent and Lenders are willing to do so.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

1. Definitions. Except as set forth in this Amendment, defined terms used herein shall have the meanings given to them in the Credit Agreement and the rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Amendment.

2. Existing USD Euro-Rate Loans. Notwithstanding anything contained in this Amendment, the terms of the Existing Credit Agreement applicable to Loans denominated in Dollars under the Euro-Rate Option (as defined in the Credit Agreement immediately prior to the date hereof) shall continue in full force and effect and shall continue to apply to each Loan denominated in Dollars under the Euro-Rate Option with an Interest Period that commenced prior to the Fourth Amendment Effective Date until the expiration of the then current Interest Period for such Loan denominated in Dollars under the Euro-Rate Option.

3. Release of Released Foreign Borrowers. The Administrative Agent hereby confirms that it received notice in accordance with Section 12.15.2 of the Credit Agreement requesting that the Released Foreign Borrowers no longer be a party to the Credit Agreement. Pursuant to the terms of Section 12.15.2 of the Credit Agreement, the Released Foreign Borrowers shall be released as a Borrower under the Credit Agreement and the other Loan Documents. Effective as of the date hereof, the Released Foreign Borrowers shall have no rights or obligations under the Credit Agreement and the other Loan Documents, except for surviving obligations specifically set forth in the Credit Agreement or any other Loan Document.

4. Lender Joinder. In consideration of the Lenders permitting each New Lender to become a Lender under the Credit Agreement, each New Lender agrees that effective as of the Fourth Amendment Effective Date it shall become, and shall be deemed to be, a Lender under the Credit Agreement and each of the other Loan Documents and agrees that from the Fourth Amendment Effective Date and so long as such New Lender remains a party to the Credit Agreement, such New Lender shall assume the obligations of a Lender under and perform, comply with and be bound by each of the provisions of the Credit Agreement which are stated to apply to a Lender and shall be entitled (in accordance with its Ratable Share) to the benefits, rights and remedies set forth therein and in each of the other Loan Documents. Each New Lender hereby acknowledges that it

has heretofore received (i) a true and correct copy of the Credit Agreement (including any modifications thereof or supplements or waivers thereto) as in effect on the Fourth Amendment Effective Date, and (ii) the executed original of its Revolving Credit Note dated the Fourth Amendment Effective Date issued by the Borrowers under the Credit Agreement in the face amount as set forth on Schedule 1.1(B) attached hereto in Exhibit B.

The Commitments and Ratable Shares of the New Lenders and each of the other Lenders are as set forth on Schedule 1.1(B) to the Credit Agreement. Schedule 1.1(B) to the Credit Agreement is being amended and restated effective as of the Fourth Amendment Effective Date hereof to read as set forth on Exhibit B hereto. Schedule 1 hereto lists as of the date hereof the amount of Loans under each outstanding Borrowing Tranche. Notwithstanding the foregoing on the date hereof, the Borrowers shall repay all outstanding Loans to which either the Base Rate Option or the Euro Rate Option applies and simultaneously reborrow a like amount of Loans under each such Interest Rate Option from the Lenders (including the New Lenders) according to the Ratable Shares set forth on attached Schedule 1.1(B) and shall be subject to breakage fees and other indemnities provided in Section 5.10 [Indemnity]; provided, however, outstanding Loans under Euro-Rate Option shall continue until expiration of the then current Interest Period as set forth in Section 2 hereof and be re-allocated to the Lenders accordingly.

Each New Lender is executing and delivering this Joinder as of the Fourth Amendment Effective Date and acknowledges that it shall: (A) participate in all new Revolving Credit Loans borrowed by the Borrowers on and after the Fourth Amendment Effective Date according to its Ratable Share; and (B) participate in all Letters of Credit outstanding on and after the Fourth Amendment Effective Date according to its Ratable Share.

5. Assignment of Interests of Exiting Lenders; Reallocation of Commitment. Effective as of the Fourth Amendment Effective Date, the Exiting Lenders shall sell and assign its Commitments under the Credit Agreement to the Lenders party to this Amendment (which Commitments shall be reallocated among such Lenders pursuant to Section 7(cc) of this Amendment) and, upon the Fourth Amendment Effective Date, Exiting Lenders shall cease to be a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto.

6. Reallocation of Titles. Effective as of the Fourth Amendment Effective Date: (a) PNC Bank, National Association, Bank of America, N.A. and Citizens Bank, N.A. shall be Joint Lead Arrangers; (b) Bank of America, N.A. and Citizens Bank, N.A. shall be Co-Syndication Agents; and (c) MUFG Bank, Ltd., Wells Fargo Bank, National Association, KeyBank National Association, BMO Harris Bank N.A., and U.S. Bank National Association shall be

Co-Documentation Agents. Any roles or titles appointed prior hereto shall be superseded by this Amendment.

7. Amendments to the Credit Agreement.

(a) The last paragraph of the preamble of the Credit Agreement is hereby amended and restated as follows:

"The Borrowers have requested the Lenders to provide a revolving credit facility to the Borrowers in an aggregate principal amount not to exceed \$1,300,000,000, as increased to an aggregate principal amount not to exceed \$1,350,000,000 pursuant to the Fourth Amendment. In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree as follows:"

(b) References to "Section 4.4 [Euro-Rate Unascertainable; Etc.]" or Section 4.4 [Euro-Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available]" throughout the Credit Agreement shall be replaced with "4.4 [Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting]".

(c) References to "Section 2.3 [Commitment Fee]" throughout the Credit Agreement shall be replaced with "Section 2.3 [Facility Fee]" and references to "Commitment Fee" throughout the Credit Agreement shall be replaced with "Facility Fee."

(d) The following defined terms shall be deleted from Section 1.1 of the Credit Agreement:

"Applicable Commitment Fee Rate"

"Benchmark Replacement Conforming Changes"

"Commitment Fee"

"Computation Date"

"Daily LIBOR Rate"

"Early Opt-in Event"

"Equivalent Amount"

"Equivalent Currency"

"Euro-Rate"

"Euro-Rate Option"

"Euro-Rate Termination Date"

"Reference Currency"

(e)The following defined terms contained in Appendix A of the Third Amendment shall be added in their entirety to Section 1.1 of the Credit Agreement as such terms are defined in Appendix A of the Third Amendment:

"Affected Currency"

"Daily Simple RFR"

"Daily Simple RFR Lookback Days"

"€STR"

"€STR Administrator"

"€STR Administrator's Website"

"Floor"

"IOSCO Principles"

"Reference Time"

"RFR"

"RFR Adjustment"

"RFR Administrator"

"RFR Administrator's Website"

"RFR Business Day"

"RFR Reserve Percentage"

"SARON"

"SARON Administrator"

"SARON Administrator's Website"

"SONIA"

"SONIA Administrator"

"SONIA Administrator's Website"

"Sterling" or "£"

"Swiss Franc" or "CHF"

"TARGET2"

"TARGET Day"

"Term RFR"

"Term RFR Forward Looking Rate"

"Term RFR Notice"

"Term RFR Transition Event"

"TONAR"

"TONAR Administrator"

"TONAR Administrator's Website"

"Unadjusted Benchmark Replacement"

"Yen" or "¥"

(f)The following new defined terms (some of which are referenced in Appendix A to the Third Amendment but nonetheless are being definitively added to Section 1.1 of the Credit Agreement as set forth below) shall be added to Section 1.1 of the Credit Agreement in the correct alphabetical order as follows:

"Applicable Facility Fee Rate" shall mean the percentage rate per annum based on the then in effect Debt Rating and corresponding Tier according to the pricing grid on Schedule 1.1(A) below the heading "Facility Fee."

"Available Tenor" shall mean, as of any date of determination and with respect to the then-current Benchmark for any Available Currency, as applicable, (x) if such Benchmark for such Available Currency is a term rate or is based on a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) for such Available Currency that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor of such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 4.4.5(d). For the avoidance of doubt, the Available Tenor for the Daily Simple RFR is one month."

"Benchmark" shall mean, initially, with respect to Obligations, interest, fees, commissions, or other amounts denominated in, or calculated with respect to, (a) Dollars,

the Term SOFR Rate or (b) Euros, Sterling, Swiss Francs or Yen, the Daily Simple RFR or Term RFR applicable for such Available Currency; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark or upon the occurrence of a Term RFR Transition Event, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 4.4.5 [Benchmark Replacement Settings]."

"Facility Fee shall mean the fees referred to in Section 2.3 [Facility Fee]."

"Conforming Changes means, with respect to the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR, Eurocurrency Rate or any Benchmark Replacement in relation thereto, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," the definition of "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR, Eurocurrency Rate or such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR, Eurocurrency Rate or the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents)."

"Daily Rate Loan shall mean a Loan that bears interest at a rate based on the (i) Base Rate or (ii) Daily Simple RFR."

"Daily Simple RFR Option" means the option of the Borrower to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(i)(b) [Daily Simple RFR Option].

"Daily Simple SOFR means, for any day (a "SOFR Rate Day"), the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the "SOFR Determination Date") that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source identified by the Federal Reserve Bank of New York or its successor



administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrower, effective on the date of any such change."

"Dollar Equivalent means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Optional Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Optional Currency last provided (either by publication or otherwise provided to the Administrative Agent or the Issuing Lender, as applicable) by the applicable Bloomberg source (or such other publicly available source for displaying exchange rates as determined by the Administrative Agent or the Issuing Lender, as applicable, from time to time) on the date that is the applicable Eurocurrency Lookback Day (for amounts relating to Eurocurrency Loans and Letters of Credit denominated in an Optional Currency to which the Eurocurrency Rate would apply), the applicable Daily RFR Lookback Day (for amounts relating to RFR Loans and Letters of Credit denominated in an Optional Currency to which a Daily Simple RFR would apply) immediately preceding the date of determination, or otherwise on the date which is two (2) Business Days immediately preceding the date of determination or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable, using any method of determination it deems appropriate in its sole discretion. Any determination by the Administrative Agent or the Issuing Lender pursuant to clauses (b) or (c) above shall be conclusive absent manifest error."

"Erroneous Payment has the meaning assigned to it in Section 10.13(a)."

"Erroneous Payment Deficiency Assignment has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Impacted Class has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Return Deficiency has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Subrogation Rights has the meaning assigned to it in Section 10.13(d)."

"Eurocurrency Banking Day means any day which is, as applicable, for Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to (i) Canadian Dollars, any day on which banks are open for business in Canada; (ii) Australian Dollars, any day on which banks are open for business in Australia; (iii) New Zealand Dollars, any day on which banks are open for business in New Zealand, (iv) Swedish Krona, any day on which banks are open for business in Sweden, and (v) Norwegian Krone, any day on which banks are open for business in Norway."

"Eurocurrency Rate means, with respect to any Eurocurrency Rate Borrowing for any Interest Period, an interest rate per annum determined by Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%)(a) the applicable Eurocurrency Rate below for such Interest Period by (b) a number equal to 1.00 minus the Eurocurrency Reserve Percentage:

(a) denominated in Canadian Dollars, the rate per annum (the "CDOR Rate") as determined by the Administrative Agent, equal to the arithmetic average rate applicable to Canadian Dollar bankers' acceptances (C\$BAs) for the applicable Interest Period appearing on the Bloomberg page BTMM CA, rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1% per annum, at approximately 11:00 a.m. Eastern Time, two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period; provided that if by such time such rate does not appear on the Bloomberg page BTMM CA, the CDOR Rate on such day shall be the rate for such period applicable to Canadian Dollar bankers' acceptances quoted by a bank listed in Schedule I of the Bank Act (Canada), as selected by the Administrative Agent, as of 11:00 a.m. Eastern Time on such day or, if such day is not a Business Day, then on the immediately preceding Business Day; provided further that any CDOR Rate so determined based on the immediately preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (collectively, the "CDOR Lookback Day");

(b) denominated in Australian Dollars, the rate per annum equal to the Australian Bank Bill Swap Bid Rate or the successor thereto as approved by the Administrative Agent as published by Bloomberg (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) for the applicable Interest Period, rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1% per annum at approximately 10:00 a.m. (Sydney, Australia time), two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period, as the rate for deposits in Australian Dollars with a maturity comparable to such Interest Period; provided, that if

by such time the Australian Bank Bill Swap Bid Rate in respect of such day has not been so published, or such day is not a Business Day, then the Australian Bank Bill Swap Bid Rate for such day will be the Australian Bank Bill Swap Bid Rate as published in respect of the first preceding Business Day for which such Australian Bank Bill Swap Bid Rate was published thereon; provided further that any Australian Bank Bill Swap Bid Rate so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (any such day, collectively, the "Australian Rate Lookback Day");

(c) denominated in New Zealand Dollars, the rate per annum equal to the NZFMA Bank Bill Reference Rate or the successor thereto as approved by the Administrative Agent as published by Bloomberg (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time), rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1% per annum at approximately 10:00 a.m. (Auckland, New Zealand time), two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period (such day, the "New Zealand Rate Lookback Day"), as the rate for deposits in New Zealand Dollars with a maturity comparable to such Interest Period; provided, that if by such time the NZFMA Bank Bill Reference Rate in respect of such day has not been so published, or such day is not a Business Day, then the NZFMA Bank Bill Reference Rate for such day will be the NZFMA Bank Bill Reference Rate as published in respect of the first preceding Business Day for which such NZFMA Bank Bill Reference Rate was published thereon; provided further that any NZFMA Bank Bill Reference Rate so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (any such day, collectively, the "New Zealand Rate Lookback Day");

(d) denominated in Norwegian Krone (NOK), the rate per annum equal to the Norwegian Interbank Offered Rate (NIBOR) or the successor thereto as approved by the Administrative Agent which appears on the Bloomberg Page BTMM NO (or on such other substitute Bloomberg page that displays such rate) (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) rounded upwards, to the nearest 1/100th of one percent (1%) per annum, at approximately 11:00 a.m. (Oslo, Norway time), two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period, as the rate for deposits in Norwegian Krone with a maturity comparable to such Interest Period; provided, that if by such time NIBOR in respect of such day has not been so published, or such day is not a Business Day, then NIBOR for such day will be NIBOR as published in respect of the first preceding Business Day for which such rate was published thereon; provided further that NIBOR so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (any such day, collectively, the "NIBOR Lookback Day");

(e) denominated in Swedish Krona, the rate per annum equal to the Stockholm Interbank Offered Rate (STIBOR) or the successor thereto as approved by the

Administrative Agent which appears on the Bloomberg Page BTMM SW (or on such other substitute Bloomberg page that displays such rate) (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time) rounded upwards, to the nearest 1/100th of one percent (1%) per annum, at approximately 11:00 a.m. (Stockholm, Sweden time), two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period, as the rate for deposits in Swedish Krona with a maturity comparable to such Interest Period; provided, that if by such time STIBOR in respect of such day has not been so published, or such day is not a Business Day, then STIBOR for such day will be STIBOR as published in respect of the first preceding Business Day for which such rate was published thereon; provided further that STIBOR so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (any such day, collectively, the "STIBOR Lookback Day");

provided that if the adjusted Eurocurrency Rate as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The Eurocurrency Rate for any Loans shall be based upon the Eurocurrency Rate for the Currency in which such Loans are requested. The Eurocurrency Rate for each outstanding Eurocurrency Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage. The Administrative Agent shall give prompt notice to the Borrower of the Eurocurrency Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error."

"Eurocurrency Rate Lookback Days means, collectively, CDOR Lookback Day, Australian Rate Lookback Day, New Zealand Rate Lookback Day, NIBOR Lookback Day and STIBOR Lookback Day and each such day is a "Eurocurrency Rate Lookback Day"."

"Eurocurrency Rate Borrowing means, as to any Borrowing Tranche, a Eurocurrency Rate Loan comprising such Borrowing Tranche."

"Eurocurrency Rate Loan means a Loan that bears interest at a rate based on the Eurocurrency Rate."

"Eurocurrency Rate Option means the option of the Borrower to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(ii)(c) [Revolving Credit Eurocurrency Rate Option]."

"Eurocurrency Reserve Percentage means, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D) or any other reserve ratio or

analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans."

"Fourth Amendment shall mean that certain Fourth Amendment to Credit Agreement, dated as of the Fourth Amendment Effective Date."

"Fourth Amendment Effective Date shall mean August 1, 2022."

"Optional Currency Equivalent means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Optional Currency as determined by the Administrative Agent or the Issuing Lender, as the case may be, in its sole discretion by reference to the applicable Bloomberg page (or such other publicly available service for displaying exchange rates as determined by the Administrative Agent from time to time), to be the exchange rate for the purchase of such Optional Currency with Dollars on the date that is (i) with respect to RFR Loans and Letters of Credit to which an RFR would apply, the applicable Daily Simple RFR Lookback Day, (ii) with respect to Eurocurrency Rate Loans and Letters of Credit to which a Eurocurrency Rate would apply, the applicable Eurocurrency Rate Lookback Day, and (iii) otherwise, on the date which is two (2) Business Days immediately preceding the date of determination, or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto, in each case, prior to the date as of which the foreign exchange computation is made ; provided, however, that if no such rate is available, the "Optional Currency Equivalent" shall be determined by the Administrative Agent or the Issuing Lender, as the case may be, using any reasonable method of determination it deems appropriate in its sole discretion (and such determination shall be conclusive absent manifest error)."

"Payment Recipient has the meaning assigned to it in Section 10.13(a)."

"Revaluation Date means (a) with respect to each Borrowing Tranche of a Term Rate Loan denominated in an Optional Currency, (i) each date of a borrowing, renewal, and conversion pursuant to the terms of this Agreement and (ii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; (b) with respect to each Borrowing Tranche of a Daily Rate Loan denominated in an Optional Currency, each date such Daily Rate Loan is outstanding; and (c) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment or extension of a Letter of Credit denominated in an Optional Currency, (ii) each date of any payment by the Issuing Lender under any Letter of Credit denominated in an Optional Currency, and (iii) such additional dates as the Administrative Agent or the Issuing Lender shall determine or the Required Lenders shall require."

"RFR Loan" means a Loan that bears interest at a rate based on Daily Simple RFR or, after the replacement of the then-current Benchmark for any Available Currency for all purposes hereunder or under any Loan Document with Term RFR pursuant to Section 4.4.5, Term RFR for such Available Currency, as the context may require.

"SOFR shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate)."

"SOFR Adjustment shall mean, the following:

SOFR Adjustment	Interest Period
10 basis points (0.10%)	Daily Simple SOFR
10 basis points (0.10%)	For a 1-month Interest Period
15 basis points (0.15%)	For a 3-month Interest Period
25 basis points (0.25%)	For a 6-month Interest Period

"

"SOFR Floor means a rate of interest per annum equal to 0 basis points (0%)."

"SOFR Reserve Percentage shall mean, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding."

"Term Rate Loan means a Loan that bears interest at a rate based on the Term SOFR Rate, Term RFR or Eurocurrency Rate."

"Term Rate Loan Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(ii) [Revolving Credit Term Rate Loan Option]."

"Term RFR Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(ii)(b) [Term RFR Option]."

"Term RFR Transition Date" means, in the case of a Term RFR Transition Event, the date that is set forth in the Term RFR Notice provided to the Lenders and the Borrowers pursuant to Section 4.4.5(a)(ii), which date shall be at least 30 (thirty) calendar days from the date of the Term RFR Notice.



"Term SOFR Administrator means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion)."

"Term SOFR Rate shall mean, with respect to any amount to which the Term SOFR Rate Option applies, for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Interest Period, as such rate is published by the Term SOFR Administrator on the day (the "Term SOFR Determination Date") that is two (2) Business Days prior to the first day of such Interest Period, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the SOFR Floor, then the Term SOFR Rate shall be deemed to be the SOFR Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrowers on and as of (i) the first day of each Interest Period, and (ii) the effective date of any change in the SOFR Reserve Percentage."

"Term SOFR Rate Loan means a Loan that bears interest based on the Term SOFR Rate."

"Term SOFR Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(ii)(a) [Term SOFR Rate Option]."

"Term SOFR Reference Rate shall mean the forward-looking term rate based on SOFR."

"Type, when used in reference to any Loan or Borrowing Tranche, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing Tranche, is determined by reference to (a) the Base Rate, (b) Term SOFR Rate, (c) prior to the Term RFR Transition Date with respect to Euros, Yen, Sterling or Swiss Francs, the Daily Simple RFR for such Available Currency or, on and after the Term RFR Transition Date with respect to any such Available Currency, the Term RFR for such Available Currency and (d) the Eurocurrency Rate."

"U.S. Government Securities Business Day shall mean any day except for (a) a Saturday or Sunday or (b) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities."

(g)The following defined terms in Section 1.1 of the Credit Agreement are hereby amended and restated as follows:

"Applicable Margin shall mean, as applicable:

(A) the percentage spread to be added to the Base Rate or Daily Simple RFR applicable to Revolving Credit Loans under the Base Rate Option or Daily Simple RFR Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Daily Rate Loan Spread", or

(B) the percentage spread to be added to the Term SOFR Rate or Term RFR applicable to Revolving Credit Loans under the Term Rate Loan Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Term Rate Loan Spread".

Any change to the Debt Rating of the Company will immediately change the Applicable Margin as set forth above, effective on the date of such change in the Debt Rating."

"Base Rate shall mean, for any day, a fluctuating per annum rate of interest equal to the highest of (a) the Overnight Bank Funding Rate, plus fifty basis points (0.5%), and (b) the Prime Rate, and (c) the Daily Simple SOFR, plus one hundred basis points (1.0%) so long as Daily Simple SOFR is offered, ascertainable and not unlawful; provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs. Notwithstanding anything to the contrary contained herein, in the case of any event specified in Section 4.4.1 [Unascertainable; Increased Costs; Deposits Not Available] or Section 4.4.2 [Illegality], to the extent any such determination affects the calculation of Base Rate, the definition hereof shall be calculated without reference to clause (c) until the circumstances giving rise to such event no longer exist."

"Benchmark Replacement shall mean, with respect to any Benchmark Transition Event, the first applicable alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) Where the Benchmark is Term SOFR, the sum of: (A) Daily Simple SOFR and (B) the SOFR Adjustment for a 1-month Interest Period; and

(2) [Intentionally Omitted]; and

(3) [Intentionally Omitted]; and

(4) the sum of (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current



Benchmark for syndicated credit facilities denominated in the applicable Available Currency at such time and (B) the related Benchmark Replacement Adjustment;

provided, that if the Benchmark Replacement as determined pursuant to clause (2), (3), or (4) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; and provided further, that any Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion."

"Benchmark Replacement Adjustment shall mean, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowers giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Available Currency at such time."

"Benchmark Replacement Date shall mean a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark for any Available Currency:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof)."

"Benchmark Transition Event shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark for any Available Currency:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by an Official Body having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, the central bank for the Available Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or an Official Body having jurisdiction over the Administrative Agent announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof)."

"Benchmark Unavailability Period shall mean the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for any Currency for all purposes hereunder and under any Loan Document in accordance with Section 4.4.5 [Benchmark Replacement Setting] and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for such Currency for all purposes hereunder and under any Loan Document in accordance with Section 4.4.5 [Benchmark Replacement Setting]."

"Borrowing Tranche shall mean specified portions of Loans as the context may require, consisting of simultaneous loans of the same Type in the same Available Currency, and in the case of Term Rate Loans, having the same Interest Period. For the avoidance of doubt, Daily Rate Loans of the same Type and Available Currency shall be considered one Borrowing Tranche."

"Business Day shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Pittsburgh, Pennsylvania (or, if otherwise, the lending office of the Administrative Agent); provided that for purposes of any direct or indirect calculation or determination of, or when used in connection with any interest rate settings, fundings, disbursements, settlements, payments, or other dealings with respect to any (i) Term SOFR Rate Loan, the term "Business Day" means any such day that is also a U.S. Government Securities Business Day, (ii) Eurocurrency Rate Loan, the term "Business Day" means any such day that is also a Eurocurrency Banking Day and (iii) any RFR Loan, the term "Business Day" means any such day that is also an RFR Business Day."

