

PARK OHIO HOLDINGS CORP
Form DEF 14A
April 09, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

PARK-OHIO HOLDINGS CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

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- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

(4) Date Filed:

PARK-OHIO HOLDINGS CORP.

6065 Parkland Boulevard

Cleveland, Ohio 44124

Notice of 2019 Annual Meeting of Shareholders

The 2019 annual meeting of shareholders of Park-Ohio Holdings Corp., an Ohio corporation, will be held at Cuyahoga Community College, Corporate College East, 4400 Richmond Road, Room 205, Warrensville Heights, Ohio 44128, on Thursday, May 9, 2019, at 10:00 A.M., Cleveland Time. The purposes of the Annual Meeting are:

1. To elect three directors to serve until the 2022 annual meeting of shareholders;
2. To ratify the appointment of Ernst & Young LLP as our independent auditors for fiscal year 2019; and
3. To act on other matters that are properly brought before the Annual Meeting or any adjournments, postponements or continuations thereof.

The Board of Directors set March 15, 2019 as the record date for the Annual Meeting. This means that owners of Common Stock at the close of business on that date are entitled to (1) receive notice of the Annual Meeting and (2) vote at the Annual Meeting and any adjournments, postponements or continuations of the Annual Meeting.

You are invited to attend the Annual Meeting and urged to mark, sign and return the proxy card in the enclosed envelope, regardless of whether you expect to attend the Annual Meeting. No postage is required if mailed in the United States. Your proxy will not be used if you attend the Annual Meeting and vote in person. If you attend the Annual Meeting, you may be asked to present a valid picture identification.

By Order of the Board of Directors

ROBERT D. VILSACK

Secretary and Chief Legal Officer

April 9, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 9, 2019: A complete set of proxy materials relating to the Annual Meeting is available on the Internet. These materials, consisting of the Notice of Annual Meeting, Proxy Statement, Proxy Card and Annual Report, may be viewed at <http://eproxy.pkoh.com>.

PARK-OHIO HOLDINGS CORP.

6065 Parkland Boulevard

Cleveland, Ohio 44124

Proxy Statement for

Annual Meeting of Shareholders

To Be Held On May 9, 2019

GENERAL INFORMATION

The Board of Directors of Park-Ohio Holdings Corp., or Board, is furnishing this proxy statement in order to solicit proxies on its behalf to be voted at our 2019 annual meeting of shareholders. The Annual Meeting will be held at Cuyahoga Community College, Corporate College East, 4400 Richmond Road, Room 205, Warrensville Heights, Ohio 44128 on Thursday, May 9, 2019, at 10:00 A.M., Cleveland Time, and any and all adjournments, postponements or continuations thereof.

Proxy materials are first being mailed to shareholders on or about April 9, 2019. A shareholder giving a proxy may revoke it, without affecting any vote previously taken, by a later appointment received by us prior to the Annual Meeting or by giving notice to us in writing or in open meeting. Attendance at the Annual Meeting will not by itself revoke a proxy. Shares represented by properly executed proxies will be voted at the Annual Meeting. If a shareholder has specified how the proxy is to be voted with respect to a matter listed on the proxy, it will be voted in accordance with such specifications. If no specification is made, the executed proxy will be voted (1) FOR the election of the nominees for directors and (2) FOR ratification of the appointment of Ernst & Young LLP as our independent auditors for fiscal year 2019.

The record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting is March 15, 2019. As of March 15, 2019, there were issued and outstanding 12,633,885 shares of our Common Stock, par value \$1.00 per share. Each share is entitled to one vote on each matter presented at the Annual Meeting. Our Articles of Incorporation provide that shareholders do not have cumulative voting rights in the election of directors.

If your shares are held in the name of a brokerage firm or other nominee, your shares may be voted even if you do not provide the brokerage firm or other nominee with voting instructions. Brokerage firms and other nominees have the authority to vote shares for which their customers do not provide voting instructions on certain routine matters. When a proposal is not a routine matter and the brokerage firm or other nominee has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm or other nominee cannot vote the shares on that proposal. This is referred to as a broker non-vote.

The proposal to ratify the appointment of Ernst & Young LLP as our independent auditor for fiscal year 2019 is the only routine matter for which the brokerage firm or other nominee who holds your shares can vote your shares without your instructions. Accordingly, there should be no broker non-votes with respect to such proposal, and broker non-votes will have no effect on the outcome of the other proposals.

We are not aware of any matters other than those described in this proxy statement that will be presented to the Annual Meeting for action on the part of the shareholders. If any other matters are properly brought before the Annual Meeting that applicable law permits proxies to vote on a discretionary basis, it is the intention of the persons named in the accompanying proxy to vote the shares to which the proxy relates thereon in accordance with their best judgment. Abstentions and broker non-votes will be counted as present at the Annual Meeting for purposes of determining a quorum.

The cost of soliciting proxies, including the charges and expenses incurred by brokerage firms and other persons for the forwarding of proxy materials to the beneficial owners of such shares, will be borne by us. Proxies may be solicited by our officers and employees by letter, by telephone or in person. Such individuals will not be additionally compensated but may be reimbursed by us for their reasonable out-of-pocket expenses. In addition, we have retained Morrow Sodali LLC, 470 West Avenue, Stamford, Connecticut 06902, a professional proxy soliciting firm, to assist in the solicitation of proxies and will pay such firm a fee, estimated to be approximately \$6,000, plus reimbursement of out-of-pocket expenses.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The authorized number of directors is presently fixed at nine, divided into three classes of three members. The directors of each class are elected for three-year terms so that the term of office of one class of directors expires at each annual meeting. Proxies may only be voted for the nominees identified in the section entitled **Nominees for Election**.

The class of directors to be elected in 2019, who will hold their positions for a term of three years and until the election of their successors, has been fixed at three. Unless otherwise directed, the persons named in the accompanying proxy card will vote the proxies received by them (unless authority to vote is withheld) in favor of electing to that class: Matthew V. Crawford, John D. Grampa and Steven H. Rosen, all of whom were previously elected as directors by our shareholders. If any nominee is not available at the time of election, the proxy holders may vote in their discretion for a substitute or such vacancy may be filled later by the Board. We have no reason to believe any nominee will be unavailable.

John D. Grampa, who had been a member of the class of directors whose term expires at our 2020 annual meeting of shareholders, was appointed to the class of directors to be elected at the Annual Meeting to fill the vacancy created by the retirement of A. Malachi Mixon III in 2017. The Board appointed Howard W. Hanna IV to fill the remaining vacancy in the class of directors whose term expires at our 2020 annual meeting of shareholders.

Vote Required and Recommendation of the Board

The affirmative vote of a plurality of the shares of Common Stock represented at the Annual Meeting is required to elect Matthew V. Crawford, John D. Grampa and Steven H. Rosen as directors to serve until the 2022 annual meeting of shareholders. Abstentions and broker non-votes will have no effect with respect to the election of directors.

YOUR BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR Matthew V. Crawford, John D. Grampa and Steven H. Rosen.

Biographical Information

Information is set forth below regarding the nominees for election and the directors who will continue in office after the Annual Meeting. The information includes their ages, principal occupations during at least the past five years and other directorships held currently or within the last five years. Also set forth is the date each was first elected as a director.

Also contained in the biographical information below are the qualifications that led the Board to conclude that each director and nominee should serve as a director. Each director and nominee possesses the integrity, judgment and analytical ability to provide guidance and oversight of the Company. The aforementioned qualities, when viewed in tandem with the attributes and accomplishments of each director and nominee, as reflected below, qualify each director and nominee to serve on the Board.