"EBITDA shall mean for any period of four consecutive fiscal quarters, determined on a consolidated basis for the Company and its Consolidated Subsidiaries, (i) the sum of: (A) net income of the Company and its Consolidated Subsidiaries (calculated before provision for income taxes, Interest Expense, extraordinary items, non-recurring gains or losses in connection with asset dispositions, income (loss) attributable to equity in affiliates, all amounts attributable to depreciation and amortization) for such period, (B) non-recurring fees and expenses related to the acquisition of all or substantially all of the assets or capital stock (including by merger or amalgamation) of another Person (or, in the case of assets, of a business unit of a Person) or to any dispositions, investments and debt or equity issuances (whether or not successful) during such period, not to exceed \$25,000,000 in the aggregate for such period of four consecutive fiscal quarters, (C) costs, charges, expenses attributable to the undertaking and/or implementation of cost savings initiatives, operating expense reductions and other restructuring or integration costs, not to exceed in the aggregate 12.5% of EBITDA for such period, (D) non-cash charges incurred in such period, (E) professional service expenses related to the Map 2020 and/or Map 2025 Program in an amount not in excess of the amount of such expenses paid or accrued prior to the Fourth Amendment Effective Date plus up to \$50,000,000 of additional expenses incurred after the Fourth Amendment Effective Date, and (F) expenses related to the refinancing of the credit facilities of the Borrowers pursuant to this Agreement and the Term Loan Credit Agreement and future amendments of this Agreement and the Term Loan Credit Agreement, minus (ii) non-cash gains for such period. For the purpose of calculating EBITDA for any period, if during such period the Company or any Subsidiary shall have made an acquisition or a disposition on or after the Closing Date, EBITDA for such period shall be calculated after giving pro forma effect to such acquisition or disposition, as if such acquisition or disposition, as the case may be, occurred on the first day of such period."

"Expiration Date shall mean, with respect to the Revolving Credit Commitments, the earlier of August 1, 2027, or the date the Revolving Credit Commitments are terminated or accelerated hereunder."

"Interest Period shall mean the period of time selected by the Borrowers in connection with (and to apply to) any election permitted hereunder by the Borrowers to have Revolving Credit Loans bear interest under a Term Rate Loan Option. Subject to the last sentence of this definition and subject to availability for the interest rate applicable to the relevant Available Currency, such period for US Dollar denominated Revolving Credit Loans shall be one (1), three (3), or six (6) months. Such Interest Period shall commence on the effective date of such Interest Rate Option, which shall be (i) the Borrowing Date if the Borrowers are requesting new Loans, or (ii) the date of renewal of or conversion to a Term Rate Loan Option if the Borrowers are renewing or converting to the Term Rate Loan Option applicable to outstanding Loans. Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (B) the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Loans that would end after the Expiration Date, and (C) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period."

"Interest Rate Option shall mean any Term Rate Loan Option or Daily Rate Option."

"Maximum Leverage Increase Notice shall mean a written notice from the Company to the Administrative Agent that the Company is electing the Increased Net Leverage Ratio Period; provided, however that within three (3) Business Days of delivering such Maximum Leverage Increase Notice, the Company will pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable fee equal to ten (10) basis points multiplied by the Revolving Credit Commitments."

"Net Leverage Ratio shall mean ratio of (i) consolidated total Indebtedness of the Company and its Consolidated Subsidiaries minus all Unencumbered Cash, to (ii) EBITDA, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended."

"Optional Currency shall mean the following lawful currencies: Canadian dollars, Sterling, the Euro, Australian dollars, New Zealand dollars, Yen, Swiss Francs, Norwegian krone (NOK), Swedish krona (SEK) and any other currency approved by Administrative Agent and all of the Lenders pursuant to Section 2.9.3 [Requests for Additional Optional Currencies] in each case as long as there is a published RFR or Eurocurrency Rate, as applicable, or a Benchmark Replacement effected pursuant to Section 4.4 with respect thereto. Subject to Section 2.9.2 [European Monetary Union], each Optional Currency must be the lawful currency of the specified country."

"Overnight Bank Funding Rate shall mean, for any day, (a) with respect to any amount denominated in Dollars, the rate comprised of both overnight federal funds and

overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error); provided, further, that if the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero, and (b) with respect to any amount denominated in an Optional Currency, an overnight rate determined by the Administrative Agent or the Issuing Lender, as the case may be, in accordance with banking industry rules on interbank compensation (which determination shall be conclusive absent manifest error). The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrowers."

"Permitted Liens shall mean:

(i) Liens existing on the Closing Date and securing Indebtedness in an aggregate principal amount not exceeding \$35,000,000;

(ii) Liens existing on other assets at the date of acquisition thereof or which attach to such assets concurrently with or within 90 days after the acquisition thereof, securing Indebtedness incurred to finance the acquisition thereof in an aggregate principal amount at any time outstanding not exceeding \$150,000,000;

(iii) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary of the Company or is merged or consolidated with or into the Company or one of its Consolidated Subsidiaries and not created in contemplation of such event;

(iv) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this definition, provided that such Indebtedness is not increased and is not secured by any additional assets;

(v) other Liens arising in the ordinary course of the business of the Company or such Consolidated Subsidiary which are not incurred in connection with the borrowing of money or the obtaining of advances or credit, do not secure any obligation in an amount exceeding, individually or in the aggregate, the greater of (a) \$100,000,000 or (b) 10% of the Net Worth of the Company and do not materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business, including in relation to a Netherlands Borrower, any Lien which arises under the general

banking conditions of a bank in the Netherlands with which such Netherlands Borrower holds an account;

(vi) Liens not otherwise permitted by the foregoing clauses of this definition securing Indebtedness in an aggregate principal or face amount, together with Liens securing obligations made under item (v) above, at any date not to exceed the greater of (a) \$175,000,000 or (b) 10% of the Net Worth of the Company;

(vii) Liens incurred pursuant to receivables securitizations and related assignments and sales of any income or revenues (including Receivables), including Liens on the assets of any Receivables Subsidiary created pursuant to any receivables securitization and Liens granted by the Company and its other Consolidated Subsidiaries on Receivables in connection with the transfer thereof, or to secure obligations owing by them, in respect of any such receivables securitization; provided that the aggregate principal amount of the investments and claims held at any time by all purchasers, assignees or other transferees of (or of interests in) Receivables from any Receivables Subsidiary, and other rights to payment held by such Persons, in all receivables securitizations shall not exceed \$600,000,000;

(viii) Liens imposed by any Official Body for Taxes (a) not yet due and delinquent or (b) which are being contested in good faith and by appropriate proceedings and, during such period during which amounts are being so contested, such Liens shall not be executed on or enforced against any of the assets of any Borrower, provided that such Borrower shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(ix) carrier's, warehousemen's, mechanics', materialmen's, repairmen's, construction and other like Liens arising by operation of applicable Law, arising in the ordinary course of business and securing amounts: (a) which are not overdue for a period of more than 30 days, or (b) which are being contested in good faith and by appropriate proceedings and, during such period during which amounts are being so contested, such Liens shall not be executed on or enforced against any of the assets of any Borrower, provided that such Borrower shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(x) statutory Liens incurred, or pledges or deposits made, under worker's compensation, employment insurance and other social security legislation;

(xi) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Law or of which written notice has not been duly given in accordance with applicable Law or which although filed or registered, relate to obligations not due or delinquent;

(xii) investments made under the Cash Management Agreements or under cash management agreements with any other Lenders; and



(xiii) Liens (if any) in favor of PNC in its capacity as administrative agent, in connection with the Term Loan Credit Agreement."

"Relevant Governmental Body shall mean (a) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board of Governors of the Federal Reserve System of the United States and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System of the United States or the Federal Reserve Bank of New York, or any successor thereto, and (b) with respect to a Benchmark Replacement in respect of Loans denominated in any Optional Currency, (1) the central bank for the Currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (2) any working group or committee officially endorsed or convened by (A) the central bank for the Currency in which such Benchmark Replacement is denominated, (B) any central bank or other supervisor that is responsible for supervising either (i) such Benchmark Replacement or (ii) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereto."

(h)Section 1.4 of the Credit Agreement is hereby amended and restated as follows:

"1.4 Euro Rate Notification. Section 4.4.4 [Administrative Agent's and Lenders' Rights] of this Agreement provides a mechanism for determining an alternative rate of interest in the event that any of the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR or Eurocurrency Rate for any applicable Available Currency is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR or Eurocurrency Rate for any applicable Available Currency or with respect to any alternative or successor rate thereto, or replacement rate therefor."

(i)The following new Section 1.5 is hereby inserted into the Credit Agreement immediately following Section 1.4 of the Credit Agreement:

"1.5 Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or the Issuing Lender, as applicable, shall determine the Dollar Equivalent amounts of Loans and Letters of Credit denominated in Optional Currencies. Such Dollar Equivalent shall become effective as of the Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Borrowers hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Lender, as applicable.

(b) Wherever in this Agreement in connection with the initial advance, or the conversion, continuation or prepayment, of a Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Loan or Letter of Credit is denominated in an Optional Currency, such amount shall be the relevant Currency Equivalent of such Dollar amount (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%), as determined by the Administrative Agent or the Issuing Lender, as the case may be. All financial statements and Compliance Certificates shall be set forth in Dollars. For purposes of preparing financial statements, calculating financial covenants, and determining compliance with covenants expressed in Dollars, Optional Currencies shall be converted into Dollars in accordance with GAAP."

(j)Section 2.3 of the Credit Agreement is hereby amended and restated as follows:

"2.3 Facility Fee. Accruing from the date hereof until the Expiration Date, the Borrowers agree to pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable facility fee (the "Facility Fee") equal to the Applicable Facility Fee Rate (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) multiplied by the Revolving Credit Commitments; provided that any Facility Fee accrued with respect to the Revolving Credit Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrowers so long as such Lender shall be a Defaulting Lender except to the extent that such Facility Fee shall otherwise have been due and payable by the Borrowers prior to such time; and provided further that no Facility Fee shall accrue with respect to the Revolving Credit Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Subject to the proviso in the directly preceding sentence, all Facility Fees shall be payable in arrears on each Payment Date and in U.S. Dollars."

(k)Section 2.4.1 of the Credit Agreement is hereby amended and restated as follows:

"2.4.1 Revolving Credit Loan Requests. Except as otherwise provided herein, the Borrowers may from time to time prior to the Expiration Date request the Lenders to make Revolving Credit Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans pursuant to Section 4.2 [Interest Periods], by delivering to the Administrative Agent, not later than 12:00 noon,

(i) three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Dollars to which the Term SOFR Rate Option applies or the conversion to or the renewal of any such Interest Rate Option for any Loans denominated in Dollars;

(ii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Optional Currencies to which the Eurocurrency Rate Option applies, or the conversion to or renewal of a Eurocurrency Rate Option for Revolving Credit Loans denominated in such Optional Currencies;



(iii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in an Optional Currency to which the Daily Simple RFR Option or Term RFR Option applies or the date of conversion to or renewal of a Daily Simple RFR Option or Term RFR Option for Revolving Credit Loans denominated in an Optional Currency; and

(iv) the same Business Day of the proposed Borrowing Date with respect to the making of a Revolving Credit Loan denominated in Dollars to which the Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Loan,

in each case, of a duly completed request therefor substantially in the form of Exhibit 2.4.1 or a request by telephone immediately confirmed in writing by letter, facsimile or telex in such form (each, a "Loan Request"), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify (A) the aggregate amount of the proposed Loans (expressed in the currency in which such Loans shall be funded) comprising each Borrowing Tranche, and, if applicable, the Interest Period, which amount shall be in (x) integral multiples of \$1,000,000 (or the Dollar Equivalent thereof) and not less than \$5,000,000 (or the Dollar Equivalent thereof) for each Borrowing Tranche under the Euro-Rate Option, and (y) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under the Base Rate Option; (B) which Interest Rate Option shall apply to the proposed Dollar denominated Loans comprising the applicable Borrowing Tranche, (C) the currency in which such Revolving Credit Loans shall be funded if a Borrower elects an Optional Currency, the applicable Interest Rate Option, (D) an appropriate Interest Period, and (E) which Borrowers are requesting the Revolving Credit Loan. No Loan made in an Optional Currency may be converted into a Base Rate Loan, a Euro-Rate Loan or a Loan denominated in a different Optional Currency."

(l)Section 2.9.1 of the Credit Agreement is hereby amended and restated as follows:

"2.9.1 Reserved."

(m)Section 4.1 of the Credit Agreement is hereby amended and restated as follows:

"4.1 Interest Rate Options. The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by them from the Base Rate Option or Term Rate Loan Option set forth below applicable to the Loans, it being understood that, subject to the provisions of this Agreement, all Revolving Credit Loans made as part of the same Borrowing Tranche shall be made to the same Borrower and shall consist of the same Interest Rate Option, and the same Interest Period shall apply to such Loans that are part of the same Borrowing Tranche; provided that the Borrowers may select different Interest Rate Options and different Interest Periods to apply simultaneously to the Loans comprising different Borrowing Tranches and may convert to or renew one or more Interest Rate Options with respect to all or any portion of the

Loans comprising any Borrowing Tranche; provided further that there shall not be at any one time outstanding more than twelve (12) Borrowing Tranches in the aggregate among all of the Loans and provided further that if an Event of Default or Potential Default exists and is continuing, the Borrowers may not request, convert to, or renew the Term Rate Loan Option or the Daily Simple RFR Option, as applicable, for any Loans and the Required Lenders may demand that all existing Borrowing Tranches (i) denominated in Dollars bearing interest under a Term Rate Loan Option shall be converted immediately to the Base Rate Option and (ii) denominated in an Optional Currency shall either (x) (A) in relation to Term Rate Loans, be converted immediately to the Base Rate Option denominated in Dollars (in an amount equal to the Dollar Equivalent of such Optional Currency) at the end of the Interest Period therefor; and (B) in relation to Daily Rate Loans, be converted immediately to the Base Rate Option or (y) in relation to Term Rate Loans, be prepaid at the end of the applicable Interest Period in full, subject to the obligation of the Borrowers to pay any indemnity under Section 5.10 [Indemnity] in connection with such conversion. If at any time the designated rate applicable to any Loan made by any Lender exceeds such Lender's highest lawful rate, the rate of interest on such Lender's Loan shall be limited to such Lender's highest lawful rate. The applicable Base Rate, Eurocurrency Rate, Term SOFR Rate, Daily Simple RFR, or Term RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. Interest on the principal amount of each Optional Currency Loan shall be paid by the Borrowers in such Optional Currency.

4.1.1 Revolving Credit Interest Rate Options; Swing Line Interest Rate. Subject to Section 4.3 [Interest After Default], the Borrowers shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans:

(i) Daily Rate Option:

(a) Base Rate Option. In the case of Base Rate Loans denominated in Dollars, a fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate;

(b) Daily Simple RFR Option. Prior to the Term RFR Transition Date with respect to Loans that bear interest at a rate based on Daily Simple RFR denominated in Sterling, Euro, Yen or Swiss Franc, a fluctuating rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Loans denominated in Sterling, Euro, Yen or Swiss Franc as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Daily Simple RFR for such Available Currency plus the RFR Adjustment plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the applicable Daily Simple RFR.

(ii) Revolving Credit Term Rate Loan Option:

(a) Term SOFR Option. In the case of Term SOFR Rate Loans denominated in Dollars, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Term SOFR Rate for each applicable Interest Period plus the SOFR Adjustment for the applicable Interest Period plus the Applicable Margin; or

(b) Term RFR Option. On and after the Term RFR Transition Date with respect to any applicable Optional Currency, in the case of Loans denominated in any Optional Currency that bear interest based on Term RFR, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Loans denominated in Optional Currencies as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Term RFR for such Optional Currency as determined for each applicable Interest Period plus the RFR Adjustment plus the Applicable Margin or

(c) Eurocurrency Rate Option. In the case of Eurocurrency Rate Loans denominated in Canadian Dollars, Australian Dollars, New Zealand Dollars, Norwegian Krone, or Swedish Krona, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Eurocurrency Rate Loans denominated in the foregoing Optional Currencies as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Eurocurrency Rate for such Available Currency as determined for each applicable Interest Period plus the Applicable Margin; or.

(iii) Swing Loans. Subject to Section 4.3 [Interest After Default], at the Borrowers' option, Swing Loans shall bear interest (A) at a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Base Rate applicable to Revolving Credit Loans plus the Applicable Margin or, (B) at a rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to Daily Simple SOFR plus the SOFR Adjustment plus the Applicable Margin applicable to Revolving Credit Loans, such interest rate to change automatically from time to time effective as of the effective date of each change in Daily Simple SOFR.

4.1.2 Rate Quotations. A Borrower may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Lenders nor affect the rate of interest which thereafter is actually in effect when the election is made.

4.1.3 Conforming Changes Relating to Term SOFR Rate, Daily Simple RFR, Term RFR or Eurocurrency Rate. With respect to the Term SOFR Rate, Daily Simple RFR, Term RFR or Eurocurrency Rate, the Administrative Agent

will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, the Administrative Agent shall provide notice to the Borrowers and the Lenders of each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective "

(n)Section 4.2 of the Credit Agreement is hereby amended and restated as follows:

"4.2 Interest Periods. At any time when the Borrowers shall select, convert to or renew a Term Rate Loan Option, the Borrowers shall notify the Administrative Agent thereof by delivering a Loan Request to the Administrative Agent at least (i) for a Term SOFR Rate Option with respect to Loans denominated in Dollars, three (3) Business Days prior to the effective date, (ii) for a Eurocurrency Rate Option with respect to Revolving Credit Loans denominated in Optional Currencies, four (4) Business Days prior to the effective date and (iii) for a Term RFR Option with respect to Loans denominated in Optional Currencies, four (4) Business Days prior to the effective date. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Term Rate Loan Option:

4.2.1 Amount of Borrowing Tranche. Each Borrowing Tranche of Loans under the Term Rate Loan Option shall be in integral multiples of \$1,000,000 and not less than \$5,000,000; and

4.2.2 Renewals. In the case of the renewal of a Term Rate Loan Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day, or such other day as agreed to by the Administrative Agent and the Company.

4.2.3 No Conversion of Optional Currency Loans. No Optional Currency Loan may be converted into a Loan with a different Interest Rate Option, or a Loan denominated in a different Optional Currency."

(o)Section 4.4 of the Credit Agreement is hereby amended and restated as follows:

4.4 Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting.

4.4.1 Unascertainable, Increased Costs; Deposits Not Available. If at any time:

(i) on or prior to the first day of an Interest Period, the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that (x) the Term SOFR, Daily Simple SOFR,

Daily Simple RFR, Term RFR or Eurocurrency Rate applicable to a Loan (in each case whether in Dollars or an Optional Currency) cannot be determined pursuant to the definition thereof, including, without limitation, because such rate for the corresponding applicable Currency is not available or published on a current basis or (y) a fundamental change has occurred in the foreign exchange or interbank markets with respect to such Currency or with respect to such rate (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls), or

(ii) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Term SOFR Rate, Eurocurrency Rate, prior to the Term RFR Transition Date with respect to any Loans that bear interest based on Daily Simple RFR denominated in any Optional Currency, or Daily Simple RFR with respect to such Available Currency, cannot be determined pursuant to the definition thereof or, on and after the Term RFR Transition Date with respect to any Loans that bear interest based Term RFR denominated in any Available Currency, Term RFR for such Available Currency cannot be determined pursuant to the definition thereof on or prior to the first day of any Interest Period, or

(iii) on or prior to the first day of an Interest Period, any Lender determines that for any reason in connection with any request for a Term Rate Loan (in each case whether denominated in Dollars or an Optional Currency) or a conversion thereto or a continuation thereof that (A) deposits in the applicable Currency are not available to any Lender in connection with such Term Rate Loan, or are not being offered to banks in the market for the applicable Currency, amount, and Interest Period of such Term Rate Loan, or (B) the Term Rate Loan Option for any requested Currency or Interest Period with respect to a proposed Term Rate Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of funding, establishing or maintaining such Loan and, in each case, any Lender has provided notice of such determination to the Administrative Agent,

then the Administrative Agent shall have the rights specified in Section 4.4.4 [Administrative Agent's and Lender's Rights].

4.4.2 Illegality. If at any time any Lender shall have determined, or any Official Body shall have asserted, that the making, maintenance or funding of any Loan to which any Interest Rate Option applies, or the determination or charging of interest rates based upon any Interest Rate Option has been made impracticable or unlawful, by compliance by such Lender in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or any Official Body has imposed material restrictions on the authority of such Lender to purchase, sell, or take deposits of any Available Currency in the applicable interbank market for the applicable Available Currency,, then the

Administrative Agent shall have the rights specified in Section 4.4.4 [Administrative Agent's and Lender's Rights].

#### 4.4.3 Reserved.

4.4.4 Administrative Agent's and Lender's Rights. In the case of any event specified in Section 4.4.1 [Unascertainable; Increased Costs; Deposits Not Available] above, the Administrative Agent shall promptly so notify the Lenders and the Borrowers thereof, in the case of an event specified in Section 4.4.2 [Illegality] above, such Lender shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Lenders and the Borrowers.

(a) Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Lenders, in the case of such notice given by the Administrative Agent, or (B) such Lender, in the case of such notice given by such Lender, to allow the Borrowers to select, convert to or renew a Loan under the affected Interest Rate Option in each such Available Currency shall be suspended (to the extent of the affected Interest Rate Option, or the applicable Interest Periods) until the Administrative Agent shall have later notified the Borrowers, or such Lender shall have later notified the Administrative Agent, of the Administrative Agent's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

(b) If at any time the Administrative Agent makes a determination under Section 4.4.1 [Unascertainable; Increased Costs; Deposits Not Available] (i) if the Borrowers have previously notified the Administrative Agent of their selection of, conversion to or renewal an affected Interest Rate Option, and such Interest Rate Option has not yet gone into effect, such notification shall (A) with regard to any such pending request for Loans denominated in Dollars, be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans in the amount specified therein and (B) with regard to any such pending request for Loans denominated in an Optional Currency, be deemed ineffective (in each case to the extent of the affected Interest Rate Option, or the applicable Interest Periods), (ii) any outstanding affected Loans denominated in Dollars shall be deemed to have been converted into Base Rate Loans immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period, and (iii) any outstanding affected Loans denominated in an Optional Currency shall, at the Borrower's election, either be converted into Base Rate Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Optional Currency) immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period or prepaid in full immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period; provided, however that absent notice from the Borrowers of conversion or



prepayment, such Loans shall automatically be converted to Base Rate Loans (in an amount equal to the Dollar Equivalent of such Optional Currency).

(c) If any Lender notifies the Administrative Agent of a determination under Section 4.4.2 [Illegality], the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.10 [Indemnity], as to any Loan of the Lender to which an affected Interest Rate Option applies, on the date specified in such notice either (i) as applicable, convert such Loan to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Optional Currency, in an amount equal to the Dollar Equivalent of such Optional Currency) or select a different Optional Currency or Dollars, or (ii) prepay such Loan in accordance with Section 5.6 [Voluntary Prepayments]. Absent due notice from the Borrowers of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Optional Currency, in an amount equal to the Dollar Equivalent of such Optional Currency) upon such specified date.

#### 4.4.5 Benchmark Replacement Setting.

(a) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark for any Available Currency, then (A) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with clause (2), (3), or (4) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice from Lenders comprising the Required Lenders of objection to (i) with respect to a Benchmark Replacement determined in accordance with clause (2) or (3) of the definition of "Benchmark Replacement", the related Benchmark Replacement Adjustment and (ii) with respect to a Benchmark Replacement determined in accordance with clause (4) of the definition of "Benchmark Replacement", such Benchmark Replacement.

(ii) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term RFR Transition Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark consisting of a Daily Simple RFR for the applicable Currency, then the applicable Benchmark Replacement will replace such Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark for the applicable Currency setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrowers a Term RFR Notice with respect to the applicable Term RFR Transition Event. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term RFR Notice after a Term RFR Transition Event and may elect or not elect to do so in its sole discretion.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption, or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrowers of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (d) below and (y) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 4.4.5 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 4.4.5.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable



discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor; and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowers may revoke any pending request for a Loan bearing interest based on the Term SOFR Rate, Eurocurrency Rate or RFR, conversion to or continuation of Loans bearing interest based on such Interest Rate Option to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Loan of or conversion to Loans bearing interest under the Base Rate Option. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate."

(p)Section 4.5 of the Credit Agreement is hereby amended and restated as follows:

"4.5 Selection of Interest Rate Options. If the Borrowers fail to select a new Interest Period to apply to any Borrowing Tranche of Loans under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 4.2 [Interest Periods], the Borrowers shall be deemed to have converted such Borrowing Tranche to the Base Rate Option, commencing upon the last day of the existing Interest Period. If the Borrowers fail to select a new Interest Period to apply to any Borrowing Tranche of Loans in an Optional Currency under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 4.2 [Interest Periods], then, unless such Borrowing Tranche is repaid as provided herein, the Borrowers shall be deemed to have selected that such Borrowing Tranche shall automatically be continued under the applicable Term Rate Loan Option in its original Available Currency with an Interest Period of one (1) month at the end of such Interest Period. If the Borrowers provide any Loan Request related to a Loan at the Eurocurrency Rate Option, Term SOFR Rate Option, or on and after the Term RFR Transition Date with respect to any Optional Currency, the Term RFR Option for such Optional Currency, but fails to identify an Interest Period therefor, such Loan Request shall be deemed to request an Interest Period of one (1) month. Any Loan Request that

fails to select an Interest Rate Option shall be deemed to be a request for the Base Rate Option. If no election as to Available Currency is specified in the applicable Loan Request, then the requested Loans shall be made in Dollars."

(q)Section 4.9 of the Credit Agreement is hereby deleted in its entirety.

(r)Section 5.1 of the Credit Agreement is hereby amended to replace "Equivalent Amounts" with "Dollar Equivalent or Optional Currency Equivalent."

(s)Section 5.5 of the Credit Agreement is hereby amended and restated as follows:

"5.5 Interest Payment Dates. As to any Loans to which the Base Rate Option or, prior to the Term RFR Transition Date with respect to any Available Currency, the Daily Simple RFR Option for the applicable Available Currency applies, interest shall be due and payable in arrears on each Payment Date. As to any Loans to which a Term Rate Loan Option applies (including on and after the Term RFR Transition Date with respect to any Available Currency, as to any RFR Loan denominated in such Currency), interest shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on mandatory prepayments of principal under Section 5.7 [Mandatory Prepayments; Cash Collateralization] shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Expiration Date, upon acceleration or otherwise). Interest shall be computed to, but excluding, the date payment is due."

(t)Section 5.6.1 of the Credit Agreement is hereby amended and restated as follows:

"5.6.1 Right to Prepay. Each Borrower shall have the right at their option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in Section 5.6.2 [Replacement of a Lender] below, in Section 5.8 [Increased Costs] and Section 5.10 [Indemnity]). Whenever any Borrower desires to prepay any part of the Loans, such Borrower shall provide a prepayment notice to the Administrative Agent by 1:00 p.m. (a) at least one (1) Business Day prior to the date of prepayment of any Loans that bear interest at the Base Rate Option; (b) at least three (3) Business Days prior to the date of prepayment of the Loans denominated in Dollars that bear interest at the Term SOFR Rate Option; (c) at least four (4) Business Days prior to the date of prepayment of the Revolving Credit Loans denominated in Optional Currencies that bear interest at the Eurocurrency Rate Option and (d) at least four (4) Business Days prior to the date of prepayment of any Loans denominated in Optional Currencies that bear interest at the Daily Simple RFR Option or Term RFR Option (or, in any case of clauses (a) through (d) above, notice delivered upon such shorter period of time then agreed to by the Administrative Agent), or no later than 1:00 p.m. on the date of prepayment of Swing Loans, setting forth the following information:

(i) the date, which shall be a Business Day, on which the proposed prepayment is to be made;

(ii) a statement indicating the application of the prepayment between the Revolving Credit Loans and Swing Loans;

(iii) a statement indicating the application of the prepayment among Loans to which the Base Rate Option applies, the Term SOFR Rate Option applies, the Daily Simple RFR Option applies, the Term RFR Option applies and the Eurocurrency Rate Option applies; and

(iv) the total principal amount of such prepayment, which shall be equal to (i) in the case of any Base Rate Loan, \$1,000,000 (or Dollar Equivalent thereof), with minimum increments thereafter of \$500,000 (or Dollar Equivalent thereof), (ii) in the case of any Euro-Rate Loan, \$5,000,000 (or Dollar Equivalent thereof), with minimum increments thereafter of \$1,000,000 (or Dollar Equivalent thereof), and (iii) in the case of any Swing Loan, \$500,000, with minimum increments thereafter of \$250,000 (prepayments of Loans with different Interest Rate Options or Interest Periods shall be deemed separate prepayments for the purposes of the foregoing).

A notice of prepayment delivered by a Borrower may state that the prepayment contemplated thereby is subject to the effectiveness or funding of other credit facilities, the completion of any debt or equity offering or the completion of any other corporate transaction or event that will provide the proceeds for such repayment or otherwise result in such prepayment being required hereunder. The principal amount of the Loans prepaid, together with interest on such principal amount shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made. Except as provided in Section 4.4.4 [Administrative Agent's and Lender's Rights], if the Borrowers prepay a Loan but fails to specify the applicable Borrowing Tranche which the Borrowers are prepaying, the prepayment shall be applied (i) first to Revolving Credit Loans to which the Base Rate Option applies, (ii) then to other Revolving Credit Loans denominated in Dollars, (iii) then to Revolving Credit Loans to which the Term RFR Loans denominated in an Optional Currency, (iv) then to Eurocurrency Rate Loans (v) then to Swing Loans to which the Base Rate Option Applies, and (vi) then to Swing Loans to which the Term SOFR Rate Option applies. Any prepayment hereunder shall be subject to the Borrowers' Obligation to indemnify the Lenders under Section 5.10 [Indemnity]. Prepayments shall be made in the currency in which such Loan was made, unless otherwise directed by the Administrative Agent. Any amount of Loans paid or prepaid before the Expiration Date may, subject to the terms and conditions of this Agreement, be borrowed, repaid and borrowed again."

(u) Section 5.7.2 of the Credit Agreement is hereby amended and restated as follows:

"5.7.2 Application Among Interest Rate Options. All prepayments required pursuant to this Section 5.7 shall first be applied among the Interest Rate Options to the principal amount of the Loans subject to the Base Rate Option, then to Loans

denominated in Dollars, then to Loans subject to the Term RFR Option denominated in an Optional Currency, then to Loans subject to a Eurocurrency Rate Option, then to Loans subject to Daily Simple RFR denominated in an Optional Currency and the Borrowers will be subject to the indemnity obligations set forth in Section 5.8 [Increased Costs] and Section 5.9 [Taxes]. In accordance with Section 5.10 [Indemnity], the Borrowers shall indemnify the Lenders for any loss or expense, including loss of margin, incurred with respect to any such prepayments applied against Loans subject to a Term Rate Loan Option on any day other than the last day of the applicable Interest Period."

(v) Section 5.8.1 of the Credit Agreement is hereby amended and restated as follows:

"5.8.1 Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurocurrency Rate or reserve requirement which is addressed separately in this Section 5.8) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender, the Issuing Lender or the relevant market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, the Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, the Issuing Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Lender or other Recipient, the Borrowers will pay to such Lender, the Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered."

(w)Section 5.8.5 of the Credit Agreement is hereby deleted in its entirety

(x)Section 5.10 of the Credit Agreement is hereby amended and restated as follows:

"5.10 Indemnity. In addition to the compensation or payments required by Section 5.8 [Increased Costs] or Section 5.9 [Taxes], the Borrowers shall indemnify each Lender against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Lender sustains or incurs as a consequence of any:

(i) payment, prepayment, conversion or renewal of any Loan to which a (a) Term Rate Loan Option applies on a day other than the last day of the corresponding Interest Period or (ii) the Daily Simple RFR Option applies on a day other than the Payment Date therefor, in each case whether or not any such payment or prepayment is mandatory, voluntary or automatic and whether or not any such payment or prepayment is then due, or

(ii) attempt by any Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.4 [Revolving Credit Loan Requests; Swing Loan Requests] or Section 4.2 [Interest Periods] or notice relating to prepayments under Section 5.6 [Voluntary Prepayments] or failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Loan under the Base Rate Option on the date or in the amount notified by the Borrower, or

(iii) any assignment of a Loan under (i) a Term Rate Loan Option on a day other than the last day of the Interest Period therefor or (ii) the Daily Simple RFR Option on a day other than the Payment Date therefore, as a result of a request by the Borrowers pursuant to Section 5.6.2 [Replacement of a Lender]; or

(iv) the failure by the Borrowers to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Optional Currency on its scheduled due date or any payment thereof in a different currency.

If any Lender sustains or incurs any such loss or expense, it shall from time to time notify the Borrowers of the amount determined in good faith by such Lender (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Lender shall deem reasonable) to be necessary to indemnify such Lender for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Lender ten (10) Business Days after such notice is given."

(y)Section 8.2.8 of the Credit Agreement is hereby amended and restated as follows:

"8.2.8 Maximum Leverage Ratio. The Company will not permit the Net Leverage Ratio, as calculated at the end of each fiscal quarter ending after the Closing Date, to be greater than 3.75 to 1.00; provided, however, that (1) if the Company has delivered the Maximum Leverage Increase Notice, so long as no Event of Default or Potential Default exists at such time the maximum permitted Net Leverage Ratio shall increase to 4.25 to 1.00 as calculated at the end of the four fiscal quarters following delivery of the Maximum Leverage Increase Notice (such period of time being the "Increased Net Leverage Ratio Period") and (2) with respect to any acquisition for which the aggregate consideration is \$100,000,000 or greater (a "Material Acquisition"), and upon written request by the Company delivered to the Administrative Agent no later than 30 days following the consummation of such Material Acquisition, the maximum permitted Net Leverage Ratio shall increase to 4.25 to 1.00 as calculated at the end of the four fiscal quarters following such Material Acquisition (each such period of time being an "Increased Net Leverage Ratio Period Due to Material Acquisition"); provided, further, that (i) there shall be no more than one Increased Net Leverage Ratio Period, and (ii) there shall be at least four fiscal quarters in which the Net Leverage Ratio does not exceed 3.75 to 1.00 between any two Increased Net Leverage Ratio Periods Due to Material Acquisition; provided, however that the requirements of this clause (ii) shall not be applicable in connection with the first Increased Net Leverage Ratio Period Due to Material Acquisition (if any) elected by the Company after December 16, 2021 but such requirements of this clause (ii) shall be applicable for each Net Leverage Ratio Period Due to Material Acquisition (if any) elected by the Company thereafter."

(z)The following new Section 10.13 is hereby inserted into the Credit Agreement immediately following Section 10.12 of the Credit Agreement:

"10.13 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender such Lender or Issuing Lender (any such Lender, Issuing Lender or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any



such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender such Lender or Issuing Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Issuing Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Issuing Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.13(b).

(c) Each Lender or Issuing Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Issuing Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender or Issuing Lender that has received such Erroneous Payment (or portion thereof) (and/or from any

Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender or Issuing Lender at any time, (i) such Lender or Issuing Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption Agreement with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Lender shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Lender shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Lender and (iv) the Administrative Agent may reflect in the register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Issuing Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers for the purpose of making such Erroneous Payment.



(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document."

(aa)The first paragraph of Section 12.8.4 of the Credit Agreement is hereby amended and restated as follows:

"12.8.4 Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person) or the Borrowers or any of the Borrowers' Affiliates or Consolidated Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders, and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement."

(bb)Schedule 1.1(A) of the Credit Agreement. Schedule 1.1(A) [Pricing] of the Credit Agreement is hereby amended and restated in full as attached hereto as Exhibit A.

(cc)Schedule 1.1(B) of the Credit Agreement. Schedule 1.1(B) [Commitments] of the Credit Agreement is hereby amended and restated in full as attached hereto as Exhibit B.

8. Conditions Precedent. The Borrowers, the Administrative Agent and the Lenders acknowledge and agree that the amendments set forth herein shall only be effective upon the occurrence of all the following conditions precedent:

(a)Amendment. The Borrowers, the Administrative Agent and the Lenders shall have executed and delivered to the Administrative Agent this Amendment and the Borrowers shall have delivered to the Lenders duly executed Notes or amended and restated Notes, as the case may be.

(b)Officer's Certificate. A certificate of the Company signed by an Authorized Officer of the Company, dated the date hereof stating that (A) all representations and warranties of the Borrowers set forth in the Credit Agreement are true and correct in all material respects (unless any such representation or warranty is qualified to materiality, in which case such representation or warranty is true and correct in all respects), except for representations and

warranties made as of a specified date (which were true and correct in all material respects, as applicable, as of such date), (B) the Borrowers are in compliance with each of the covenants and conditions hereunder, and (C) no Event of Default or Potential Default exists.

(c) Secretary Certificates. A certificate dated the Fourth Amendment Effective Date and signed by the Secretary or an Assistant Secretary or Director of each of the Borrowers, certifying as appropriate as to: (a) all action taken by each Borrower in connection with this Agreement and the other Loan Documents; (b) the names of the Authorized Officers authorized to sign the Loan Documents and their true signatures; and (c) copies of its organizational documents as in effect on the Fourth Amendment Effective Date certified by the appropriate state official where such documents are filed in a state office together with certificates from the appropriate state officials as to the continued existence and good standing (or foreign jurisdictional equivalent in each jurisdiction where such certification is required) of each Borrower in each state where organized or qualified to do business.

(d) Legal Opinion. Opinions of counsel for each of the Borrowers, dated the Fourth Amendment Effective Date, each in form and substance acceptable to the Administrative Agent and the Lenders.

(e) Lien Searches. The Administrative Agent shall have received lien searches with scope and results satisfactory in its reasonable discretion.

(f) Fees. The Borrowers shall have paid to the Administrative Agent all fees due and owing the Administrative Agent and all reasonable, documented costs and expenses of the Administrative Agent, including without limitation, reasonable, documented fees of the Administrative Agent's counsel in connection with this Amendment.

(g) Miscellaneous. Such other documents, agreements, instruments, deliverables and items deemed reasonably necessary by the Administrative Agent.

9. Representations and Warranties. Each Borrower covenants and agrees with and represents and warrants to the Administrative Agent and the Lenders as follows:

(a) Each Borrower possesses all of the powers requisite for it to enter into and carry out the transactions referred to herein and to execute, enter into and perform the terms and conditions of this Amendment, the Credit Agreement and the other Loan Documents and any other documents contemplated herein that are to be performed by such Borrower; and that any and all actions required or necessary pursuant to such Borrower's organizational documents or otherwise have been taken to authorize the due execution, delivery and performance by such Borrower of the terms and conditions of this Amendment; the officer of such Borrower executing this Amendment are the duly elected, qualified, acting and incumbent officers of such Borrower and hold the title set forth below his/her name on the signature lines of this Amendment; and such execution, delivery and performance will not conflict with, constitute a default under or result in a breach of any applicable law or any material agreement or instrument, order, writ, judgment, injunction or decree to which such Borrower is a party or by which such Borrower or any of its properties are bound, and that all consents, authorizations and/or approvals required or necessary from any third parties in connection with the entry into, delivery and performance by such Borrower of the terms

and conditions of this Amendment, the Credit Agreement, the other Loan Documents and the transactions contemplated hereby have been obtained by such Borrower and are full force and effect;

(b) this Amendment, the Credit Agreement and the other Loan Documents constitute the valid and legally binding obligations of each Borrower, enforceable against such Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and by general equitable principles, whether enforcement is sought by proceedings at law or in equity;

(c) all representations and warranties made by each Borrower in the Credit Agreement and the other Loan Documents are true and correct in all respects (in the case of any representation or warranty containing a materiality modification) or in all material respects (in the case of any representation or warranty not containing a materiality modification) (except representations and warranties which expressly relate to an earlier date or time, which representations or warranties are true and correct on and as of the specific dates or times referred to therein);

(d) this Amendment is not a substitution, novation, discharge or release of any Borrower's obligations under the Credit Agreement or any of the other Loan Documents, all of which shall and are intended to remain in full force and effect; and

(e) no Event of Default or Potential Default has occurred and is continuing under the Credit Agreement or the other Loan Documents.

10. Ratification. Except as expressly modified herein and hereby, the Credit Agreement and the other Loan Documents are hereby ratified and confirmed and shall be and remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to waive or impair any rights, powers or remedies of Administrative Agent or any Lender under the Credit Agreement or the other Loan Documents. In the event of any inconsistency between the terms of this Amendment and the Credit Agreement or the other Loan Documents, this Amendment shall govern. This Amendment shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Amendment or any part hereof to be drafted.

11. Governing Law, etc. This Amendment shall be deemed to be a contract under the Laws of the State of Ohio without regard to its conflict of laws principles. The terms of the Credit Agreement relating to submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

12. Counterparts; Effective Date; Electronic Signatures. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment shall be effective as of the date first set forth above. The Borrowers, the Administrative Agent and Lenders hereby (i) agree that, for all purposes of this Amendment, electronic images of this Amendment or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability

as any paper original, and (ii) waive any argument, defense or right to contest the validity or enforceability of the Amendment or any other Loan Documents based solely on the lack of paper original copies of such Amendment and Loan Documents, including with respect to any signature pages thereto.

13. Severability. The provisions of this Amendment are intended to be severable. If any provision of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Amendment in any jurisdiction.

14. Notices. Any notices with respect to this Amendment shall be given in the manner provided for in Section 12.5 [Notices; Effectiveness; Electronic Communication] of the Credit Agreement.

15. Survival. All representations and warranties contained herein shall survive Payment In Full. All covenants, agreements, undertakings, waivers and releases of the Borrowers contained herein shall continue in full force and effect from and after the date hereof and until Payment In Full.

16. Amendment. No amendment, modification, rescission, waiver or release of any provision of this Amendment shall be effective unless the same shall be in writing and signed by the parties hereto.

17. Entire Agreement. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

18. Amendment as Loan Document; Incorporation into Loan Documents. The parties hereto acknowledge and agree that this Amendment constitutes a Loan Document. This Amendment shall be incorporated into the Credit Agreement by this reference and each reference to the Credit Agreement that is made in the Credit Agreement or any other document executed or to be executed in connection therewith shall hereafter be construed as a reference to the Credit Agreement as amended hereby.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGES FOLLOW]**

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

**BORROWERS:**

**RPM INTERNATIONAL INC.**

By: /s/ Edward W. Moore

Name: Edward W. Moore

Title: Senior Vice President, General Counsel, Chief  
Compliance Officer and Secretary

**RPM ENTERPRISES, INC.**

By: /s/ Edward W. Moore

Name: Edward W. Moore

Title: President and Secretary

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**RPOW UK LIMITED**

By: /s/ Edward W. Moore  
Name: Edward W. Moore  
Title: Director

**RPM EUROPE HOLDCO B.V.**

By: /s/ Hilde De Backer  
Name: Hilde De Backer  
Title: Director

**RPM CANADA**

By: /s/ Edward W. Moore  
Name: Edward W. Moore  
Title: Manager, President and Secretary

**RPM CANADA COMPANY FINANCE ULC**

By: /s/ Edward W. Moore  
Name: Edward W. Moore  
Title: Director, President and Secretary

**TREMCO ASIA PACIFIC PTY. LIMITED**

By: /s/ Paul G.P. Hoogenboom  
Name: Paul G.P. Hoogenboom  
Title: Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**RPM EUROPE FINANCE DESIGNATED ACTIVITY  
COMPANY**

By: /s/ Matthew T. Ratajczak  
Name: Matthew T. Ratajczak  
Title: Director

Acknowledged and Accepted as set forth in Section 3:

**TREMCO CPG UK LIMITED**

By: /s/ Daniel Johnson  
Name: Daniel Johnson  
Title: Director

**NEW VENTURES (UK) LIMITED**

By: /s/ Hilde De Backer  
Name: Hilde De Backer  
Title: Director

**RPM CH, G.P.**

By: /s/ Edward W. Moore  
Name: Edward W. Moore  
Title: President and Secretary

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**PNC BANK, NATIONAL ASSOCIATION**, individually and as  
Administrative Agent

By: /s/ Scott A. Nolan

Name: Scott A. Nolan

Title: Senior Vice President

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**KEYBANK NATIONAL ASSOCIATION**

By: /s/ John R. Macks

Name: John R. Macks

Title: Vice President

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
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**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Nathan R. Rantala

Name: Nathan R. Rantala

Title: Managing Director

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**CITIZENS BANK, N.A.**

By: /s/ Arianna DeMarco

Name: Arianna DeMarco

Title: Vice President

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**BANK OF AMERICA, N.A.**

By: /s/ Pace Doherty

Name: Pace Doherty

Title: Director

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
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**MUFG BANK, LTD.**

By: /s/ Jorge Georgalos

Name: Jorge Georgalos

Title: Director

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**BMO HARRIS BANK N.A.**

By: /s/ Jennifer Wolter

Name: Jennifer Wolter

Title: Director

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
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**KBC BANK, NV**

By: /s/ Nicholas Fiore

Name: Nicholas Fiore

Title: Managing Director

By: /s/ Susan Silver

Name: Susan Silver

Title: Managing Director

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
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**GOLDMAN SACHS LENDING PARTNERS LLC**

By: /s/ Andrew B. Vernon

Name: Andrew B. Vernon

Title: Authorized Signatory

**GOLDMAN SACHS BANK USA**

By: /s/ Andrew B. Vernon

Name: Andrew B. Vernon

Title: Authorized Signatory

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**U.S. BANK NATIONAL ASSOCIATION**

By: /s/ Kenneth R. Fieler

Name: Kenneth R. Fieler

Title: Vice President

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**FIRST NATIONAL BANK OF PENNSYLVANIA**

By: /s/ John F. Neumann

Name: John F. Neumann

Title: Senior Vice President

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**EXHIBIT A**

**SCHEDULE 1.1(A)**

**PRICING GRID**

	<b>Debt Rating</b>	<b>Term Rate Loan Spread</b>	<b>Daily Rate Loan Spread</b>	<b>Facility Fee</b>	<b>Standby Letter of Credit Fee</b>	<b>Commercial Letter of Credit Fee</b>
Tier I	A-/ A3 or higher	90.0 bps	0.0 bps	10.0 bps	90.0 bps	50.00 bps
Tier II	BBB+/ Baa1	100.0 bps	0.0 bps	12.5 bps	100.0 bps	56.25 bps
Tier III	BBB/ Baa2	110.0 bps	10.0 bps	15.0 bps	110.0 bps	62.50 bps
Tier IV	BBB-/ Baa3	117.5 bps	17.5 bps	20.0 bps	117.5 bps	68.75 bps
Tier V	BB+/ Ba1	125.0 bps	25.0 bps	25.0 bps	125.0 bps	75.00 bps
Tier VI	<BB+/ Ba1	145.0 bps	45.0 bps	30.0 bps	145.0 bps	87.50 bps

The Applicable Margin, the Facility Fee and the Applicable Letter of Credit Fee Rate shall be determined on the Closing Date based on Tier III.

Any changes to Tiers relating to Optional Currency Loans shall not be effective until the expiration of the then current Interest Period.

Notwithstanding anything to the contrary contained herein (including, but not limited to, in the definition of Applicable Margin), in the event that the Company has delivered the Maximum Leverage Increase Notice during the Increased Net Leverage Ratio Period and until the first day of the month following the end of the Increased Net Leverage Ratio Period, the Applicable Margin and the Applicable Letter of Credit Fee Rate (but not the Facility Fee) shall be determined based on Tier VI; provided however, that in the event that the debt ratings accorded to the Company's senior unsecured long-term debt by Standard & Poor's, Moody's and Fitch are all rated as non-investment grade during the Increased Net Leverage Ratio Period, as of such date and until the earlier of (a) a change in any of such debt ratings such that not all three are rated as non-investment grade and (b) the end of such Increased Net Leverage Ratio Period, the Applicable Margin and the Applicable Letter of Credit Fees for Standby Letters of Credit shall be determined based on Tier VI pricing plus 25.0 bps, and the Applicable Letter of Credit

Fees for Commercial Letters of the Credit shall be determined based on Tier VI pricing plus 12.5 bps.

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4860-7040-4657, v.1

## FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "**Amendment**"), dated as of August 1, 2022, is made by and among RPM INTERNATIONAL INC., a Delaware corporation (the "**Company**") and RPM EUROPE HOLDCO B.V., a corporation incorporated under the laws of the Netherlands ("**RPM Europe**") (each of the foregoing referred to herein as a "**Borrower**" and collectively referred to as the "**Borrowers**"), the other LENDERS party hereto (the "**Continuing Lenders**"), FIRST NATIONAL BANK OF PENNSYLVANIA (the "**New Lender**", and together with the Continuing Lenders, collectively, the "**Lenders**") and PNC BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders (hereinafter referred to in such capacity as the "**Administrative Agent**").

### WITNESSETH:

WHEREAS, the Borrowers, the Continuing Lenders and the Exiting Lender (as hereinafter defined) and the Administrative Agent are parties to that certain Credit Agreement, dated as of February 21, 2020, as amended by that certain First Amendment to Credit Agreement, dated as of April 30, 2020, as further amended by that certain Second Amendment to Credit Agreement, dated as of April 15, 2021 and further amended by that certain Third Amendment to Credit Agreement, dated as of December 16, 2021 (as amended, the "**Credit Agreement**");

WHEREAS, as of the date hereof, the Foreign Term Loan has been paid in full;

WHEREAS, on the date hereof, the Borrower shall may a payment of \$50,000,000 in principal on the Domestic Term Loans, together with interest on such principal amount and the Lenders shall reduce the Domestic Term Loan Commitment Amount to \$250,000,000;

WHEREAS, Fifth Third Bank, National Association (the "**Exiting Lender**") has requested to, as of the Fourth Amendment Effective Date (i) no longer be a party to the Credit Agreement, (ii) have its commitments assumed by the other Lenders in accordance with Schedule 1.1(B)-Part 1 attached hereto and (iii) have any existing Loans owed to it to be repaid; and

WHEREAS, the Borrowers have requested that (i) the Administrative Agent and the Lenders extend the Maturity Date, (ii) the Lenders reduce the Domestic Term Loan Commitment to \$250,000,000, (iii) the New Lender join the Credit Agreement pursuant to the terms of this Amendment, (iv) the parties hereto make certain amendments and grant certain other accommodations all as hereinafter provided, and, subject to the terms and conditions hereof, the Administrative Agent and Lenders are willing to do so.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

1. Definitions. Except as set forth in this Amendment, defined terms used herein shall have the meanings given to them in the Credit Agreement and the rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Amendment.



2. Foreign Term Loan. The Administrative Agent and Lenders hereby confirm that as of the date hereof, the principal and interest on the Foreign Term Loan have been paid in full and the obligations of the Foreign Borrower relating thereto have been satisfied. Foreign Borrower shall remain liable for other payment or performance obligations as set forth in Section 12.14.2.

3. Existing Euro-Rate Loans. Notwithstanding anything contained in this Amendment, the terms of the Credit Agreement applicable to Loans denominated in Dollars under the Euro-Rate Option (as defined in the Credit Agreement immediately prior to the date hereof) shall continue in full force and effect and shall continue to apply to each Loan denominated in Dollars under the Euro-Rate Option with an Interest Period that commenced prior to the Fourth Amendment Effective Date until the expiration of the then current Interest Period for such Loan denominated in Dollars under the Euro-Rate Option.

4. Lender Joinder. In consideration of the Lenders permitting New Lender to become a Lender under the Credit Agreement, New Lender agrees that effective as of the Fourth Amendment Effective Date it shall become, and shall be deemed to be, a Lender under the Credit Agreement and each of the other Loan Documents and agrees that from the Fourth Amendment Effective Date and so long as New Lender remains a party to the Credit Agreement, New Lender shall assume the obligations of a Lender under and perform, comply with and be bound by each of the provisions of the Credit Agreement which are stated to apply to a Lender and shall be entitled (in accordance with its Ratable Share) to the benefits, rights and remedies set forth therein and in each of the other Loan Documents. New Lender hereby acknowledges that it has heretofore received (i) a true and correct copy of the Credit Agreement (including any modifications thereof or supplements or waivers thereto) as in effect on the Fourth Amendment Effective Date, and (ii) the executed original of its Domestic Term Loan Note dated the Fourth Amendment Effective Date issued by the Domestic Borrower under the Credit Agreement in the face amount as set forth on Schedule 1.1(B) attached hereto in Exhibit B.

The Commitments and Ratable Shares of the New Lender and each of the other Lenders are as set forth on Schedule 1.1(B) to the Credit Agreement. Schedule 1.1(B) to the Credit Agreement is being amended and restated effective as of the Fourth Amendment Effective Date hereof to read as set forth on Exhibit B hereto. Schedule 1 hereto lists as of the date hereof the amount of Domestic Term Loans under each outstanding Borrowing Tranche. Notwithstanding the foregoing on the date hereof, the Borrowers shall repay all outstanding Domestic Term Loans to which either the Base Rate Option or the Euro Rate Option applies and simultaneously reborrow a like amount of Loans (less the principal repayment of \$50,000,000 made on the date hereof) under each such Interest Rate Option (provided that the Euro Rate Option shall be the SOFR Option effective as of the Fourth Amendment Effective Date) from the Lenders (including the New Lender) according to the Ratable Shares set forth on attached Schedule 1.1(B) and shall be subject to breakage fees and other indemnities provided in Section 5.10 [Indemnity]; provided, however, outstanding Loans under Euro-Rate Option shall continue until expiration of the then current Interest Period as set forth in Section 2 hereof and be re-allocated to the Lenders accordingly.

New Lender is executing and delivering this Joinder as of the Fourth Amendment Effective Date and acknowledges that it shall fund the Domestic Term Loan on the Fourth Amendment Effective Date according to its Ratable Share.

5. Assignment of Interests of Exiting Lender; Reallocation of Commitment. Effective as of the Fourth Amendment Effective Date, the Exiting Lender shall sell and assign its Domestic Term Loans and Commitments under the Credit Agreement to the Lenders party to this Amendment (which Commitments shall be reallocated among such Lenders pursuant to Section 6(t) of this Amendment) and, upon the Fourth Amendment Effective Date, Exiting Lenders shall cease to be a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto.

6. Amendments to the Credit Agreement.

(a) The last paragraph of the preamble of the Credit Agreement is hereby amended and restated as follows"

"The Borrowers have requested the Lenders to provide a domestic term loan facility to the Domestic Borrower in an aggregate principal amount not to exceed \$300,000,000, as reduced to an aggregate principal amount not to exceed \$250,000,000 pursuant to the Fourth Amendment and a foreign term loan facility to the Foreign Borrower in an aggregate principal amount not to exceed \$100,000,000, which as of the Fourth Amendment Effective Date has been paid in full. In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree as follows:"

(b) References to "Section 4.4 [Euro-Rate Unascertainable; Etc.]" or "Section 4.4 [Euro-Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available]" throughout the Credit Agreement shall be replaced with "4.4 [Term SOFR Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting]".

(c) The following defined terms shall be deleted from Section 1.1 of the Credit Agreement:

"Daily LIBOR Rate"

"Euro-Rate"

"Euro-Rate Option"

(d) The following new defined terms (some of which are referenced in Appendix A to the Third Amendment but nonetheless are being definitively added to Section 1.1 of the Credit Agreement as set forth below) shall be added to Section 1.1 of the Credit Agreement in the correct alphabetical order as follows:

"Available Tenor shall mean, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate or is based on a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this

Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor of such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (iv) of 4.4.5 [Benchmark Replacement Setting]."

"Benchmark shall mean, initially, the Term SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Rate or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to 4.4.5 [Benchmark Replacement Setting]."

"Benchmark Replacement shall mean, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (A) Daily Simple SOFR and (B) the SOFR Adjustment for a 1-month Interest Period;

(2) the sum of (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

provided that if the Benchmark Replacement as determined pursuant to clause (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; and provided further, that any Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion."

"Benchmark Replacement Adjustment shall mean, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower, giving due consideration to (A) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time."

"Benchmark Replacement Date shall mean a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof)."

"Benchmark Transition Event shall mean, the occurrence of one or more of the following events, with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by an Official Body having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or an Official Body having jurisdiction over the Administrative Agent announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof)."

"Benchmark Unavailability Period shall mean the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.4.5 [Benchmark Replacement Setting] and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.4.5 [Benchmark Replacement Setting]."

"Conforming Changes shall mean, with respect to the Term SOFR Rate or any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," the definition of "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of the Term SOFR Rate or such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Term SOFR Rate or the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents)."

"Daily Simple SOFR shall mean, for any day (a "SOFR Rate Day"), the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the "SOFR Determination Date") that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately

following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrower, effective on the date of any such change."

"Erroneous Payment has the meaning assigned to it in Section 10.13(a)."

"Erroneous Payment Deficiency Assignment has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Impacted Class has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Return Deficiency has the meaning assigned to it in Section 10.13(d)."

"Erroneous Payment Subrogation Rights has the meaning assigned to it in Section 10.13(d)."

"Floor" shall mean the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Term SOFR Rate or, if no floor is specified, zero.

"Fourth Amendment Effective Date" shall mean August 1, 2022. "

"Relevant Governmental Body shall mean the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or any successor thereto."

"SOFR shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate)."

"SOFR Adjustment shall mean, the following:

SOFR Adjustment	Interest Period
10 basis points (0.10%)	Daily Simple SOFR
10 basis points (0.10%)	For a 1-month Interest Period
15 basis points (0.15%)	For a 3-month Interest Period
25 basis points (0.25%)	For a 6-month Interest Period

"

"SOFR Floor shall mean a rate of interest per annum equal to 0 basis points (0%)."

"SOFR Reserve Percentage shall mean, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding."

"Term SOFR Administrator shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion)."

"Term SOFR Rate shall mean, with respect to any amount to which the Term SOFR Rate Option applies, for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Interest Period, as such rate is published by the Term SOFR Administrator on the day (the "Term SOFR Determination Date") that is two (2) Business Days prior to the first day of such Interest Period, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above,



would be less than the SOFR Floor, then the Term SOFR Rate shall be deemed to be the SOFR Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrowers on and as of (i) the first day of each Interest Period, and (ii) the effective date of any change in the SOFR Reserve Percentage."

"Term SOFR Rate Loan shall mean a Loan that bears interest based on the Term SOFR Rate."

"Term SOFR Rate Option shall mean the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1.1(ii) [Term Loan Euro-Term SOFR Rate Option]."

"Term SOFR Reference Rate shall mean the forward-looking term rate based on SOFR."

"Unadjusted Benchmark Replacement shall mean the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment."

"U.S. Government Securities Business Day shall mean any day except for (a) a Saturday or Sunday or (b) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities."

(e)The following defined terms in Section 1.1 of the Credit Agreement are hereby amended and restated as follows:

"Applicable Margin shall mean, as applicable:

(A) the percentage spread to be added to the Base Rate applicable to Term Loans under the Base Rate Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Base Rate Spread", or

(B) the percentage spread to be added to the Term SOFR Rate applicable to Term Loans under the Term SOFR Rate Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Term SOFR Rate Spread".

Any change to the Debt Rating of the Company will immediately change the Applicable Margin as set forth above, effective on the date of such change in the Debt Rating."

"Base Rate shall mean, for any day, a fluctuating per annum rate of interest equal to the highest of (a) the Overnight Bank Funding Rate, plus fifty basis points (0.5%), and (b) the Prime Rate, and (c) the Daily Simple SOFR, plus one hundred basis points (1.0%) so long as Daily Simple SOFR is offered, ascertainable and not unlawful; provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs.



Notwithstanding anything to the contrary contained herein, in the case of any event specified in Section 4.4.1 [Unascertainable; Increased Costs] or Section 4.4.2 [Illegality], to the extent any such determination affects the calculation of Base Rate, the definition hereof shall be calculated without reference to clause (c) until the circumstances giving rise to such event no longer exist."

"Borrowing Date shall mean, with respect to any Loan, the date of the making, renewal or conversion thereof, which shall be a Business Day."

"Borrowing Tranche shall mean specified portions of Loans outstanding as follows: (i) any Loans to which a Term SOFR Rate Option applies by the Borrower and which have the same Interest Period shall constitute one Borrowing Tranche, and (ii) all Loans to which a Base Rate Option applies shall constitute one Borrowing Tranche."

"Business Day shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed, or are in fact closed, for business in Pittsburgh, Pennsylvania (or, if otherwise, the lending office of the Administrative Agent); provided that, when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination of SOFR, the term "Business Day" shall mean any such day that is also a U.S. Government Securities Business Day."

"EBITDA shall mean for any period of four consecutive fiscal quarters, determined on a consolidated basis for the Company and its Consolidated Subsidiaries, (i) the sum of: (A) net income of the Company and its Consolidated Subsidiaries (calculated before provision for income taxes, Interest Expense, extraordinary items, non-recurring gains or losses in connection with asset dispositions, income (loss) attributable to equity in affiliates, all amounts attributable to depreciation and amortization) for such period, (B) non-recurring fees and expenses related to the acquisition of all or substantially all of the assets or capital stock (including by merger or amalgamation) of another Person (or, in the case of assets, of a business unit of a Person) or to any dispositions, investments and debt or equity issuances (whether or not successful) during such period, not to exceed \$25,000,000 in the aggregate for such period of four consecutive fiscal quarters, (C) costs, charges, expenses attributable to the undertaking and/or implementation of cost savings initiatives, operating expense reductions and other restructuring or integration costs, not to exceed in the aggregate 12.5% of EBITDA for such period, (D) non-cash charges incurred in such period, (E) professional service expenses related to the Map 2020 and/or Map 2025 Program in an amount not in excess of the amount of such expenses paid or accrued prior to the Fourth Amendment Effective Date plus up to \$50,000,000 of additional expenses incurred after the Fourth Amendment Effective Date, and (F) expenses related to the refinancing of the credit facilities of the Borrowers pursuant to this Agreement and the Revolving Credit Agreement and future amendments of this Agreement and the Revolving Credit Agreement, minus (ii) non-cash gains for such period. For the purpose of calculating EBITDA for any period, if during such period the Company or any Subsidiary shall have made an acquisition or a disposition on or after the Revolving Credit Agreement Closing Date, EBITDA for such period shall be calculated after giving pro forma effect to such acquisition or disposition,

as if such acquisition or disposition, as the case may be, occurred on the first day of such period. Notwithstanding any other provision hereof, the definition of "EBITDA" and all related adjustments and addbacks under this Agreement shall align fully and completely to the definition of "EBITDA" under the Revolving Credit Agreement, as in effect as of the Fourth Amendment Effective Date."

"Interest Period shall mean the period of time selected by the Borrowers in connection with (and to apply to) any election permitted hereunder by the Borrowers to have Term Loans bear interest under the Term SOFR Rate Option. Subject to the last sentence of this definition, such period shall be, in each case, subject to the availability thereof, one (1), three (3), or six (6) months. Such Interest Period shall commence on the effective date of such Term SOFR Rate Option, which shall be (i) the Borrowing Date if the Borrowers are requesting new Loans, or (ii) the date of renewal of or conversion to the Term SOFR Rate Option if the Borrowers are renewing or converting to the Term SOFR Rate Option applicable to outstanding Loans. Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (B) the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Loans that would end after the Maturity Date and (C) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period."

"Interest Rate Option shall mean any Term SOFR Rate Option or Base Rate Option."

"Maturity Date shall mean August 1, 2025."

"Maximum Leverage Increase Notice shall mean a written notice from the Company to the Administrative Agent that the Company is electing the Increased Net Leverage Ratio Period; provided, however that within three (3) Business Days of delivering such Maximum Leverage Increase Notice, the Company will pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable fee equal to ten (10) basis points multiplied by the outstanding principal amount of the Term Loans."

"Net Leverage Ratio shall mean ratio of (i) consolidated total Indebtedness of the Company and its Consolidated Subsidiaries minus all Unencumbered Cash, to (ii) EBITDA, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended."

"Permitted Liens shall mean:

(i) Liens existing on the Closing Date and securing Indebtedness in an aggregate principal amount not exceeding \$35,000,000;

(ii) Liens existing on other assets at the date of acquisition thereof or which attach to such assets concurrently with or within 90 days after the acquisition thereof, securing Indebtedness incurred to finance the acquisition thereof in an aggregate principal amount at any time outstanding not exceeding \$150,000,000;

(iii) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary of the Company or is merged or consolidated with or into the Company or one of its Consolidated Subsidiaries and not created in contemplation of such event;

(iv) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this definition, provided that such Indebtedness is not increased and is not secured by any additional assets;

(v) other Liens arising in the ordinary course of the business of the Company or such Consolidated Subsidiary which are not incurred in connection with the borrowing of money or the obtaining of advances or credit, do not secure any obligation in an amount exceeding, individually or in the aggregate, the greater of (a) \$100,000,000 or (b) 10% of the Net Worth of the Company and do not materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business, including in relation to the Foreign Borrower, any Lien which arises under the general banking conditions of a bank in the Netherlands with which the Foreign Borrower holds an account;

(vi) Liens not otherwise permitted by the foregoing clauses of this definition securing Indebtedness in an aggregate principal or face amount, together with Liens securing obligations made under item (v) above, at any date not to exceed the greater of (a) \$175,000,000 or (b) 10% of the Net Worth of the Company;

(vii) Liens incurred pursuant to receivables securitizations and related assignments and sales of any income or revenues (including Receivables), including Liens on the assets of any Receivables Subsidiary created pursuant to any receivables securitization and Liens granted by the Company and its other Consolidated Subsidiaries on Receivables in connection with the transfer thereof, or to secure obligations owing by them, in respect of any such receivables securitization; provided that the aggregate principal amount of the investments and claims held at any time by all purchasers, assignees or other transferees of (or of interests in) Receivables from any Receivables Subsidiary, and other rights to payment held by such Persons, in all receivables securitizations shall not exceed \$600,000,000;

(viii) Liens imposed by any Official Body for Taxes (a) not yet due and delinquent or (b) which are being contested in good faith and by appropriate proceedings and, during such period during which amounts are being so contested, such Liens shall not be executed on or enforced against any of the assets of any Borrower, provided that such Borrower shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(ix) carrier's, warehousemen's, mechanics', materialmen's, repairmen's, construction and other like Liens arising by operation of applicable Law, arising in the ordinary course of business and securing amounts: (a) which are not overdue for a period of more than 30 days, or (b) which are being contested in good faith and by appropriate proceedings and, during such period during which amounts are being so contested, such Liens shall not be executed on or enforced against any of the assets of any Borrower, provided that such Borrower shall have set aside on its books reserves deemed adequate therefor and not resulting in qualification by auditors;

(x) statutory Liens incurred, or pledges or deposits made, under worker's compensation, employment insurance and other social security legislation;

(xi) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Law or of which written notice has not been duly given in accordance with applicable Law or which although filed or registered, relate to obligations not due or delinquent;

(xii) investments made under cash management agreements with any Lenders; and

(xiii) Liens (if any) in favor of PNC in its capacity as administrative agent, in connection with the Revolving Credit Agreement."

(f)Section 1.5 of the Credit Agreement is hereby amended and restated as follows:

"1.5 Term SOFR Notification. Section 4.4.5 [Benchmark Replacement Setting] of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the Term SOFR Rate is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the Term SOFR Rate or with respect to any alternative or successor rate thereto, or replacement rate therefor."

(g)Section 2.4.1 of the Credit Agreement is hereby amended and restated as follows:

"2.4.1 Loan Requests. Except as otherwise provided herein, the Borrowers may from time to time prior to the Maturity Date request the Lenders to renew or convert the Interest Rate Option applicable to existing Term Loans pursuant to Section 4.2 [Interest Periods], by delivering to the Administrative Agent, not later than 12:00 noon Eastern time, (i) three (3) Business Days prior to the proposed Borrowing Date with respect to the conversion to or the renewal of the Term SOFR Rate Option for any Loans; and (ii) the same Business Day of the proposed Borrowing Date with respect to the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Loan, of a duly completed request therefor substantially in the form of Exhibit 2.4.1 or a request by telephone immediately confirmed in writing by letter,

facsimile or telex in such form (each, a "Loan Request"), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify the aggregate amount of the proposed Loans comprising each Borrowing Tranche, and, if applicable, the Interest Period, which amount shall be in (x) integral multiples of \$1,000,000 and not less than \$5,000,000 for each Borrowing Tranche under the Term SOFR Rate Option, and (y) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under the Base Rate Option. Each Lender may, at its option, make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect in any manner the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement."

(h)Section 4.1 of the Credit Agreement is hereby amended and restated as follows:

"4.1 Interest Rate Options. The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by them from the Base Rate Option or Term SOFR Rate Option set forth below applicable to the Loans, it being understood that, subject to the provisions of this Agreement; provided that the Borrowers may select different Interest Rate Options and different Interest Periods to apply simultaneously to the Loans comprising different Borrowing Tranches and may convert to or renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche; provided further that there shall not be at any one time outstanding (i) more than three (3) Borrowing Tranches for the Domestic Term Loan in the aggregate among all of the Domestic Term Loans and (ii) more than three (3) Borrowing Tranches for the Foreign Term Loan in the aggregate among all of the Foreign Term Loans and provided further that if an Event of Default or Potential Default exists and is continuing, the Borrowers may not request, convert to, or renew the Term SOFR Rate Option for any Loans and the Required Lenders may demand that all existing Borrowing Tranches bearing interest under the Term SOFR Rate Option shall be converted immediately to the Base Rate Option, subject to the obligation of the Borrowers to pay any indemnity under Section 5.10 [Indemnity] in connection with any such conversion. If at any time the designated rate applicable to any Loan made by any Lender exceeds such Lender's highest lawful rate, the rate of interest on such Lender's Loan shall be limited to such Lender's highest lawful rate. The applicable Base Rate or Term SOFR Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

4.1.1 Term Loan Interest Rate Options. Subject to Section 4.3 [Interest After Default], the Borrowers shall have the right to select from the following Interest Rate Options applicable to the Term Loans:

(i) Term Loan Base Rate Option: A fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable

Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate; or

(ii) Term Loan Term SOFR Rate Option: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Term SOFR Rate as determined for each applicable Interest Period plus the SOFR Adjustment for the applicable Interest Period plus the Applicable Margin.

4.1.2 Rate Quotations. A Borrower may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Lenders nor affect the rate of interest which thereafter is actually in effect when the election is made.

4.1.3 Conforming Changes Relating to Term SOFR Rate. With respect to the Term SOFR Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, the Administrative Agent shall provide notice to the Borrower and the Lenders of each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective."

(i)Section 4.2 of the Credit Agreement is hereby amended and restated as follows:

"4.2 Interest Periods. At any time when the Borrowers shall select, convert to or renew a Term SOFR Rate Option, the applicable Borrower shall notify the Administrative Agent thereof by delivering a Loan Request to the Administrative Agent at least three (3) Business Days prior to the effective date of such Term SOFR Rate Option. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Term SOFR Rate Option:

4.2.1 Amount of Borrowing Tranche. Each Borrowing Tranche of Loans under the Term SOFR Rate Option shall be in integral multiples of \$1,000,000 and not less than \$5,000,000; and

4.2.2 Renewals. In the case of the renewal of a Term SOFR Rate Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day, or such other day as agreed to by the Administrative Agent and the Company."

(j)Section 4.4 of the Credit Agreement is hereby amended and restated as follows:



"4.4 Term SOFR Rate Unascertainable; Increased Costs; Illegality; Benchmark Replacement Setting.

4.4.1 Unascertainable; Increased Costs. If, on or prior to the first day of an Interest Period:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that (x) the Term SOFR Rate cannot be determined pursuant to the definition thereof; or (y) a fundamental change has occurred with respect to the Term SOFR Rate (including, without limitation, changes in national or international financial, political or economic conditions), or

(ii) any Lender determines that for any reason in connection with any request for a Term SOFR Rate Loan or a conversion thereto or a continuation thereof that the Term SOFR Rate for any requested Interest Period with respect to a proposed Term SOFR Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding, establishing or maintaining such Loan, and the such Lender has provided notice of such determination to the Administrative Agent,

then the Administrative Agent shall have the rights specified in Section 4.4.4 [Administrative Agent's and Lender's Rights].

4.4.2 Illegality. If at any time any Lender shall have determined, or any Official Body shall have asserted, that the making, maintenance or funding of any Term SOFR Rate Loan, or the determination or charging of interest rates based on the Term SOFR Rate, has been made impracticable or unlawful by compliance by such Lender in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), then the Administrative Agent shall have the rights specified in Section 4.4.4 [Administrative Agent's and Lender's Rights].

4.4.3 [Reserved].

4.4.4 Administrative Agent's and Lender's Rights. In the case of any event specified in Section 4.4.1 [Unascertainable; Increased Costs] above, the Administrative Agent shall promptly so notify the Lenders and the Borrowers thereof, in the case of an event specified in Section 4.4.2 [Illegality] above, such Lender shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Lenders and the Borrowers. Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Lenders, in the case of such notice given by the Administrative Agent, or (B) such Lender, in the case of such notice given by such Lender, to allow the Borrowers to select, convert to or renew a Term SOFR Rate Loan or shall be suspended (to the extent of the affected Term SOFR Rate Loan or Interest

Periods) until the Administrative Agent shall have later notified the Borrowers, or such Lender shall have later notified the Administrative Agent, of the Administrative Agent's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist. If at any time the Administrative Agent makes a determination under Section 4.4.1 [Unascertainable; Increased Costs] and the Borrowers have previously notified the Administrative Agent of their selection of, conversion to or renewal of a Term SOFR Rate Option and such Term SOFR Rate Option has not yet gone into effect, such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans. If any Lender notifies the Administrative Agent of a determination under Section 4.4.2 [Illegality], the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.10 [Indemnity], as to any Loan of the Lender to which a Term SOFR Rate Option applies, on the date specified in such notice either (i) convert such Loan to the Base Rate Option otherwise available with respect to such Loan, or (ii) prepay such Loan in accordance with Section 5.6 [Voluntary Prepayments]. Absent due notice from the Borrowers of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan upon such specified date.

#### 4.4.5 Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (A) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make



Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (A) the implementation of any Benchmark Replacement, and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrowers of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (y) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 4.4.5, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document except, in each case, as expressly required pursuant to this Section.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (I) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (II) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor; and (B) if a tenor that was removed pursuant to clause (A) above either (I) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (II) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrowers' receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowers may revoke any pending request for a Loan bearing interest based on the Term SOFR Rate, conversion to or continuation of Loans bearing interest based on the Term SOFR Rate to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Loan of or conversion to Loans bearing interest under the Base Rate Option. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate."

(k)Section 4.5 of the Credit Agreement is hereby amended and restated as follows:

"4.5 Selection of Interest Rate Options. If a Borrower fails to select a new Interest Period to apply to any Borrowing Tranche of Loans under the Term SOFR Rate Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 4.2 [Interest Periods], the Borrowers shall be deemed to have converted such Borrowing Tranche to the Base Rate Option, as applicable to Loans, commencing upon the last day of the existing Interest Period. If the Borrowers provide any Loan Request related to a Loan at the Term SOFR Rate Option but fails to identify an Interest Period therefor, such Loan Request shall be deemed to request an Interest Period of one (1) month. Any Loan Request that fails to select an Interest Rate Option shall be deemed to be a request for the Base Rate Option."

(l)Section 4.9 of the Credit Agreement is hereby deleted in its entirety.

(m)Section 5.5 of the Credit Agreement is hereby amended and restated as follows:

"5.5 Interest Payment Dates. Interest on Loans to which the Base Rate Option applies shall be due and payable in arrears on each Payment Date. Interest on Loans to which the Term SOFR Rate Option applies shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Maturity Date, upon acceleration or otherwise). Interest shall be computed to, but excluding, the date payment is due."

(n)Section 5.6 of the Credit Agreement is hereby amended to: (i) replace references to "Euro-Rate Option" with "Term SOFR Rate Option," (ii) replace references to "Euro-Rate Loan" with "Term SOFR Rate Loan" and (iii) replace the first two sentences of the final paragraph of Section 5.6.1 with the following:

"A notice of prepayment delivered by a Borrower may state that the prepayment contemplated thereby is subject to the effectiveness or funding of other credit facilities, the completion of any debt or equity offering or the completion of any other corporate transaction or event that will provide the proceeds for such repayment or otherwise result in such prepayment being required hereunder. The principal amount of the Loans prepaid, together with interest on such principal amount shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made."

(o) Section 5.8.5 of the Credit Agreement is hereby deleted in its entirety

(p) Section 5.10 of the Credit Agreement is hereby amended and restated as follows:

"5.10 Indemnity. In addition to the compensation or payments required by Section 5.8 [Increased Costs] or Section 5.9 [Taxes], the Borrowers shall indemnify each Lender against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Lender sustains or incurs as a consequence of any:

(i) payment, prepayment, conversion or renewal of any Loan to which a Term SOFR Rate Option applies on a day other than the last day of the corresponding Interest Period (whether or not such payment or prepayment is mandatory, voluntary or automatic and whether or not such payment or prepayment is then due), or

(ii) attempt by any Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.4 [Loan Requests] or Section 4.2 [Interest Periods] or notice relating to prepayments under Section 5.6 [Voluntary Prepayments] or failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Loan under the Base Rate Option on the date or in the amount notified by the Borrower, or

(iii) any assignment of a Loan under the Term SOFR Rate Option on a day other than the last day of the Interest Period therefor as a result of a request by the Borrowers pursuant to Section 5.6.2 [Replacement of a Lender].

If any Lender sustains or incurs any such loss or expense, it shall from time to time notify the Borrowers of the amount determined in good faith by such Lender (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Lender shall deem reasonable) to be necessary to indemnify such Lender for such loss or expense. Such notice shall set forth in

reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Lender ten (10) Business Days after such notice is given."

(q)Section 8.2.8 of the Credit Agreement is hereby amended and restated as follows:

"8.2.8 Maximum Leverage Ratio. The Company will not permit the Net Leverage Ratio, as calculated at the end of each fiscal quarter ending after the Closing Date, to be greater than 3.75 to 1.00; provided, however, that (1) if the Company has delivered the Maximum Leverage Increase Notice, so long as no Event of Default or Potential Default exists at such time the maximum permitted Net Leverage Ratio shall increase to 4.25 to 1.00 as calculated at the end of the four fiscal quarters following delivery of the Maximum Leverage Increase Notice (such period of time being the "Increased Net Leverage Ratio Period") and (2) with respect to any acquisition for which the aggregate consideration is \$100,000,000 or greater (a "Material Acquisition"), and upon written request by the Company delivered to the Administrative Agent no later than 30 days following the consummation of such Material Acquisition, the maximum permitted Net Leverage Ratio shall increase to 4.25 to 1.00 as calculated at the end of the four fiscal quarters following such Material Acquisition (each such period of time being an "Increased Net Leverage Ratio Period Due to Material Acquisition"); provided, further, that (i) there shall be no more than one Increased Net Leverage Ratio Period, and (ii) there shall be at least four fiscal quarters in which the Net Leverage Ratio does not exceed 3.75 to 1.00 between any two Increased Net Leverage Ratio Periods Due to Material Acquisition; provided, however that the requirements of this clause (ii) shall not be applicable in connection with the first Increased Net Leverage Ratio Period Due to Material Acquisition (if any) elected by the Company after December 16, 2021 but such requirements of this clause (ii) shall be applicable for each Net Leverage Ratio Period Due to Material Acquisition (if any) elected by the Company thereafter."

(r)The following new Section 10.13 is hereby inserted into the Credit Agreement immediately following Section 10.12 of the Credit Agreement:

"10.13 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, or any Person who has received funds on behalf of a Lender such Lender (any such Lender or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf,

shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, or any Person who has received funds on behalf of a Lender such Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.13(b).

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective

behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption Agreement with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent may reflect in the register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any



demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document."

(s)Schedule 1.1(A) of the Credit Agreement. Schedule 1.1(A) [Pricing] of the Credit Agreement is hereby amended and restated in full as attached hereto as Exhibit A.

(t)Schedule 1.1(B) of the Credit Agreement. Schedule 1.1(B) [Commitments] of the Credit Agreement is hereby amended and restated in full as attached hereto as Exhibit B.

7. Conditions Precedent. The Borrowers, the Administrative Agent and the Lenders acknowledge and agree that the amendments set forth herein shall only be effective upon the occurrence of all the following conditions precedent:

(a)Amendment. The Borrowers, the Administrative Agent and the Lenders shall have executed and delivered to the Administrative Agent this Amendment.

(b)Officer's Certificate. A certificate of the Company signed by an Authorized Officer of the Company, dated the date hereof stating that (A) all representations and warranties of the Borrowers set forth in the Credit Agreement are true and correct in all material respects (unless any such representation or warranty is qualified to materiality, in which case such representation or warranty is true and correct in all respects), except for representations and warranties made as of a specified date (which were true and correct in all material respects, as applicable, as of such date), (B) the Borrowers are in compliance with each of the covenants and conditions hereunder, and (C) no Event of Default or Potential Default exists.

(c)Secretary Certificates. A certificate dated the Fourth Amendment Effective Date and signed by the Secretary or an Assistant Secretary or Director of the Company, certifying as appropriate as to: (a) all action taken by the Company in connection with this Agreement and the other Loan Documents; (b) the names of the Authorized Officers authorized to sign the Loan Documents and their true signatures; and (c) copies of its organizational documents as in effect on the Fourth Amendment Effective Date certified by the appropriate state official where such documents are filed in a state office together with certificates from the appropriate state officials as to the continued existence and good standing (or foreign jurisdictional equivalent in each jurisdiction where such certification is required) of the Company in each state where organized or qualified to do business.

(d)Legal Opinion. Opinions of counsel for Company, dated the Fourth Amendment Effective Date, each in form and substance acceptable to the Administrative Agent and the Lenders.

(e)Lien Searches. The Administrative Agent shall have received lien searches with scope and results satisfactory in its reasonable discretion.

(f)Fees. The Borrowers shall have paid to the Administrative Agent all fees due and owing the Administrative Agent and all reasonable, documented costs and expenses of the Administrative Agent, including without limitation, reasonable, documented fees of the Administrative Agent's counsel in connection with this Amendment.

(g)Miscellaneous. Such other documents, agreements, instruments, deliverables and items deemed reasonably necessary by the Administrative Agent.

8.Representations and Warranties. Each Borrower covenants and agrees with and represents and warrants to the Administrative Agent and the Lenders as follows:

(a)Each Borrower possesses all of the powers requisite for it to enter into and carry out the transactions referred to herein and to execute, enter into and perform the terms and conditions of this Amendment, the Credit Agreement and the other Loan Documents and any other documents contemplated herein that are to be performed by such Borrower; and that any and all actions required or necessary pursuant to such Borrower's organizational documents or otherwise have been taken to authorize the due execution, delivery and performance by such Borrower of the terms and conditions of this Amendment; the officer of such Borrower executing this Amendment are the duly elected, qualified, acting and incumbent officers of such Borrower and hold the title set forth below his/her name on the signature lines of this Amendment; and such execution, delivery and performance will not conflict with, constitute a default under or result in a breach of any applicable law or any material agreement or instrument, order, writ, judgment, injunction or decree to which such Borrower is a party or by which such Borrower or any of its properties are bound, and that all consents, authorizations and/or approvals required or necessary from any third parties in connection with the entry into, delivery and performance by such Borrower of the terms and conditions of this Amendment, the Credit Agreement, the other Loan Documents and the transactions contemplated hereby have been obtained by such Borrower and are full force and effect;

(b)this Amendment, the Credit Agreement and the other Loan Documents constitute the valid and legally binding obligations of each Borrower, enforceable against such Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and by general equitable principles, whether enforcement is sought by proceedings at law or in equity;

(c)all representations and warranties made by each Borrower in the Credit Agreement and the other Loan Documents are true and correct in all respects (in the case of any representation or warranty containing a materiality modification) or in all material respects (in the case of any representation or warranty not containing a materiality modification) (except representations and warranties which expressly relate to an earlier date or time, which representations or warranties are true and correct on and as of the specific dates or times referred to therein);

(d)this Amendment is not a substitution, novation, discharge or release of any Borrower's obligations under the Credit Agreement or any of the other Loan Documents, all of which shall and are intended to remain in full force and effect; and



(e)no Event of Default or Potential Default has occurred and is continuing under the Credit Agreement or the other Loan Documents.

9.Ratification. Except as expressly modified herein and hereby, the Credit Agreement and the other Loan Documents are hereby ratified and confirmed and shall be and remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to waive or impair any rights, powers or remedies of Administrative Agent or any Lender under the Credit Agreement or the other Loan Documents. In the event of any inconsistency between the terms of this Amendment and the Credit Agreement or the other Loan Documents, this Amendment shall govern. This Amendment shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Amendment or any part hereof to be drafted.

10.Governing Law, etc. This Amendment shall be deemed to be a contract under the Laws of the State of Ohio without regard to its conflict of laws principles. The terms of the Credit Agreement relating to submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

11.Counterparts; Effective Date; Electronic Signatures. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment shall be effective as of the date first set forth above. The Borrowers, the Administrative Agent and Lenders hereby (i) agree that, for all purposes of this Amendment, electronic images of this Amendment or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waive any argument, defense or right to contest the validity or enforceability of the Amendment or any other Loan Documents based solely on the lack of paper original copies of such Amendment and Loan Documents, including with respect to any signature pages thereto.

12.Severability. The provisions of this Amendment are intended to be severable. If any provision of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Amendment in any jurisdiction.

13.Notices. Any notices with respect to this Amendment shall be given in the manner provided for in Section 12.5 [Notices; Effectiveness; Electronic Communication] of the Credit Agreement.

14.Survival. All representations and warranties contained herein shall survive Payment In Full. All covenants, agreements, undertakings, waivers and releases of the Borrowers contained herein shall continue in full force and effect from and after the date hereof and until Payment In Full.

15. Amendment. No amendment, modification, rescission, waiver or release of any provision of this Amendment shall be effective unless the same shall be in writing and signed by the parties hereto.

16. Entire Agreement. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

17. Amendment as Loan Document; Incorporation into Loan Documents. The parties hereto acknowledge and agree that this Amendment constitutes a Loan Document. This Amendment shall be incorporated into the Credit Agreement by this reference and each reference to the Credit Agreement that is made in the Credit Agreement or any other document executed or to be executed in connection therewith shall hereafter be construed as a reference to the Credit Agreement as amended hereby.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGES FOLLOW]**

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

**BORROWERS:**

**RPM INTERNATIONAL INC.**

By: /s/ Edward W. Moore

Name: Edward W. Moore

Title: Senior Vice President, General Counsel, Chief  
Compliance Officer and Secretary

**RPM EUROPE HOLDCO B.V.**

By: /s/ Hilde De Backer

Name: Hilde De Backer

Title: Director

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4863-7200-1329, v.1

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**PNC BANK, NATIONAL ASSOCIATION**, individually and as  
Administrative Agent

By: /s/ Scott A. Nolan

Name: Scott A. Nolan

Title: Senior Vice President

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4863-7200-1329, v.1

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**BANK OF AMERICA, N.A.**

By: /s/ Pace Doherty

Name: Pace Doherty

Title: Director

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4863-7200-1329, v.1

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**MUFG BANK, LTD.**

By: /s/ Jorge Georgalos

Name: Jorge Georgalos

Title: Director

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4863-7200-1329, v.1

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Nathan R. Rantala

Name: Nathan R. Rantala

Title: Managing Director

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4863-7200-1329, v.1

[SIGNATURE PAGE TO FOURTH AMENDMENT TO  
CREDIT AGREEMENT]

**FIRST NATIONAL BANK OF PENNSYLVANIA**

By: /s/ John F. Neumann

Name: John F. Neumann

Title: Senior Vice President

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4863-7200-1329, v.1



**EXHIBIT A**  
**SCHEDULE 1.1(A)**  
**PRICING GRID**

	<b>Debt Rating</b>	<b>Term SOFR Rate Spread</b>	<b>Base Rate Spread</b>
Tier I	A-/ A3 or higher	75.0 bps	0.0 bps
Tier II	BBB+/ Baa1	87.5 bps	0.0 bps
Tier III	BBB/ Baa2	100.0 bps	0.0 bps
Tier IV	BBB-/ Baa3	112.5 bps	12.5 bps
Tier V	BB+/ Ba1	125.0 bps	25.0 bps
Tier VI	<BB+/ Ba1	150.0 bps	50.0 bps

The Applicable Margin shall be determined on the Closing Date based on Tier III.

Notwithstanding anything to the contrary contained herein (including, but not limited to, in the definition of Applicable Margin), in the event that the Company has delivered the Maximum Leverage Increase Notice during the Increased Net Leverage Ratio Period and until the first day of the month following the end of the Increased Net Leverage Ratio Period, the Term SOFR Rate Spread shall be deemed to be 175.0 bps and the Base Rate Spread shall be deemed to be 75.0 bps; provided however, that in the event that the debt ratings accorded to the Company's senior unsecured long-term debt by Standard & Poor's, Moody's and Fitch are all rated as non-investment grade during the Increased Net Leverage Ratio Period, as of such date and until the earlier of (a) a change in any of such debt ratings such that not all three are rated as non-investment grade and (b) the end of such Increased Net Leverage Ratio Period, the Term SOFR Spread shall be deemed to be 200.0 bps and the Base Rate Spread shall be deemed to be 100.0 bps.

**RULE 13a-14(a) CERTIFICATION**

I, Frank C. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Frank C. Sullivan  
\_\_\_\_\_  
Frank C. Sullivan  
Chairman and Chief Executive Officer

Dated: October 5, 2022

**RULE 13a-14(a) CERTIFICATION**

I, Russell L. Gordon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Russell L. Gordon  
\_\_\_\_\_  
Russell L. Gordon  
Vice President and Chief Financial Officer

Dated: October 5, 2022

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**CERTIFICATION**

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Frank C. Sullivan  
Frank C. Sullivan  
Chairman and Chief  
Executive Officer

Dated: October 5, 2022

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

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**CERTIFICATION**

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Russell L. Gordon  
Russell L. Gordon  
Vice President and Chief  
Financial Officer

Dated: October 5, 2022

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

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**Document and Entity  
Information - shares**

**3 Months Ended  
Aug. 31, 2022**

**Sep. 28, 2022**

**Cover [Abstract]**

<u>Document Type</u>	10-Q	
<u>Amendment Flag</u>	false	
<u>Document Period End Date</u>	Aug. 31, 2022	
<u>Document Fiscal Year Focus</u>	2023	
<u>Document Fiscal Period Focus</u>	Q1	
<u>Trading Symbol</u>	RPM	
<u>Entity Registrant Name</u>	RPM International Inc.	
<u>Entity Central Index Key</u>	0000110621	
<u>Current Fiscal Year End Date</u>	--05-31	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Interactive Data Current</u>	Yes	
<u>Entity Filer Category</u>	Large Accelerated Filer	
<u>Entity Small Business</u>	false	
<u>Entity Emerging Growth Company</u>	false	
<u>Entity Shell Company</u>	false	
<u>Entity Bankruptcy Proceedings, Reporting Current</u>	false	
<u>Entity File Number</u>	1-14187	
<u>Entity Tax Identification Number</u>	02-0642224	
<u>Entity Address, Address Line One</u>	2628 PEARL ROAD	
<u>Entity Address, City or Town</u>	MEDINA	
<u>Entity Address, State or Province</u>	OH	
<u>Entity Address, Postal Zip Code</u>	44256	
<u>City Area Code</u>	330	
<u>Local Phone Number</u>	273-5090	
<u>Entity Incorporation, State or Country Code</u>	DE	
<u>Document Quarterly Report</u>	true	
<u>Document Transition Report</u>	false	
<u>Security Exchange Name</u>	NYSE	
<u>Entity Common Stock, Shares Outstanding</u>		129,098,924
<u>Title of 12(b) Security</u>	Common Stock, par value \$0.01	

**Consolidated Balance Sheets**  
**- USD (\$)**  
**\$ in Thousands**

	<b>Aug. 31,</b>	<b>May 31,</b>
	<b>2022</b>	<b>2022</b>
<b><u>Current Assets</u></b>		
<u>Cash and cash equivalents</u>	\$ 197,574	\$ 201,672
<u>Trade accounts receivable (less allowances of \$46,775 and \$46,669, respectively)</u>	1,407,866	1,432,632
<u>Inventories</u>	1,339,954	1,212,618
<u>Prepaid expenses and other current assets</u>	342,294	304,887
<u>Total current assets</u>	3,287,688	3,151,809
<u>Property, Plant and Equipment, at Cost</u>	2,135,573	2,132,915
<u>Allowance for depreciation</u>	(1,036,199)	(1,028,932)
<u>Property, plant and equipment, net</u>	1,099,374	1,103,983
<b><u>Other Assets</u></b>		
<u>Goodwill</u>	1,333,066	1,337,868
<u>Other intangible assets, net of amortization</u>	586,204	592,261
<u>Operating lease right-of-use assets</u>	296,101	307,797
<u>Deferred income taxes</u>	16,450	18,914
<u>Other</u>	184,105	195,074
<u>Total other assets</u>	2,415,926	2,451,914
<u>Total Assets</u>	6,802,988	6,707,706
<b><u>Current Liabilities</u></b>		
<u>Accounts payable</u>	785,984	800,369
<u>Current portion of long-term debt</u>	303,387	603,454
<u>Accrued compensation and benefits</u>	165,796	262,445
<u>Accrued losses</u>	26,160	24,508
<u>Other accrued liabilities</u>	367,920	325,632
<u>Total current liabilities</u>	1,649,247	2,016,408
<b><u>Long-Term Liabilities</u></b>		
<u>Long-term debt, less current maturities</u>	2,534,108	2,083,155
<u>Operating lease liabilities</u>	255,625	265,139
<u>Other long-term liabilities</u>	285,634	276,990
<u>Deferred income taxes</u>	80,772	82,186
<u>Total long-term liabilities</u>	3,156,139	2,707,470
<u>Commitments and contingencies (Note 13)</u>		
<b><u>Stockholders' Equity</u></b>		
<u>Preferred stock, par value \$0.01; authorized 50,000 shares; none issued</u>		
<u>Common stock, par value \$0.01; authorized 300,000 shares; issued 145,079 and outstanding 129,099 as of August 31, 2022; issued 144,685 and outstanding 129,199 as of May 31, 2022</u>	1,291	1,292
<u>Paid-in capital</u>	1,105,211	1,096,147
<u>Treasury stock, at cost</u>	(754,477)	(717,019)
<u>Accumulated other comprehensive (loss)</u>	(612,905)	(537,337)
<u>Retained earnings</u>	2,256,939	2,139,346
<u>Total RPM International Inc. stockholders' equity</u>	1,996,059	1,982,429

<u>Noncontrolling Interest</u>	1,543	1,399
<u>Total equity</u>	1,997,602	1,983,828
<u>Total Liabilities and Stockholders' Equity</u>	\$	\$
	6,802,988	6,707,706



**Consolidated Balance Sheets**  
**(Parenthetical) - USD (\$)**  
**\$ in Thousands**

**Aug. 31, 2022 May 31, 2022**

**Statement of Financial Position [Abstract]**

<u>Trade accounts receivable, allowances</u>	\$ 46,775	\$ 46,669
<u>Preferred stock, par value</u>	\$ 0.01	\$ 0.01
<u>Preferred stock, authorized</u>	50,000,000	50,000,000
<u>Preferred stock, issued</u>	0	0
<u>Common stock, par value</u>	\$ 0.01	\$ 0.01
<u>Common stock, authorized</u>	300,000,000	300,000,000
<u>Common stock, issued</u>	145,079,000	144,685,000
<u>Common stock, outstanding</u>	129,099,000	129,199,000

**Consolidated Statements of  
Income - USD (\$)  
shares in Thousands, \$ in  
Thousands**

**3 Months Ended  
Aug. 31, Aug. 31,  
2022 2021**

**Income Statement [Abstract]**

<u>Net Sales</u>	\$ 1,932,320	\$ 1,650,420
<u>Cost of Sales</u>	1,187,849	1,037,069
<u>Gross Profit</u>	744,471	613,351
<u>Selling, General and Administrative Expenses</u>	485,205	418,850
<u>Restructuring Expense</u>	1,354	1,010
<u>Interest Expense</u>	26,711	21,109
<u>Investment Expense (Income), Net</u>	3,664	(5,750)
<u>Other Expense (Income), Net</u>	2,416	(3,339)
<u>Income Before Income Taxes</u>	225,121	181,471
<u>Provision for Income Taxes</u>	55,842	46,676
<u>Net Income</u>	169,279	134,795
<u>Less: Net Income Attributable to Noncontrolling Interests</u>	266	213
<u>Net Income Attributable to RPM International Inc. Stockholders</u>	\$ 169,013	\$ 134,582
<b><u>Average Number of Shares of Common Stock Outstanding:</u></b>		
<u>Basic</u>	127,617	128,083
<u>Diluted</u>	[1] 128,161	128,570
<b><u>Earnings per Share of Common Stock Attributable to RPM International Inc. Stockholders:</u></b>		
<u>Basic</u>	\$ 1.31	\$ 1.04
<u>Diluted</u>	\$ 1.31	\$ 1.04

[1] For the three months ended August 31, 2022 and 2021, approximately 715,000 and 837,700 shares of stock, respectively, granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.

**Consolidated Statements of  
Comprehensive Income -  
USD (\$)  
\$ in Thousands**

**3 Months Ended**

**Aug. 31,    Aug. 31,  
2022        2021**

**Statement of Comprehensive Income [Abstract]**

<u>Net Income</u>	\$ 169,279	\$ 134,795
<b><u>Other comprehensive income (loss), net of tax:</u></b>		
<u>Foreign currency translation adjustments (net of tax of \$1,621 and \$2,337, respectively)</u>	(78,956)	(38,980)
<u>Pension and other postretirement benefit liability adjustments (net of tax of \$1,431 and \$1,466, respectively)</u>	4,272	4,442
<u>Unrealized (loss) gain on securities and other (net of tax of \$89 and \$145, respectively)</u>	(340)	274
<u>Unrealized (loss) gain on derivatives (net of tax of zero and \$2,571, respectively)</u>	(606)	8,610
<u>Total other comprehensive (loss)</u>	(75,630)	(25,654)
<u>Total Comprehensive Income</u>	93,649	109,141
<u>Less: Comprehensive Income Attributable to Noncontrolling Interests</u>	204	183
<u>Comprehensive Income Attributable to RPM International Inc. Stockholders</u>	\$ 93,445	\$ 108,958

**Consolidated Statements of  
Comprehensive Income  
(Parenthetical) - USD (\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Statement of Comprehensive Income [Abstract]**

<u>Foreign currency translation adjustments, Tax</u>	\$ 1,621	\$ 2,337
<u>Pension and other postretirement benefit liability adjustments, Tax</u>	1,431	1,466
<u>Unrealized (loss) on securities and other, Tax</u>	89	145
<u>Unrealized gain (loss) on derivatives, Tax</u>	\$ 0	\$ 2,571

**Consolidated Statements of  
Cash Flows - USD (\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31,      Aug. 31,  
2022              2021**

**Cash Flows from Operating Activities:**

Net Income \$ 169,279 \$ 134,795

**Adjustments to reconcile net income to net cash provided by operating activities:**

Depreciation and amortization 38,416 37,944

Restructuring charges, net of payments  (2,004)

Fair value adjustments to contingent earnout obligations  1,027

Deferred income taxes (1,919) (3,452)

Stock-based compensation expense 9,062 5,763

Net loss (gain) on marketable securities 6,606 (3,476)

Other 111 (76)

**Changes in assets and liabilities, net of effect from purchases and sales of businesses:**

(Increase) decrease in receivables (266) 98,166

(Increase) in inventory (148,188) (68,155)

(Increase) in prepaid expenses and other current and long-term assets (36,021) (15,648)

Increase (decrease) in accounts payable 15,113 (42,912)

(Decrease) in accrued compensation and benefits (92,970) (100,201)

Increase (decrease) in accrued losses 1,873 (3,530)

Increase in other accrued liabilities 62,459 37,866

Cash Provided by Operating Activities 23,555 76,107

**Cash Flows from Investing Activities:**

Capital expenditures (57,818) (51,888)

Acquisition of businesses, net of cash acquired (36,373) (35,802)

Purchase of marketable securities (6,440) (5,843)

Proceeds from sales of marketable securities 4,116 2,766

Other 80 250

Cash (Used for) Investing Activities (96,435) (90,517)

**Cash Flows from Financing Activities:**

Additions to long-term and short-term debt 250,051 60,547

Reductions of long-term and short-term debt (75,264) (471)

Cash dividends (51,420) (48,901)

Repurchases of common stock (25,000) (12,500)

Shares of common stock returned for taxes (12,430) (5,802)

Payments of acquisition-related contingent consideration (3,705) (60)

Other (2,487)

Cash Provided by(Used for) Financing Activities 79,745 (7,187)

Effect of Exchange Rate Changes on Cash and Cash Equivalents (10,963) (11,895)

Net Change in Cash and Cash Equivalents (4,098) (33,492)

Cash and Cash Equivalents at Beginning of Period 201,672 246,704

Cash and Cash Equivalents at End of Period 197,574 213,212

**Cash paid during the period for:**

<u>Interest</u>	24,493	17,301
<u>Income Taxes, net of refunds</u>	15,813	28,016
<b><u>Supplemental Disclosures of Noncash Investing Activities:</u></b>		
<u>Capital expenditures accrued within accounts payable at quarter-end</u>	\$ 8,733	\$ 8,442

<b>Consolidated Statements of Stockholders' Equity - USD (\$) \$ in Thousands</b>	<b>Total</b>	<b>Common Stock</b>	<b>Paid-In Capital</b>	<b>Treasury Stock</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Retained Earnings</b>	<b>Total RPM International Inc. Equity</b>	<b>Noncontrolling Interests</b>
<u>Beginning Balance at May. 31, 2021</u>	\$ 1,743,025	\$ 1,295	\$ 1,055,400	\$ (653,006)	\$ (514,884)	\$ 1,852,259	\$ 1,741,064	\$ 1,961
<u>Beginning Balance (in shares) at May. 31, 2021</u>		129,573,000						
<u>Net income</u>	134,795					134,582	134,582	213
<u>Other comprehensive (loss)</u>	(25,654)				(25,624)		(25,624)	(30)
<u>Dividends declared and paid</u>	(48,901)					(48,901)	(48,901)	
<u>Share repurchases under repurchase program</u>	\$ (12,500)	\$ (1)	1	(12,500)			(12,500)	
<u>Share repurchases under repurchase program (in shares)</u>	(133,388)	(133,000)						
<u>Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes</u>	\$ (45)	\$ 3	5,760	(5,808)			(45)	
<u>Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes (in shares)</u>		303,000						
<u>Ending Balance at Aug. 31, 2021</u>	1,790,720	\$ 1,297	1,061,161	(671,314)	(540,508)	1,937,940	1,788,576	2,144
<u>Ending Balance (in shares) at Aug. 31, 2021</u>		129,743,000						
<u>Beginning Balance at May. 31, 2022</u>	1,983,828	\$ 1,292	1,096,147	(717,019)	(537,337)	2,139,346	1,982,429	1,399
<u>Beginning Balance (in shares) at May. 31, 2022</u>		129,199,000						
<u>Net income</u>	169,279					169,013	169,013	266
<u>Other comprehensive (loss)</u>	(75,630)				(75,568)		(75,568)	(62)
<u>Dividends declared and paid</u>	(51,420)					(51,420)	(51,420)	
<u>Other noncontrolling interest activity</u>	(60)							(60)
<u>Share repurchases under repurchase program</u>	\$ (25,000)	\$ (3)	3	(25,000)			(25,000)	
<u>Share repurchases under repurchase program (in shares)</u>	(303,079)	(303,000)						
<u>Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes</u>	\$ (3,395)	\$ 2	9,061	(12,458)			(3,395)	
<u>Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes (in shares)</u>		203,000						
<u>Ending Balance at Aug. 31, 2022</u>	\$ 1,997,602	\$ 1,291	\$ 1,105,211	\$ (754,477)	\$ (612,905)	\$ 2,256,939	\$ 1,996,059	\$ 1,543
<u>Ending Balance (in shares) at Aug. 31, 2022</u>		129,099,000						

**Consolidated Statements of  
Stockholders' Equity  
(Parenthetical) - \$ / shares**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Statement of Stockholders' Equity [Abstract]**

<u>Dividends declared and paid per share</u>	\$ 0.40	\$ 0.38
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**Consolidation,  
Noncontrolling Interests and  
Basis of Presentation**

**3 Months Ended**

**Aug. 31, 2022**

**Accounting Policies**

**[Abstract]**

**Consolidation, Noncontrolling  
Interests and Basis of  
Presentation**

**NOTE 1 — CONSOLIDATION, NONCONTROLLING INTERESTS AND BASIS OF PRESENTATION**

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”) for interim financial information and the instructions to Form 10-Q. In our opinion, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included for the three-month periods ended August 31, 2022, and August 31, 2021. For further information, refer to the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended May 31, 2022.

Our financial statements include all of our majority-owned subsidiaries. We account for our investments in less-than-majority-owned joint ventures, for which we have the ability to exercise significant influence, under the equity method. Effects of transactions between related companies are eliminated in consolidation.

Noncontrolling interests are presented in our Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (noncontrolling interests) in partially-owned subsidiaries have similar economic interests in a single entity. As a result, investments in noncontrolling interests are reported as equity in our Consolidated Financial Statements. Additionally, our Consolidated Financial Statements include 100% of a controlled subsidiary’s earnings, rather than only our share. Transactions between the parent company and noncontrolling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

Our business is dependent on external weather factors. Historically, we have experienced strong sales and net income in our first, second and fourth fiscal quarters comprising the three-month periods ending August 31, November 30 and May 31, respectively, with weaker performance in our third fiscal quarter (December through February).

**New Accounting  
Pronouncements**

**3 Months Ended  
Aug. 31, 2022**

**Accounting Changes and  
Error Corrections [Abstract]**

**New Accounting  
Pronouncements**

**NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS**

***New Pronouncements Adopted***

The Company did not adopt any Accounting Standard Updates (“ASU”) during fiscal 2023 that have a material impact on our Consolidated Financial Statements.

***New Pronouncements Issued***

In September 2022, the FASB issued ASU 2022-04, “Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations,” which makes a number of changes meant to add certain disclosure requirements for a buyer in a supplier finance program. The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program’s key terms, the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period, and associated rollforward information. Only the amount outstanding at the end of the period must be disclosed in interim periods. The amendments are effective for all entities for fiscal years beginning after December 15, 2022 on a retrospective basis, including interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. Early adoption is permitted upon issuance of the update. We are currently reviewing the provisions of this new pronouncement, but do not expect this guidance will have a material impact on our Consolidated Financial Statements.

## Restructuring

**3 Months Ended  
Aug. 31, 2022**

### [Restructuring and Related Activities \[Abstract\]](#)

#### [Restructuring](#)

#### **NOTE 3 — RESTRUCTURING**

We record restructuring charges associated with management-approved restructuring plans to either reorganize one or more of our business segments, or to remove duplicative headcount and infrastructure associated with our businesses. Restructuring charges can include severance costs to eliminate a specified number of associates, infrastructure charges to vacate facilities and consolidate operations, contract cancellation costs and other costs. We record the short-term portion of our restructuring liability in Other Accrued Liabilities and the long-term portion, if any, in Other Long-Term Liabilities in our Consolidated Balance Sheets.

Between May and August 2018, we approved and implemented the initial phases of a multi-year restructuring plan, which was originally referred to as the 2020 Margin Acceleration Plan (“MAP to Growth”). On May 31, 2021, we formally concluded our MAP to Growth, however, certain projects identified prior to that date will be completed throughout fiscal 2023.

We incurred \$1.4 and \$1.0 million of restructuring costs for the three months ended August 31, 2022 and 2021, respectively. The current total expected costs associated with this plan are \$120.2 million, of which \$118.7 million has been incurred to date.

## Fair Value Measurements

3 Months Ended

Aug. 31, 2022

### [Fair Value Disclosures](#)

#### [\[Abstract\]](#)

### [Fair Value Measurements](#)

#### NOTE 4 — FAIR VALUE MEASUREMENTS

Financial instruments recorded in the balance sheet include cash and cash equivalents, trade accounts receivable, marketable securities, notes and debt.

An allowance for credit losses is established for trade accounts receivable using assessments of current creditworthiness of customers, historical collection of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowance for doubtful collection of accounts are included in selling, general and administrative ("SG&A") expenses.

The valuation techniques utilized for establishing the fair values of assets and liabilities are based on observable and unobservable inputs. Observable inputs are obtained from independent sources, while unobservable inputs reflect management's market assumptions. The fair value hierarchy has three levels, with the most reliable of the inputs used to determine fair value, as follows:

*Level 1 Inputs* — Quoted prices for identical instruments in active markets.

*Level 2 Inputs* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-derived valuations whose inputs are observable or whose significant value drivers are observable.

*Level 3 Inputs* — Instruments with primarily unobservable value drivers.

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Available-for-sale debt securities:</b>			
U.S. Treasury and other government	\$ -	\$ 24,949	\$ -
Corporate bonds	-	146	-
Total available-for-sale debt securities	-	25,095	-
<b>Marketable equity securities:</b>			
Stocks - foreign	603	-	-
Stocks - domestic	4,724	-	-
Mutual funds - foreign	-	36,353	-
Mutual funds - domestic	-	72,505	-
Total marketable equity securities	5,327	108,858	-
<b>Contingent consideration</b>	-	-	(3,000)
<b>Total</b>	<b>\$ 5,327</b>	<b>\$ 133,953</b>	<b>\$ (3,000)</b>

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Available-for-sale debt securities:</b>			
U.S. Treasury and other government	\$ -	\$ 25,239	\$ -
Corporate bonds	-	155	-
Total available-for-sale debt securities	-	25,394	-
<b>Marketable equity securities:</b>			
Stocks - foreign	598	-	-
Stocks - domestic	5,085	-	-
Mutual funds - foreign	-	39,139	-
Mutual funds - domestic	-	74,227	-
Total marketable equity securities	5,683	113,366	-
<b>Contingent consideration</b>	-	-	(10,000)
<b>Total</b>	<b>\$ 5,683</b>	<b>\$ 138,760</b>	<b>\$ (10,000)</b>

Our investments in available-for-sale debt securities and marketable equity securities are valued using a market approach. The availability of inputs to value these securities varies from instrument to instrument and depends on a variety of factors, including the type of instrument, whether the instrument is actively traded, and the characteristics particular to the transaction. For most of our financial instruments, pricing inputs are readily observable in the market, the valuation is widely accepted by market participants, and the valuation does not require significant management discretion. For other financial instruments, pricing inputs are not readily observable in the market and may require management judgment.

The contingent consideration represents the estimated fair value of the additional variable cash consideration payable in connection with recent acquisitions, contingent upon the achievement of certain performance milestones. We estimated the fair value using expected future cash flows over the period expected to be settled which is considered to be a Level 3 input. During the first three months of fiscal 2023, we recorded an increase in the contingent consideration related to acquisitions of \$3.0 million and paid approximately \$10.3 million to satisfy contingent consideration obligations relating to certain acquisitions that were established in prior periods and achieved during the current year. During the first three months of fiscal 2022, we recorded an increase of approximately \$1.0 million related to fair value adjustments. In the Consolidated Statements of Cash Flows, payments of acquisition-related contingent consideration for the amount recognized at fair value as of the acquisition date are reported in cash flows from financing activities, while payments of contingent consideration of fair value as of the acquisition date, are reported in cash flows from operating activities.

The carrying value of our current financial instruments, which include cash and cash equivalents, marketable securities, trade accounts receivable and short-term debt approximates fair value because of the short-term maturity of these financial instruments. At August 31, 2022 and May 31, 2022, long-term debt was estimated using active market quotes, based on our current incremental borrowing rates for similar types of borrowing arrangements. Based on the analysis performed, the fair value and the carrying value of our financial instruments and long-term debt as of August 31, 2022, are as follows:

<i>(In thousands)</i>	<u>At A</u>
	<u>Carrying Value</u>
Cash and cash equivalents	\$ 197.
Marketable equity securities	114.
Available-for-sale debt securities	25.
Long-term debt, including current portion	2,837.

<i>(In thousands)</i>	<u>At</u>
	<u>Carrying Value</u>
Cash and cash equivalents	\$ 201.
Marketable equity securities	119.
Available-for-sale debt securities	25.
Long-term debt, including current portion	2,686.

Investment Expense  
(Income), Net

3 Months Ended  
Aug. 31, 2022

[Other Income and Expenses](#)

[\[Abstract\]](#)

[Investment Expense \(Income\),](#)

[Net](#)

NOTE 5 — INVESTMENT EXPENSE (INCOME), NET

Investment expense (income), net, consists of the following components:

	Three Months Ended August 31, 2022
<i>(In thousands)</i>	
Interest (income)	\$ (2,151)
Net loss (gain) on marketable securities	6,600
Dividend (income)	(79)
Investment expense (income), net	<u>\$ 3,660</u>

*Net Loss (Gain) on Marketable Securities*

	Three Months Ended August 31, 2022
<i>(In thousands)</i>	
Unrealized losses (gains) on marketable equity securities	\$ 6,512
Realized losses (gains) on marketable equity securities	12
Realized (gains) losses on available-for-sale debt securities	(3)
Net loss (gain) on marketable securities	<u>\$ 6,600</u>

Other Expense (Income), Net

3 Months Ended  
Aug. 31, 2022

[Other Income and Expenses](#)

[\[Abstract\]](#)

[Other Expense \(Income\), Net](#)

NOTE 6 — OTHER EXPENSE (INCOME), NET

Other expense (income), net, consists of the following components:

	Three Months Ended
	August 31, 2022
<i>(In thousands)</i>	
Pension non-service costs (credits)	2,511
Other	(10)
Other expense (income), net	\$ 2,411

## Income Taxes

**3 Months Ended  
Aug. 31, 2022**

### [Income Tax Disclosure](#)

#### [\[Abstract\]](#)

#### [Income Taxes](#)

#### **NOTE 7 — INCOME TAXES**

The effective income tax rate of 24.8% for the three months ended August 31, 2022 compares to the effective income tax rate of 25.7% for the three months ended August 31, 2021. The effective income tax rates for the three-month periods ended August 31, 2022 and 2021 reflect variances from the 21% statutory rate due primarily to the unfavorable impact of state and local income taxes, non-deductible business expenses, and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions. Additionally, the effective income tax rate for the three-month period ended August 31, 2022 reflects an incremental favorable period-over-period tax benefit associated with equity compensation.

Our deferred tax liability for unremitted foreign earnings was \$1.4 million as of August 31, 2022, which represents our estimate of the net tax cost associated with the remittance of \$196.5 million of foreign earnings that are not considered to be permanently reinvested. We have not provided for foreign withholding or income taxes on the remaining foreign subsidiaries' undistributed earnings because such earnings have been retained and reinvested by the subsidiaries as of August 31, 2022. Accordingly, no provision has been made for foreign withholding or income taxes, which may become payable if the remaining undistributed earnings of foreign subsidiaries were remitted to us as dividends.

On August 16, 2022, Public Law No: 117-169, also known as the Inflation Reduction Act of 2022 ("IRA"), was signed into law. Included in the IRA, amongst other income tax provisions, is a new 15% corporate alternative minimum tax imposed on certain large corporations. Currently, we do not believe that this new minimum tax or the other income tax provisions of the IRA will have a material impact on our consolidated financial statements.



## Inventories

3 Months Ended  
Aug. 31, 2022

[Inventory Disclosure](#)

[\[Abstract\]](#)

[Inventories](#)

### NOTE 8 — INVENTORIES

Inventories, net of reserves, were composed of the following major classes:

<i>(In thousands)</i>	<b>August 31, 2022</b>
Raw material and supplies	\$ 607,697
Finished goods	732,257
<b>Total Inventory, Net of Reserves</b>	<b>\$ 1,339,954</b>

## Borrowings

**3 Months Ended  
Aug. 31, 2022**

[Debt Disclosure \[Abstract\]](#)  
[Borrowings](#)

### **NOTE 9 — BORROWINGS**

#### **Revolving Credit Agreement**

During the quarter ended August 31, 2022, we amended our \$1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027 and increased the borrowing capacity to \$1.35 billion. The Revolving Credit Facility bears interest at either the base rate or the adjusted Secured Overnight Financing Rate (SOFR), as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the Revolving Credit Facility adjusted for deferred financing fees, net of amortization as of August 31, and May 31, 2022, was \$393.1 and \$442.2 million, respectively. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

#### **Term Loan Credit Facility Agreement**

On August 1, 2022, we amended the term loan credit facility, which was set to expire on February 21, 2023, to extend the maturity date to August 1, 2025, and paid down the borrowings outstanding on the term loan to \$250 million. The term loan bears interest at either the base rate or the adjusted SOFR, as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the term loan adjusted for deferred financing fees, net of amortization as of August 31, and May 31, 2022, was \$249.7 and \$299.8 million, respectively.

## Stock Repurchase Program

**3 Months Ended  
Aug. 31, 2022**

[Equity \[Abstract\]](#)

[Stock Repurchase Program](#)

### **NOTE 10 — STOCK REPURCHASE PROGRAM**

On January 8, 2008, we announced our authorization of a stock repurchase program under which we may repurchase shares of RPM International Inc. common stock at management's discretion. As announced on November 28, 2018, our goal was to return \$1.0 billion in capital to stockholders by May 31, 2021 through share repurchases and the retirement of our convertible note during fiscal 2019. On April 16, 2019, after taking into account share repurchases under our existing stock repurchase program to date, our Board of Directors authorized the repurchase of the remaining \$600.0 million in value of RPM International Inc. common stock by May 31, 2021.

As previously announced, given macroeconomic uncertainty resulting from the Covid pandemic, we had suspended stock repurchases under the program, but in January 2021, our Board of Directors authorized the resumption of the stock repurchases. At the time of resuming the program, \$469.7 million of shares of common stock remained available for repurchase. The Board of Directors also extended the stock repurchase program beyond its original May 31, 2021 expiration date until such time that the remaining \$469.7 million of capital has been returned to our stockholders.

As a result, we may repurchase shares from time to time in the open market or in private transactions at various times and in amounts and for prices that our management deems appropriate, subject to insider trading rules and other securities law restrictions. The timing of our purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

During the three months ended August 31, 2022, we repurchased 303,079 shares of our common stock at a cost of approximately \$25.0 million, or an average of \$82.49 per share. During the three months ended August 31, 2021, we repurchased 133,388 shares of our common stock at a cost of approximately \$12.5 million, or an average of \$93.71 per share. The maximum dollar amount that may yet be repurchased under our stock repurchase program was approximately \$342.3 million at August 31, 2022.

## Earnings Per Share

3 Months Ended  
Aug. 31, 2022

### [Earnings Per Share](#)

#### [\[Abstract\]](#)

### [Earnings Per Share](#)

#### NOTE 11 — EARNINGS PER SHARE

The following table sets forth the reconciliation of the numerator and denominator of basic and diluted earnings per share for the three-month periods ended August 31, 2022 and 2021.

	<b>Three Months</b>	
	<b>August 31,</b>	
	<b>2022</b>	
<i>(In thousands, except per share amounts)</i>		
<b>Numerator for earnings per share:</b>		
Net income attributable to RPM International Inc. stockholders	\$	169,013
Less: Allocation of earnings and dividends to participating securities		(1,312)
Net income available to common shareholders - basic		167,701
Add: Undistributed earnings reallocated to unvested shareholders		4
Net income available to common shareholders - diluted	\$	167,705
<b>Denominator for basic and diluted earnings per share:</b>		
Basic weighted average common shares		127,617
Average diluted options and awards		544
Total shares for diluted earnings per share (1)		128,161
<b>Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:</b>		
Basic Earnings Per Share of Common Stock	\$	1.31
Method used to calculate basic earnings per share		Two-class
Diluted Earnings Per Share of Common Stock	\$	1.31
Method used to calculate diluted earnings per share		Two-class

- (1) For the three months ended August 31, 2022 and 2021, approximately 715,000 and 837,700 shares of stock, respectively, granted under stock option plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.

Pension Plans

3 Months Ended  
Aug. 31, 2022

[Retirement Benefits](#)

[\[Abstract\]](#)

[Pension Plans](#)

NOTE 12 — PENSION PLANS

We offer defined benefit pension plans, defined contribution pension plans, and various postretirement benefit plans. The following tables provide benefit plans' impact on income before income taxes for the three months ended August 31, 2022 and 2021:

<i>(In thousands)</i>	U.S. Plans		Non-
	Three Months Ended		Three M
	August 31, 2022	August 31, 2021	August 31, 2022
<b>Pension Benefits</b>			
Service cost	\$ 10,890	\$ 11,914	\$
Interest cost	7,173	3,842	1,
Expected return on plan assets	(9,536)	(10,386)	(1,
Amortization of:			
Prior service cost (credit)	-	1	
Net actuarial losses recognized	4,487	4,225	
<b>Net Periodic Benefit Cost</b>	<b>\$ 13,014</b>	<b>\$ 9,596</b>	<b>\$ 1,</b>

<i>(In thousands)</i>	U.S. Plans		Non-
	Three Months Ended		Three M
	August 31, 2022	August 31, 2021	August 31, 2022
<b>Postretirement Benefits</b>			
Service cost	\$ -	\$ -	\$ 28
Interest cost	21	10	36
Amortization of:			
Prior service (credit)	(30)	(40)	
Net actuarial losses (gains) recognized	11	15	(1
<b>Net Periodic Benefit Cost (Credit)</b>	<b>\$ 2</b>	<b>\$ (15)</b>	<b>\$ 64</b>

Due to a reduction in return on plan assets and higher interest costs which are only partially offset by a reduction in service cost due to higher discount rates, our net pension cost for fiscal 2023 is higher than our fiscal 2022 expense. We expect that pension expense will fluctuate on a year-to-year basis, depending on the performance of plan assets and potential changes in interest rates, and these fluctuations may have a material impact on our consolidated financial statements. As previously disclosed in our financial statements for the fiscal year ended May 31, 2022 that we are required to contribute approximately \$1.3 million to plans in the U.S. and approximately \$4.9 million to plans outside the U.S. during the current fiscal year. Throughout fiscal 2023, we will evaluate whether we should make additional contributions.

## Contingencies and Accrued Losses

3 Months Ended  
Aug. 31, 2022

[Commitments and Contingencies Disclosure \[Abstract\]](#)  
[Contingencies and Accrued Losses](#)

### NOTE 13 — CONTINGENCIES AND ACCRUED LOSSES

#### Product Liability Matters

We provide, through our wholly-owned insurance subsidiaries, certain insurance coverage, primarily product liability coverage, to our other subsidiaries provided by third-party insurers. Our product liability accruals provide for these potential losses as well as other uninsured claims. Product liability is based upon actuarial calculations of potential liability using industry experience, actual historical experience and actuarial assumptions developed from product liability claims, including development factors and lag times. To the extent there is a reasonable possibility that potential losses could exceed accrued, we believe that the amount of any such additional loss would be immaterial to our results of operations, liquidity and consolidated financial position.

#### Warranty Matters

We also offer warranties on many of our products, as well as long-term warranty programs at certain of our businesses, and have established procedures to review these liabilities for adequacy on a quarterly basis and adjust them as necessary. The primary factors that could affect these liabilities may include changes in performance rates as well as costs of replacement. Provision for estimated warranty costs is recorded at the time of sale and periodically adjusted, based on actual experience. It is probable that we will incur future losses related to warranty claims we have received but that have not been fully investigated or not yet received. While our warranty liabilities represent our best estimates at August 31, 2022, we can provide no assurances that we will not experience losses in the future or that we will not incur significant costs to resolve such claims beyond the amounts accrued or beyond what we may recover from our customers. The nature of the expense, product warranty expense is recorded as a component of cost of sales or within SG&A.

Also, due to the nature of our businesses, the amount of claims paid can fluctuate from one period to the next. While our warranty liabilities represent our expected losses at any given time, from time-to-time we may revise our estimates based on our experience relating to factors such as weather conditions and circumstances surrounding product installations and other factors.

The following table includes the changes in our accrued warranty balances:

	Three Months Ended
	August 31, 2022
<i>(In thousands)</i>	
Beginning Balance	\$ 10,900
Deductions (1)	(6,340)
Provision charged to expense	7,930
Ending Balance	\$ 12,500

(1) Primarily claims paid during the period.

#### Environmental Matters

Like other companies participating in similar lines of business, some of our subsidiaries are involved in environmental remediation matters. It is our policy to accrue remediation costs when the liability is probable and the costs are reasonably estimable, which generally is not later than at completion of a feasibility study. We have committed to an appropriate plan of action. We also take into consideration the estimated period of time over which payments may be required. Liabilities are reviewed periodically and, as investigation and remediation activities continue, adjustments are made as necessary. Liabilities for losses from environmental remediation obligations do not consider the effects of inflation and anticipated expenditures are not discounted to their present value. The liabilities are not offset by insurance carriers or other third parties, but do reflect anticipated allocations among potentially responsible parties at federal superfund sites, third-party indemnity obligations, and an assessment of the likelihood that such parties will fulfill their obligations at such sites.

#### Other Contingencies

One of our subsidiaries has been the subject of a proceeding in which one of its former distributors brought suit against our subsidiary for breach of contract. In a June 2017 trial, a jury determined that the distributor was not entitled to any damages on the distributor's claims against our subsidiary. On appeal, the court of Appeals ordered a new trial with respect to certain issues. On December 10, 2021, a new jury awarded \$6.0 million in damages to the distributor on the distributor's contracts, the distributor may also be entitled to recover some portion of its attorneys' fees from our subsidiary. The distributor timely filed an appeal of the verdict, and our subsidiary timely filed a cross-appeal. The appeal action remains pending before the Ninth Circuit Court of Appeals. As a result of the consideration of our subsidiary's appeal, we accrued \$2.6 million for this matter in the second quarter of fiscal 2022, which we believe to be the full amount of loss. While an ultimate loss in excess of the accrued amount is reasonably possible, we believe that the high end of the range of loss would not be more than \$6.0 million noted above.

## Revenue

3 Months Ended  
Aug. 31, 2022

### [Revenue from Contract with Customer \[Abstract\]](#) [Revenue](#)

#### NOTE 14 — REVENUE

We operate a portfolio of businesses that manufacture and sell a variety of product lines that include specialty paints, protective coatings, roofing adhesives, among other things. We disaggregate revenues from the sales of our products and services based upon geographical location by each of our products and services, which are aligned by similar economic factors, trends and customers, which best depict the nature, amount, timing and uncertainty of revenue and contracts with customers. See Note 15, “Segment Information,” to the Consolidated Financial Statements for further details regarding our disaggregation as a description of each of the unique revenue streams related to each of our four reportable segments.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive for those products or services. The majority of our revenue is recognized at a point in time. However, we also record revenues generated under contracts primarily in connection with the installation of specialized roofing and flooring systems and related services. For certain polymer flooring installations, we recognize our revenue using the output method, as we consider square footage of completed flooring to be the best measure of progress toward the complete performance obligation. In contrast, for certain of our roofing installation projects, we account for our revenue using the input method, as that method is a measure of performance as it considers costs incurred in relation to total expected project costs, which essentially represents the transfer of control for roofing services to the customer. In general, for our construction contracts, we record contract revenues and related costs as our contracts progress on an over-time method.

We have elected to apply the practical expedient to recognize revenue net of allowances for returns and any taxes collected from customers, which are then remitted to governmental authorities. Payment terms and conditions vary by contract type, although our customers’ payment terms generally include payment within 30 to 60 days of fulfilling our performance obligations. In instances where the timing of revenue recognition differs from the timing of invoice, we have determined that our contracts generally do not include a significant financing component. We have elected to apply the practical expedient to treat handling costs as fulfillment costs, as a significant portion of these costs are incurred prior to control transfer.

#### *Significant Judgments*

Our contracts with customers may include promises to transfer multiple products and/or services to a customer. Determining whether products and services are distinct performance obligations that should be accounted for separately versus together may require significant judgment. For example, judgment is required to determine whether products sold in connection with the sale of installation services are considered distinct and accounted for separately, or not distinct and accounted for as installation services and recognized over time.

We provide customer rebate programs and incentive offerings, including special pricing and co-operative advertising arrangements, promotions and other incentives. These customer programs and incentives are considered variable consideration and recognized as a reduction of net sales. Up-front consideration from customers is capitalized as a component of other assets and amortized over the estimated life of the contractual arrangement. We include in revenue only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the variable consideration is resolved. In general, this determination is made based upon known customer program and incentive offerings at the time of sale, and expected sales volume for volume-based incentives. This determination is updated each reporting period. Certain of our contracts include contingent consideration that is recognized only upon final inspection and acceptance of a project. We include estimates of such variable consideration in our transaction price. Based on historical experience, we use a probability-based expected value method appropriate to estimate the amount of such variable consideration.

Our products are generally sold with a right of return and we may provide other credits or incentives, which are accounted for as variable consideration. We estimate the amount of revenue to recognize. Returns and credits are estimated at contract inception and updated at the end of each reporting period as additional information becomes available. We record a right of return liability to accrue for expected customer returns. Historical actual returns are used to estimate future returns on sales. Obligations for returns and refunds were not material individually or in the aggregate.

We offer assurance type warranties on our products as well as separately sold warranty contracts. Revenue related to warranty contracts that are sold separately is recognized over the life of the warranty term. Warranty liabilities for our assurance type warranties are discussed further in Note 13, “Contingent Liabilities” to the Consolidated Financial Statements.

#### *Contract Balances*

Timing of revenue recognition may differ from the timing of invoicing customers. Our contract assets are recorded for products and services that we have sold to a customer but have not yet been billed and are included in prepaid expenses and other current assets in our consolidated balance sheets. Our contract liabilities consist of advance payments, or deferred revenue, and are included in other accrued liabilities in our consolidated balance sheets.

Trade accounts receivable, net of allowances, and net contract assets consisted of the following:

<i>(In thousands, except percentages)</i>	August 31, 2022	May 31, 2022	\$ Change
Trade accounts receivable, less allowances	\$ 1,407,866	\$ 1,432,632	\$ (24,766)
Contract assets	\$ 80,155	\$ 57,234	\$ 22,921
Contract liabilities - short-term	(49,850)	(44,938)	(4,912)
<b>Net Contract Assets</b>	<b>\$ 30,305</b>	<b>\$ 12,296</b>	<b>\$ 18,009</b>

The \$18.0 million increase in our net contract assets from May 31, 2022 to August 31, 2022, resulted primarily due to the timing and volume of contract progress at August 31, 2022 versus May 31, 2022.

We also record long-term deferred revenue, which amounted to \$62.1 million and \$62.5 million as of August 31, 2022 and May 31, 2022, respectively. A portion of deferred revenue is related to warranty contracts and is included in other long-term liabilities in our consolidated balance sheets.

We have elected to adopt the practical expedient to not disclose the aggregate amount of transaction price allocated to performance obligations that are part of a contract with an original expected duration of one year or less at the end of the reporting period for performance obligations that are part of a contract with an original expected duration of one year or less.

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. If the terms are primarily one year or less in duration, we have elected to apply a practical expedient to expense costs as incurred for costs to obtain a contract. When the amortization period would have been one year or less. These costs include our internal sales force compensation program and certain internal sales force compensation. We have determined annual compensation is commensurate with annual sales activities.

#### *Allowance for Credit Losses*

Our primary allowance for credit losses is the allowance for doubtful accounts. The allowance for doubtful accounts reduces the trade accounts receivable to an estimated net realizable value equal to the amount that is expected to be collected. The allowance was based on assessments of current creditworthiness, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off

a final determination of uncollectibility is made. All provisions for allowances for doubtful collection of accounts are included in selling, general expenses.

The following tables summarize the activity for the allowance for credit losses for the three months ended August 31, 2022 and 2021:

	<b>Three Months</b>	
	<b>August 31,</b>	
	<b>2022</b>	
<i>(In thousands)</i>		
Beginning Balance	\$	46,669 \$
Bad debt provision		2,407
Uncollectible accounts written off, net of recoveries		(667)
Translation adjustments		(1,634)
<b>Ending Balance</b>	<b>\$</b>	<b>46,775 \$</b>



## Segment Information

3 Months Ended  
Aug. 31, 2022

### Segment Reporting

#### [Abstract]

#### Segment Information

#### NOTE 15 — SEGMENT INFORMATION

We operate a portfolio of businesses and product lines that manufacture and sell a variety of specialty paints, protective coatings, roofing systems, sealants, cleaners and adhesives. We manage our portfolio by organizing our businesses and product lines into four reportable segments as outlined below. These segments represent our operating segments. Within each operating segment, we manage product lines and businesses which generally address common market and economic characteristics, utilize similar technologies and can share manufacturing or distribution capabilities. Our four operating segments represent separate business for which separate financial information is available that is utilized on a regular basis by our chief operating decision maker in determining the fair value of assets of the company and evaluate performance. These four operating segments are each managed by an operating segment manager, who is responsible for operating decisions and performance evaluation of the operating segment's underlying businesses. We evaluate the profit performance of our segments on income before income taxes, but also look to earnings (loss) before interest and taxes ("EBIT"), as a performance evaluation measure because income before interest and taxes is essentially related to corporate functions, as opposed to segment operations.

Our CPG reportable segment products are sold throughout North America and also account for the majority of our international sales. Our construction products sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers within this reportable segment include construction sealants and adhesives, coatings and chemicals, roofing systems, concrete admixture and repair products, envelope solutions, insulated cladding, flooring systems, and weatherproofing solutions.

Our PCG reportable segment products are sold throughout North America, as well as internationally, and are sold directly to contractors, distributors and end-users at industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include flooring solutions, corrosion control and fireproofing coatings, infrastructure repair systems, fiberglass reinforced plastic gratings and drainage systems.

Our Consumer reportable segment manufactures and markets professional use and do-it-yourself ("DIY") products for a variety of mainly consumer markets including home improvement and personal leisure activities. Our Consumer reportable segment's major manufacturing and distribution operations are located in North America, along with a few locations in Europe and other parts of the world. Our Consumer reportable segment products are primarily sold directly to consumers at home improvement centers, hardware stores, paint stores, craft shops and through distributors. The Consumer reportable segment offers products including hobby and professional paints; caulks; adhesives; cleaners; sandpaper and other abrasives; silicone sealants and wood stains.

Our SPG reportable segment products are sold throughout North America and a few international locations, primarily in Europe. Our specialty products are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. This segment offers products that include industrial cleaners, restoration services equipment, colorants, nail enamels, exterior finishes, edible coatings and coatings for pharmaceutical and food industries, and other specialty original equipment manufacturer ("OEM") coatings.

In addition to our four reportable segments, there is a category of certain business activities and expenses, referred to as corporate/other, that does not constitute an operating segment. This category includes our corporate headquarters and related administrative expenses, results of our captive insurance company, sales of certain assets and other expenses not directly associated with any reportable segment. Assets related to the corporate/other category consist of investments, prepaid expenses and headquarters' property and equipment. These corporate and other assets and expenses reconcile reportable segment results to consolidated income before income taxes and identifiable assets.

We reflect income from our joint ventures on the equity method and receive royalties from our licensees.

The following tables present a disaggregation of revenues by geography, and the results of our reportable segments consistent with our management's view of the company, representing the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

Three Months Ended August 31, 2022	CPG Segment	PCG Segment	Consumer Segment	SPG Segment
<i>(In thousands)</i>				
<b>Net Sales (based on shipping location)</b>				
United States	\$ 463,408	\$ 223,669	\$ 550,619	\$ 172,866
Foreign				
Canada	70,138	22,663	44,250	98,118
Europe	117,195	56,708	53,618	22,128
Latin America	55,672	9,482	6,186	40,118
Asia Pacific	23,284	5,769	4,819	6,311
Other Foreign	-	22,143	-	-
Total Foreign	266,289	116,765	108,873	29,835
<b>Total</b>	<b>\$ 729,697</b>	<b>\$ 340,434</b>	<b>\$ 659,492</b>	<b>\$ 202,699</b>

Three Months Ended August 31, 2021	CPG Segment	PCG Segment	Consumer Segment	SPG Segment
<i>(In thousands)</i>				
<b>Net Sales (based on shipping location)</b>				
United States	\$ 372,313	\$ 176,194	\$ 432,399	\$ 149,411
Foreign				
Canada	76,559	18,452	33,942	2,141
Europe	130,418	57,835	60,267	24,331
Latin America	47,422	6,390	7,318	49,118
Asia Pacific	17,605	6,661	4,482	5,671
Other Foreign	45	20,063	-	-
Total Foreign	272,049	109,401	106,009	32,641
<b>Total</b>	<b>\$ 644,362</b>	<b>\$ 285,595</b>	<b>\$ 538,408</b>	<b>\$ 182,052</b>

	Three Months Ended August 31, 2022
<i>(In thousands)</i>	
<b>Income (Loss) Before Income Taxes</b>	
CPG Segment	\$ 109,200
PCG Segment	46,950
Consumer Segment	116,680
SPG Segment	27,880

Corporate/Other	(75,60)
<b>Consolidated</b>	<b>\$ 225,12</b>

*(In thousands)*

**Identifiable Assets**

	<b>August 31, 2022</b>
CPG Segment	\$ 2,205,904
PCG Segment	1,133,869
Consumer Segment	2,378,105
SPG Segment	849,352
Corporate/Other	235,758
<b>Consolidated</b>	<b>\$ 6,802,988</b>

**New Accounting  
Pronouncements (Policies)**

**3 Months Ended  
Aug. 31, 2022**

**[Accounting Changes and  
Error Corrections \[Abstract\]](#)**

**[New Accounting  
Pronouncements](#)**

**NEW ACCOUNTING PRONOUNCEMENTS**

***New Pronouncements Adopted***

The Company did not adopt any Accounting Standard Updates (“ASU”) during fiscal 2023 that have a material impact on our Consolidated Financial Statements.

***New Pronouncements Issued***

In September 2022, the FASB issued ASU 2022-04, “Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations,” which makes a number of changes meant to add certain disclosure requirements for a buyer in a supplier finance program. The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program’s key terms, the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period, and associated rollforward information. Only the amount outstanding at the end of the period must be disclosed in interim periods. The amendments are effective for all entities for fiscal years beginning after December 15, 2022 on a retrospective basis, including interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. Early adoption is permitted upon issuance of the update. We are currently reviewing the provisions of this new pronouncement, but do not expect this guidance will have a material impact on our Consolidated Financial Statements.

**Fair Value Measurements  
(Tables)**

**3 Months Ended  
Aug. 31, 2022**

[Fair Value Disclosures  
\[Abstract\]](#)

[Assets and Liabilities  
Measured at Fair Value on  
Recurring Basis and  
Categorized using Fair Value  
Hierarchy](#)

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Available-for-sale debt securities:</b>			
U.S. Treasury and other government	\$ -	\$ 24,949	\$ -
Corporate bonds	-	146	-
Total available-for-sale debt securities	-	25,095	-
<b>Marketable equity securities:</b>			
Stocks - foreign	603	-	-
Stocks - domestic	4,724	-	-
Mutual funds - foreign	-	36,353	-
Mutual funds - domestic	-	72,505	-
Total marketable equity securities	5,327	108,858	-
<b>Contingent consideration</b>	-	-	(3,000)
<b>Total</b>	<b>\$ 5,327</b>	<b>\$ 133,953</b>	<b>\$ (3,000)</b>

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Available-for-sale debt securities:</b>			
U.S. Treasury and other government	\$ -	\$ 25,239	\$ -
Corporate bonds	-	155	-
Total available-for-sale debt securities	-	25,394	-
<b>Marketable equity securities:</b>			
Stocks - foreign	598	-	-
Stocks - domestic	5,085	-	-
Mutual funds - foreign	-	39,139	-
Mutual funds - domestic	-	74,227	-
Total marketable equity securities	5,683	113,366	-
<b>Contingent consideration</b>	-	-	(10,000)
<b>Total</b>	<b>\$ 5,683</b>	<b>\$ 138,760</b>	<b>\$ (10,000)</b>

[Fair Value and Carrying Value of Financial Instruments and Long-Term Debt](#) Based on the analysis performed, the fair value and the carrying value of our financial instruments and long-term debt as of August 31, 2022 and follows:

<i>(In thousands)</i>	<b>At Fair Value</b>	<b>At Carrying Value</b>
Cash and cash equivalents	\$ 197,000	\$ 197,000
Marketable equity securities	114,000	114,000
Available-for-sale debt securities	25,095	25,095
Long-term debt, including current portion	2,837,000	2,837,000

<i>(In thousands)</i>	<b>At Fair Value</b>	<b>At Carrying Value</b>
Cash and cash equivalents	\$ 201,000	\$ 201,000
Marketable equity securities	119,000	119,000
Available-for-sale debt securities	25,000	25,000
Long-term debt, including current portion	2,686,000	2,686,000

**Investment Expense  
(Income), Net (Tables)**

**3 Months Ended  
Aug. 31, 2022**

**Other Income and Expenses**

**[Abstract]**

**Investment Expense (Income),**

**Net**

Investment expense (income), net, consists of the following components:

<i>(In thousands)</i>	<b>Three Months Ended August 31, 2022</b>
Interest (income)	\$ (2,150)
Net loss (gain) on marketable securities	6,600
Dividend (income)	(750)
Investment expense (income), net	<u>\$ 3,660</u>

**Net Loss (Gain) on Marketable  
Securities**

***Net Loss (Gain) on Marketable Securities***

<i>(In thousands)</i>	<b>Three Months Ended August 31, 2022</b>
Unrealized losses (gains) on marketable equity securities	\$ 6,510
Realized losses (gains) on marketable equity securities	120
Realized (gains) losses on available-for-sale debt securities	(300)
Net loss (gain) on marketable securities	<u>\$ 6,600</u>

**Other Expense (Income), Net  
(Tables)**

**3 Months Ended  
Aug. 31, 2022**

[Other Income and Expenses](#)

[\[Abstract\]](#)

[Other Expense \(Income\), Net](#)

Other expense (income), net, consists of the following components:

	<u>Three M</u> <u>August 31,</u> <u>2022</u>
<i>(In thousands)</i>	
Pension non-service costs (credits)	2,51
Other	(10
Other expense (income), net	<u>\$ 2,41</u>

## Inventories (Tables)

3 Months Ended  
Aug. 31, 2022

[Inventory Disclosure](#)

[\[Abstract\]](#)

[Major Classes of Inventories,](#)

[Net of Reserves](#)

Inventories, net of reserves, were composed of the following major classes:

<i>(In thousands)</i>	<b>August 31, 2022</b>
Raw material and supplies	\$ 607,697
Finished goods	732,257
<b>Total Inventory, Net of Reserves</b>	<b>\$ 1,339,954</b>

## Earnings Per Share (Tables)

3 Months Ended  
Aug. 31, 2022

### Earnings Per Share

#### [Abstract]

#### Reconciliation of Numerator and Denominator of Basic and Diluted Earnings Per Share

The following table sets forth the reconciliation of the numerator and denominator of basic and diluted earnings per share for the three-month periods ended August 31, 2022 and 2021.

	Three Months August 31, 2022	
<i>(In thousands, except per share amounts)</i>		
<b>Numerator for earnings per share:</b>		
Net income attributable to RPM International Inc. stockholders	\$	169,013
Less: Allocation of earnings and dividends to participating securities		(1,312)
Net income available to common shareholders - basic		167,701
Add: Undistributed earnings reallocated to unvested shareholders		4
Net income available to common shareholders - diluted	\$	167,705
<b>Denominator for basic and diluted earnings per share:</b>		
Basic weighted average common shares		127,617
Average diluted options and awards		544
Total shares for diluted earnings per share (1)		128,161
<b>Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:</b>		
Basic Earnings Per Share of Common Stock	\$	1.31
Method used to calculate basic earnings per share		Two-class
Diluted Earnings Per Share of Common Stock	\$	1.31
Method used to calculate diluted earnings per share		Two-class

- (1) For the three months ended August 31, 2022 and 2021, approximately 715,000 and 837,700 shares of stock, respectively, granted under stock option plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.



Pension Plans (Tables)

3 Months Ended  
Aug. 31, 2022

[Retirement Benefits](#)

[\[Abstract\]](#)

[Retirement-Related Benefit Plans' Impact on Income Before Income Taxes](#)

The following tables provide the retirement-related benefit plans' impact on income before income taxes for the three months ended August 31, 2022.

	U.S. Plans		Non-
	Three Months Ended		Three Months Ended
	August 31, 2022	August 31, 2021	August 31, 2022
<i>(In thousands)</i>			
<b>Pension Benefits</b>			
Service cost	\$ 10,890	\$ 11,914	\$ 11,914
Interest cost	7,173	3,842	1,311
Expected return on plan assets	(9,536)	(10,386)	(1,311)
Amortization of:			
Prior service cost (credit)	-	1	-
Net actuarial losses recognized	4,487	4,225	4,225
<b>Net Periodic Benefit Cost</b>	<b>\$ 13,014</b>	<b>\$ 9,596</b>	<b>\$ 1,311</b>

	U.S. Plans		Non-
	Three Months Ended		Three Months Ended
	August 31, 2022	August 31, 2021	August 31, 2022
<i>(In thousands)</i>			
<b>Postretirement Benefits</b>			
Service cost	\$ -	\$ -	\$ 28
Interest cost	21	10	36
Amortization of:			
Prior service (credit)	(30)	(40)	-
Net actuarial losses (gains) recognized	11	15	(1)
<b>Net Periodic Benefit Cost (Credit)</b>	<b>\$ 2</b>	<b>\$ (15)</b>	<b>\$ 64</b>

**Contingencies and Accrued  
Losses (Tables)**

**3 Months Ended  
Aug. 31, 2022**

[Commitments and  
Contingencies Disclosure  
\[Abstract\]](#)

[Changes in Accrued Warranty  
Balances](#) The following table includes the changes in our accrued warranty balances:

		<u>Three M</u> <u>August 31,</u> <u>2022</u>
<i>(In thousands)</i>		
Beginning Balance		\$ 10,90
Deductions (1)		(6,34
Provision charged to expense		7,93
Ending Balance		<u>\$ 12,50</u>

(1) Primarily claims paid during the period.

Revenue (Tables)

3 Months Ended  
Aug. 31, 2022

[Revenue from Contract with Customer \[Abstract\]](#)

[Trade Accounts Receivable Net of Allowances and Net Contract Assets](#)

Trade accounts receivable, net of allowances, and net contract assets consisted of the following:

<i>(In thousands, except percentages)</i>	August 31, 2022	May 31, 2022	\$ Change
Trade accounts receivable, less allowances	\$ 1,407,866	\$ 1,432,632	\$ (24,766)
Contract assets	\$ 80,155	\$ 57,234	\$ 22,921
Contract liabilities - short-term	(49,850)	(44,938)	(4,912)
<b>Net Contract Assets</b>	<b>\$ 30,305</b>	<b>\$ 12,296</b>	<b>\$ 18,009</b>

[Summary of Activity for Allowance for Credit Losses](#)

The following tables summarize the activity for the allowance for credit losses for the three months ended August 31, 2022 and 2021:

<i>(In thousands)</i>	Three Months August 31, 2022	
Beginning Balance	\$ 46,669	\$
Bad debt provision	2,407	
Uncollectible accounts written off, net of recoveries	(667)	
Translation adjustments	(1,634)	
<b>Ending Balance</b>	<b>\$ 46,775</b>	<b>\$</b>

Segment Information  
(Tables)

3 Months Ended  
Aug. 31, 2022

[Segment Reporting](#)  
[\[Abstract\]](#)

[Summary of Disaggregation of Revenues by Geography and Results of Reportable Segments](#)

The following tables present a disaggregation of revenues by geography, and the results of our reportable segments consistent with our management representing the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the portfolio of businesses.

<b>Three Months Ended August 31, 2022</b>	<b>CPG Segment</b>	<b>PCG Segment</b>	<b>Consumer Segment</b>	<b>SPG Segment</b>
<i>(In thousands)</i>				
<b>Net Sales (based on shipping location)</b>				
United States	\$ 463,408	\$ 223,669	\$ 550,619	\$ 172,86
Foreign				
Canada	70,138	22,663	44,250	98
Europe	117,195	56,708	53,618	22,12
Latin America	55,672	9,482	6,186	40
Asia Pacific	23,284	5,769	4,819	6,31
Other Foreign	-	22,143	-	
Total Foreign	266,289	116,765	108,873	29,83
<b>Total</b>	<b>\$ 729,697</b>	<b>\$ 340,434</b>	<b>\$ 659,492</b>	<b>\$ 202,69</b>

<b>Three Months Ended August 31, 2021</b>	<b>CPG Segment</b>	<b>PCG Segment</b>	<b>Consumer Segment</b>	<b>SPG Segment</b>
<i>(In thousands)</i>				
<b>Net Sales (based on shipping location)</b>				
United States	\$ 372,313	\$ 176,194	\$ 432,399	\$ 149,41
Foreign				
Canada	76,559	18,452	33,942	2,14
Europe	130,418	57,835	60,267	24,33
Latin America	47,422	6,390	7,318	49
Asia Pacific	17,605	6,661	4,482	5,67
Other Foreign	45	20,063	-	
Total Foreign	272,049	109,401	106,009	32,64
<b>Total</b>	<b>\$ 644,362</b>	<b>\$ 285,595</b>	<b>\$ 538,408</b>	<b>\$ 182,05</b>

<i>(In thousands)</i>	<b>Three Months Ended August 31, 2022</b>
<b>Income (Loss) Before Income Taxes</b>	
CPG Segment	\$ 109,20
PCG Segment	46,95
Consumer Segment	116,68
SPG Segment	27,88
Corporate/Other	(75.60)
<b>Consolidated</b>	<b>\$ 225,12</b>

<i>(In thousands)</i>	<b>August 31, 2022</b>
<b>Identifiable Assets</b>	
CPG Segment	\$ 2,205,904
PCG Segment	1,133,869
Consumer Segment	2,378,105
SPG Segment	849,352
Corporate/Other	235,758
<b>Consolidated</b>	<b>\$ 6,802,988</b>

**Consolidation,  
Noncontrolling Interests and  
Basis of Presentation -  
Additional Information  
(Detail)**

**Aug. 31, 2022**

**[Accounting Policies \[Abstract\]](#)**

[Percentage of controlled subsidiary's earnings](#) 100.00%

**Restructuring - Additional  
Information (Detail) - MAP  
to Growth - USD (\$)  
\$ in Millions**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Restructuring Cost And Reserve [Line Items]**

<u>Current total expected costs</u>	\$ 120.2	
<u>Restructuring costs</u>	1.4	\$ 1.0
<u>Restructuring and related cost incurred to date</u>	\$ 118.7	

**Assets and Liabilities  
Measured at Fair Value on  
Recurring Basis and  
Categorized using Fair Value  
Hierarchy (Detail) - Fair  
Value, Measurements,  
Recurring - USD (\$)  
\$ in Thousands**

**Aug. 31,  
2022      May 31,  
2022**

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total available-for-sale securities</u>	\$ 25,095	\$ 25,394
<u>Total marketable equity securities</u>	114,185	119,049
<u>Assets (liabilities) at fair value</u>	136,084	133,914

U.S. Treasury and other government

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total available-for-sale securities</u>	24,949	25,239
<u>Corporate bonds</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total available-for-sale securities</u>	146	155
<u>Stocks   Foreign</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total marketable equity securities</u>	603	598
<u>Stocks   Domestic</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total marketable equity securities</u>	4,724	5,085
<u>Mutual funds   Foreign</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total marketable equity securities</u>	36,353	39,139
<u>Mutual funds   Domestic</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total marketable equity securities</u>	72,505	74,227
<u>Contingent consideration liability</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Contingent consideration</u>	(3,196)	(10,529)
<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>		

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis**

**[Line Items]**

<u>Total marketable equity securities</u>	5,327	5,683
---	-------	-------

<u>Assets (liabilities) at fair value</u>	5,327	5,683
<u>Quoted Prices in Active Markets for Identical Assets (Level 1)   Stocks   Foreign</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total marketable equity securities</u>	603	598
<u>Quoted Prices in Active Markets for Identical Assets (Level 1)   Stocks   Domestic</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total marketable equity securities</u>	4,724	5,085
<u>Significant Other Observable Inputs (Level 2)</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total available-for-sale securities</u>	25,095	25,394
<u>Total marketable equity securities</u>	108,858	113,366
<u>Assets (liabilities) at fair value</u>	133,953	138,760
<u>Significant Other Observable Inputs (Level 2)   U.S. Treasury and other government</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total available-for-sale securities</u>	24,949	25,239
<u>Significant Other Observable Inputs (Level 2)   Corporate bonds</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total available-for-sale securities</u>	146	155
<u>Significant Other Observable Inputs (Level 2)   Mutual funds   Foreign</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total marketable equity securities</u>	36,353	39,139
<u>Significant Other Observable Inputs (Level 2)   Mutual funds   Domestic</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Total marketable equity securities</u>	72,505	74,227
<u>Significant Unobservable Inputs (Level 3)</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Assets (liabilities) at fair value</u>	(3,196)	(10,529)
<u>Significant Unobservable Inputs (Level 3)   Contingent consideration liability</u>		
<b><u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis</u></b>		
<b><u>[Line Items]</u></b>		
<u>Contingent consideration</u>	\$ (3,196)	\$ (10,529)



**Fair Value Measurements -  
Additional Information  
(Detail) - USD (\$)  
\$ in Millions**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Fair Value Disclosures [Abstract]**

Settlements of contingent consideration obligations \$ 10.3

Increase in accrual related to fair value adjustments \$ 3.0                      \$ 1.0

**Fair Value and Carrying  
Value of Financial  
Instruments and Long-Term  
Debt (Detail) - USD (\$)  
\$ in Thousands**

**Aug. 31,  
2022**

**May 31,  
2022**

Carrying Value

**Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line  
Items]**

<u>Cash and cash equivalents</u>	\$ 197,574	\$ 201,672
<u>Marketable equity securities</u>	114,185	119,049
<u>Available-for-sale debt securities</u>	25,095	25,394
<u>Long-term debt, including current portion</u>	2,837,495	2,686,609

Fair Value

**Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line  
Items]**

<u>Cash and cash equivalents</u>	197,574	201,672
<u>Marketable equity securities</u>	114,185	119,049
<u>Available-for-sale debt securities</u>	25,095	25,394
<u>Long-term debt, including current portion</u>	\$ 2,676,538	\$ 2,618,978

**Investment Expense  
(Income), Net (Detail) - USD  
(\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Investment Income, Net [Abstract]**

<u>Interest (income)</u>	\$ (2,150)	\$ (1,153)
<u>Net loss (gain) on marketable securities</u>	6,606	(3,476)
<u>Dividend (income)</u>	(792)	(1,121)
<u>Investment expense (income), net</u>	\$ 3,664	\$ (5,750)

**Net Loss (Gain) on  
Marketable Securities  
(Detail) - USD (\$)  
\$ in Thousands**

**3 Months Ended**

**Aug. 31, 2022 Aug. 31, 2021**

**Net Loss (Gain) on Marketable Securities**

<u>Unrealized losses (gains) on marketable equity securities</u>	\$ 6,513	\$ (3,218)
<u>Realized losses (gains) on marketable equity securities</u>	129	(269)
<u>Realized (gains) losses on available-for-sale debt securities</u>	(36)	11
<u>Net loss (gain) on marketable securities</u>	\$ 6,606	\$ (3,476)

**(Gain) on Sales of Assets, Net**  
**- Additional Information**  
**(Detail) - USD (\$)**  
**\$ in Thousands**

**Aug. 31, 2022** **May 31, 2022**

**Sale Leaseback Transaction [Line Items]**

<u>Operating lease, ROU assets</u>	\$ 296,101	\$ 307,797
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**Other Expense (Income), Net  
(Detail) - USD (\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Other Income and Expenses [Abstract]**

<u>Pension non-service costs (credits)</u>	\$ 2,516	\$ (2,723)
<u>Other</u>	(100)	(616)
<u>Other expense (income), net</u>	\$ 2,416	\$ (3,339)

**Income Taxes - Additional  
Information (Detail) - USD  
(\$)**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Income Tax Disclosure [Abstract]**

<u>Effective income tax expense rate</u>	24.80%	25.70%
<u>Corporate income tax rate</u>	21.00%	21.00%
<u>Deferred income tax liability</u>	\$ 1,400,000	
<u>Unremitted foreign earnings</u>	196,500,000	
<u>Provision for deferred income taxes</u>	\$ 0	

**Major Classes of Inventories,  
Net of Reserves (Detail) - Aug. 31, 2022 May 31, 2022**  
USD (\$)  
\$ in Thousands

**Inventory Disclosure [Abstract]**

<u>Raw material and supplies</u>	\$ 607,697	\$ 560,886
<u>Finished goods</u>	732,257	651,732
<u>Total Inventory, Net of Reserves</u>	\$ 1,339,954	\$ 1,212,618



<b>Borrowings - Additional Information (Detail) - USD (\$) \$ in Millions</b>	<b>Aug. 01, 2022</b>	<b>Feb. 21, 2020</b>	<b>Nov. 30, 2018</b>	<b>3 Months Ended Aug. 31, 2022</b>	<b>May 31, 2022</b>
<u>Revolving Credit Facility</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit facility borrowing maximum capacity</u>			\$ 1,300.0	\$ 1,350.0	
<u>Credit facility expiration date</u>			Oct. 31, 2023	Aug. 01, 2027	
<u>Amount outstanding on credit facility</u>				\$ 393.1	\$ 442.2
<u>Term Loan</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Maturity date</u>	Aug. 01, 2025	Feb. 21, 2023			
<u>Amount outstanding on credit facility</u>	\$ 250.0			\$ 249.7	\$ 299.8

<b>Stock Repurchase Program - Additional Information (Detail) - USD (\$) \$ / shares in Units, \$ in Thousands</b>	<b>1 Months Ended</b>	<b>3 Months Ended</b>		
	<b>Jan. 31, 2021</b>	<b>Aug. 31, 2022</b>	<b>Aug. 31, 2021</b>	<b>May 31, 2021</b>
<a href="#">Stock Repurchase Programs [Line Items]</a>				
<a href="#">Authorization of stock repurchase program</a>		Jan. 08, 2008		
<a href="#">Capital to be returned to stockholders through share repurchases</a>				\$ 1,000,000
<a href="#">Stock repurchase program, remaining authorized repurchase, value</a>	\$ 469,700	\$ 342,300		\$ 600,000
<a href="#">Stock repurchase program expiration date</a>	May 31, 2021			
<a href="#">Shares repurchased</a>		303,079	133,388	
<a href="#">Shares repurchased, value</a>		\$ 25,000	\$ 12,500	
<a href="#">Repurchase of common stock price per shares</a>		\$ 82.49	\$ 93.71	

<b>Reconciliation of Numerator and Denominator of Basic and Diluted Earnings Per Share (Detail) - USD (\$) \$/ shares in Units, shares in Thousands, \$ in Thousands</b>	<b>3 Months Ended</b>	
	<b>Aug. 31, 2022</b>	<b>Aug. 31, 2021</b>
<b><u>Numerator for earnings per share:</u></b>		
<u>Net income attributable to RPM International Inc. stockholders</u>	\$ 169,013	\$ 134,582
<u>Less: Allocation of earnings and dividends to participating securities</u>	(1,312)	(1,142)
<u>Net income available to common shareholders - basic</u>	167,701	133,440
<u>Add: Undistributed earnings reallocated to unvested shareholders</u>	4	4
<u>Net income available to common shareholders - diluted</u>	\$ 167,705	\$ 133,444
<b><u>Denominator for basic and diluted earnings per share:</u></b>		
<u>Basic weighted average common shares</u>	127,617	128,083
<u>Average diluted options and awards</u>	544	487
<u>Total shares for diluted earnings per share</u>	[1] 128,161	128,570
<b><u>Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:</u></b>		
<u>Basic Earnings Per Share of Common Stock</u>	\$ 1.31	\$ 1.04
<u>Method used to calculate basic earnings per share</u>	Two-class	Two-class
<u>Diluted Earnings Per Share of Common Stock</u>	\$ 1.31	\$ 1.04
<u>Method used to calculate diluted earnings per share</u>	Two-class	Two-class

[1] For the three months ended August 31, 2022 and 2021, approximately 715,000 and 837,700 shares of stock, respectively, granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.

**Reconciliation of Numerator  
and Denominator of Basic  
and Diluted Earnings Per  
Share (Parenthetical)  
(Detail) - shares**

**3 Months Ended**  
**Aug. 31,      Aug. 31,**  
**2022            2021**

Stock-Based Compensation Plans

Antidilutive Securities Excluded From Computation Of Earnings Per Share

[Line Items]

Shares excluded from the calculation of diluted earnings per share

715,000

837,700

**Retirement-Related Benefit  
Plans' Impact on Income  
Before Income Taxes (Detail)  
- USD (\$)  
\$ in Thousands**

**3 Months Ended**  
**Aug. 31,    Aug. 31,**  
**2022        2021**

Pension Benefits | U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block**

**[Line Items]**

<u>Service cost</u>	\$ 10,890	\$ 11,914
<u>Interest cost</u>	7,173	3,842
<u>Expected return on plan assets</u>	(9,536)	(10,386)
<u>Prior service cost (credit)</u>		1
<u>Net actuarial losses recognized</u>	4,487	4,225
<u>Net Periodic Benefit (Credit) Cost</u>	13,014	9,596

Pension Benefits | Non-U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block**

**[Line Items]**

<u>Service cost</u>	951	1,348
<u>Interest cost</u>	1,728	1,282
<u>Expected return on plan assets</u>	(1,727)	(2,073)
<u>Prior service cost (credit)</u>	(27)	(38)
<u>Net actuarial losses recognized</u>	125	114
<u>Net Periodic Benefit (Credit) Cost</u>	1,050	633

Postretirement Benefits | U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block**

**[Line Items]**

<u>Interest cost</u>	21	10
<u>Prior service cost (credit)</u>	(30)	(40)
<u>Net actuarial losses recognized</u>	11	15
<u>Net Periodic Benefit (Credit) Cost</u>	2	(15)

Postretirement Benefits | Non-U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block**

**[Line Items]**

<u>Service cost</u>	287	432
<u>Interest cost</u>	368	299
<u>Net actuarial losses recognized</u>	(14)	32
<u>Net Periodic Benefit (Credit) Cost</u>	\$ 641	\$ 763

**Pension Plans - Additional  
Information (Detail) -  
Pension Benefits - USD (\$)  
\$ in Millions**

**May 31,  
2022**      **May 31,  
2021**

U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block  
[Line Items]**

Total expected contributions to pension plans

\$ 1.3

Non-U.S. Plans

**Defined Benefit Plans And Other Postretirement Benefit Plans Table Text Block  
[Line Items]**

Total expected contributions to pension plans

\$ 4.9

**Changes in Accrued  
Warranty Balances (Detail) -  
USD (\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**[Commitments and Contingencies Disclosure \[Abstract\]](#)**

<u><a href="#">Beginning Balance</a></u>	\$ 10,905	\$ 13,175
<u><a href="#">Deductions</a></u>	<sup>[1]</sup> (6,344)	(6,258)
<u><a href="#">Provision charged to expense</a></u>	7,939	6,115
<u><a href="#">Ending Balance</a></u>	\$ 12,500	\$ 13,032

[1] Primarily claims paid during the period.

**Contingencies and Accrued  
Losses - Additional  
Information (Detail) - USD  
(\$)**

**Dec. 10, 2021 Aug. 31, 2022 May 31, 2022 Nov. 30, 2021**

**\$ in Thousands**

**Loss Contingencies [Line Items]**

New jury awarded damages value to distributor \$ 6,000

Accrued losses

\$ 26,160

\$ 24,508

Maximum range of reasonably possible loss

\$ 6,000

Subsidiary Potential Arguments On Appeal

**Loss Contingencies [Line Items]**

Accrued losses

\$ 2,600



**3 Months Ended**

**Revenue - Additional  
Information (Detail)  
\$ in Thousands**

**Aug. 31, 2022  
USD (\$)  
Segment**

**May  
31,  
2022  
USD  
(\$)**

**Disaggregation Of Revenue**

**[Line Items]**

Number of reportable  
segments | Segment

4

Revenue performance  
obligation description of  
payment terms

Payment terms and conditions vary by contract type, although our customers' payment terms generally include a requirement to pay within 30 to 60 days of fulfilling our performance obligations

Revenue, Practical Expedient,  
Financing Component [true  
false]

false

Increase (decrease) in net  
contract assets

\$ (18,009)

Long-term deferred revenue

\$ 62,100

\$  
62,500

**Summary of Trade Accounts  
Receivable Net of  
Allowances and Net  
Contract Assets (Detail) -  
USD (\$)  
\$ in Thousands**

**3 Months Ended**

**Aug. 31, 2022    May 31, 2022**

**Disaggregation Of Revenue [Line Items]**

<u>Trade accounts receivable, less allowances</u>	\$ 1,407,866	\$ 1,432,632
<u>Contract assets</u>	80,155	57,234
<u>Contract liabilities - short-term</u>	(49,850)	(44,938)
<u>Net Contract Assets</u>	30,305	\$ 12,296

**Change in Contract with Customer, Asset and Liability [Abstract]**

<u>Change in trade accounts receivable, less allowances</u>	(24,766)
<u>Change in contract assets</u>	(22,921)
<u>Change in Net Contract Assets (Liabilities)</u>	\$ (18,009)
<u>Percentage of change in trade accounts receivable, less allowances</u>	(1.70%)
<u>Percentage of change in contract assets</u>	(40.00%)
<u>Percentage of change in Net Contract Assets/(Liabilities)</u>	(146.50%)

**Short-term**

**Change in Contract with Customer, Asset and Liability [Abstract]**

<u>Change in contract liabilities</u>	\$ 4,912
<u>Percentage of change in contract liabilities</u>	(10.90%)

**Summary of Activity for  
Allowance for Credit Losses  
(Detail) - USD (\$)  
\$ in Thousands**

**3 Months Ended  
Aug. 31, 2022 Aug. 31, 2021**

**Accounts receivable, allowance for credit loss [Roll Forward]**

<u>Beginning balance</u>	\$ 46,669	\$ 55,922
<u>Bad debt provision</u>	2,407	1,205
<u>Uncollectible accounts written off, net of recoveries</u>	(667)	(4,087)
<u>Translation adjustments</u>	(1,634)	(859)
<u>Ending balance</u>	\$ 46,775	\$ 52,181

**Segment Information - 3 Months Ended**  
**Additional Information Aug. 31, 2022**  
**(Detail) Segment**

[Segment Reporting \[Abstract\]](#)

[Number of reportable segments](#) 4

[Number of operating segments](#) 4

**Summary of Disaggregation  
of Revenues by Geography  
and Results of Reportable  
Segments (Detail) - USD (\$)  
\$ in Thousands**

**3 Months Ended**

**Aug. 31, 2022 Aug. 31, 2021 May 31, 2022**

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	\$ 1,932,320	\$ 1,650,420	
<u>Income (Loss) Before Income Taxes</u>	225,121	181,471	
<u>Identifiable Assets</u>	6,802,988		\$ 6,707,706

Domestic

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	1,410,559	1,130,317	
------------------	-----------	-----------	--

Foreign

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	521,761	520,103	
------------------	---------	---------	--

Foreign | Canada

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	138,037	131,093	
------------------	---------	---------	--

Foreign | Europe

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	249,646	272,855	
------------------	---------	---------	--

Foreign | Latin America

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	71,746	61,624	
------------------	--------	--------	--

Foreign | Asia Pacific

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	40,189	34,423	
------------------	--------	--------	--

Foreign | Other Foreign

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	22,143	20,108	
------------------	--------	--------	--

Operating Segments | CPG Segment

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	729,697	644,362	
------------------	---------	---------	--

Income (Loss) Before Income Taxes

	109,202	114,357	
--	---------	---------	--

<u>Identifiable Assets</u>	2,205,904		2,160,071
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Operating Segments | CPG Segment | Domestic

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	463,408	372,313	
------------------	---------	---------	--

Operating Segments | CPG Segment | Foreign

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	266,289	272,049	
------------------	---------	---------	--

Operating Segments | CPG Segment | Foreign | Canada

**Segment Reporting Information [Line Items]**

<u>Net Sales</u>	70,138	76,559	
------------------	--------	--------	--

<a href="#">Operating Segments   CPG Segment   Foreign   Europe</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	117,195	130,418	
<a href="#">Operating Segments   CPG Segment   Foreign   Latin America</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	55,672	47,422	
<a href="#">Operating Segments   CPG Segment   Foreign   Asia Pacific</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	23,284	17,605	
<a href="#">Operating Segments   CPG Segment   Foreign   Other Foreign</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>		45	
<a href="#">Operating Segments   PCG Segment</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	340,434	285,595	
<a href="#">Income (Loss) Before Income Taxes</a>	46,954	35,077	
<a href="#">Identifiable Assets</a>	1,133,869		1,115,780
<a href="#">Operating Segments   PCG Segment   Domestic</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	223,669	176,194	
<a href="#">Operating Segments   PCG Segment   Asia Pacific</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	5,769		
<a href="#">Operating Segments   PCG Segment   Foreign</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	116,765	109,401	
<a href="#">Operating Segments   PCG Segment   Foreign   Canada</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	22,663	18,452	
<a href="#">Operating Segments   PCG Segment   Foreign   Europe</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	56,708	57,835	
<a href="#">Operating Segments   PCG Segment   Foreign   Latin America</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	9,482	6,390	
<a href="#">Operating Segments   PCG Segment   Foreign   Asia Pacific</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>		6,661	
<a href="#">Operating Segments   PCG Segment   Foreign   Other Foreign</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	22,143	20,063	
<a href="#">Operating Segments   Consumer Segment</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	659,492	538,408	

<a href="#">Income (Loss) Before Income Taxes</a>	116,689	45,915	
<a href="#">Identifiable Assets</a>	2,378,105		2,405,764
<a href="#">Operating Segments   Consumer Segment   Domestic</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	550,619	432,399	
<a href="#">Operating Segments   Consumer Segment   Foreign</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	108,873	106,009	
<a href="#">Operating Segments   Consumer Segment   Foreign   Canada</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	44,250	33,942	
<a href="#">Operating Segments   Consumer Segment   Foreign   Europe</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	53,618	60,267	
<a href="#">Operating Segments   Consumer Segment   Foreign   Latin America</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	6,186	7,318	
<a href="#">Operating Segments   Consumer Segment   Foreign   Asia Pacific</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	4,819	4,482	
<a href="#">Operating Segments   SPG Segments</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	202,697	182,055	
<a href="#">Income (Loss) Before Income Taxes</a>	27,885	24,556	
<a href="#">Identifiable Assets</a>	849,352		839,419
<a href="#">Operating Segments   SPG Segments   Domestic</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	172,863	149,411	
<a href="#">Operating Segments   SPG Segments   Foreign</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	29,834	32,644	
<a href="#">Operating Segments   SPG Segments   Foreign   Canada</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	986	2,140	
<a href="#">Operating Segments   SPG Segments   Foreign   Europe</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	22,125	24,335	
<a href="#">Operating Segments   SPG Segments   Foreign   Latin America</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	406	494	
<a href="#">Operating Segments   SPG Segments   Foreign   Asia Pacific</a> <a href="#">Segment Reporting Information [Line Items]</a>			
<a href="#">Net Sales</a>	6,317	5,675	
<a href="#">Corporate/Other</a>			

**Segment Reporting Information [Line Items]**

Income (Loss) Before Income Taxes

(75,609)

\$ (38,434)

Identifiable Assets

\$ 235,758

\$ 186,672





1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent with the hypotheses.

4. The fourth part of the document discusses the implications of the findings and provides recommendations for future research. It suggests that further studies should be conducted to explore the underlying mechanisms of the observed relationships.

5. The fifth part of the document concludes the study and summarizes the key points. It reiterates the importance of the research and the need for continued efforts to improve the quality of financial reporting.























1. Introduction  
2. Objectives  
3. Methodology  
4. Results  
5. Discussion  
6. Conclusion  
7. References  
8. Appendix  
9. Glossary  
10. Index

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2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document concludes the study and provides a final summary of the findings. It reiterates the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

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2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent with the theoretical framework.

4. The fourth part of the document discusses the implications of the findings for practice and policy. It suggests that the results can be used to inform decision-making and to develop more effective strategies.

5. The fifth part of the document concludes the study and provides a summary of the key points. It also identifies areas for further research and suggests ways to improve the study's methodology.

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3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables being studied.

4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation in this area.

5. The fifth part of the document concludes the study and provides a summary of the key findings. It also includes a list of references and a bibliography of the sources used in the research.



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1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice" and "The Hon. Mr. Justice".