Nominees for Election

Name	Age	Principal Occupation
Matthew V. Crawford (a,d)	49	<p data-bbox="925 283 1157 304">and Other Directorships</p> <p>Director since 1997; Chairman and Chief Executive Officer of the Company since 2018; President and Chief Operating Officer from 2003 to 2018; Senior Vice President from 2001 to 2003; Assistant Secretary and Corporate Counsel from 1995 to 2001; President of The Crawford Group (a venture capital, management consulting company) since 1995. Director of Hickok Incorporated (developer and manufacturer of electronic diagnostic tools and equipment) since 2015. With over 20 years of experience at the Company, Mr. Matthew Crawford is intimately familiar with the Company's capabilities, customers, strategy, position in its industries and with developments within its industries. In addition, he is experienced in operating a number of diversified private companies. Mr. Matthew Crawford's experience, influence and deep knowledge of the Company and its industries provides the Board with the management perspective necessary to successfully oversee the Company and its strategy and business operations. Mr. Edward Crawford is the father of Mr. Matthew Crawford.</p>
John D. Grampa (b)	71	<p>Director since 2015; Former Senior Vice President Finance and Chief Financial Officer, Materion Corporation (producer of high performance advanced engineered materials used in a variety of applications). Mr. Grampa served in that position from December 2006 until January 2015 and remained with Materion as Senior Vice President, Administration until September 2015. Prior to that, he had served as Vice President Finance and Chief Financial Officer since November 1999 and Vice President, Finance since September 1998. Prior to joining Materion Corporation, Mr. Grampa had served as Vice President, Finance and held various other financial management positions with the Worldwide Materials business of Avery Dennison Corporation (pressure sensitive materials, office products, labels and other converted products) since April 1984. Prior to that, Mr. Grampa held a variety of financial management positions at Diamond Shamrock Corporation (industrial and specialty chemicals, plastics, and oil and gas) since February 1970. Mr. Grampa brings an extensive, broad-based, strategic operations and finance background from his experiences in three global manufacturers. His extensive experience in financial management and with acquisitions provides him with the knowledge and insight to address the complex operational and financial issues facing global industrial companies today, particularly in his capacity as Chair of the Audit Committee and as our Audit Committee financial expert.</p>
Steven H. Rosen (b,c)	48	<p>Director since 2011; Co-Chief Executive Officer of Resilience Capital Partners (private equity firm) since 2001. Managing member of SHR Holdings, LLC. Director of Hickok Incorporated (developer and manufacturer of electronic diagnostic tools and equipment) since 2012. With his experience in assisting underperforming businesses and his expertise in the dynamics of capital markets, Mr. Rosen provides the Board insight in such diversified areas as finance, strategic planning, acquisitions, operations and capital investments.</p>

Directors Continuing in Office with Term Expiring 2020
Principal Occupation

Name	Age	Principal Occupation and Other Directorships
Edward F. Crawford (a,d)	80	Director since 1992; President of the Company since 2018; Chairman and Chief Executive Officer from 1992 to 2018 and President from 1997 to 2003. Chairman and Chief Executive Officer of The Crawford Group (a venture capital, management consulting company) since 1964. Director of Hickok Incorporated (developer and manufacturer of electronic diagnostic tools and equipment) since 2012. Previously a director of Materion Corporation (producer of high performance advanced engineered materials used in a variety of applications) from 2014 until 2017. Mr. Edward Crawford has completed over 25 years of service to the Company as a director and senior officer and has amassed extensive knowledge of the Company's strategies and operations. In addition, he also brings to the Board his experience in leading a variety of private enterprises for over 40 years. Mr. Matthew Crawford is the son of Mr. Edward Crawford.
Howard W. Hanna IV	47	Director since 2018; President of Howard Hanna Real Estate Services since 2015. Mr. Hanna brings significant marketing, sales, and branding expertise as well as experience in guiding company growth through acquisitions.
Dan T. Moore III (d,e)	79	Director since 2003; Chief Executive Officer of Dan T. Moore Co. (a management company overseeing a group of companies performing research and development of advanced materials) since 1969. Also, Chairman of Delaware Dynamics LLC (a manufacturer of large, complex high-pressure dies for the automotive industry) since 2010. Director 1979-2015 of Invacare Corporation (manufacturer and distributor of home and long-term care medical products) and, for the period from 1989 until its sale in 2010, director of Hawk Corporation (supplier of friction materials and motorsports components). Mr. Moore brings to the Board his business acumen and operations experience demonstrated over years of managing numerous manufacturing companies. He is a recognized and successful entrepreneur. From this experience, as well as his service on the boards of other publicly-traded corporations, Mr. Moore offers the Board a comprehensive perspective for developing corporate strategies and managing risks of a major publicly-traded corporation.

Directors Continuing in Office with Term Expiring 2021
Principal Occupation

Name	Age	Principal Occupation and Other Directorships
Patrick V. Auletta (a)	68	Director since 2004; President Emeritus of KeyBank National Association (financial services company) since 2005; President of KeyBank National Association from 2001 to 2004; over 35 years of banking experience at KeyBank. Director of The Cleveland Clinic Foundation. Mr. Auletta's extensive experience in finance, the banking industry and general management, including his service as president of an operating company of a publicly-traded corporation, enables him to make significant contributions to the Board, particularly when he served as the Chair of the Audit Committee and as our Audit Committee financial expert. He has a broad and deep understanding of financial analysis, the financial reporting system, the challenges involved in developing and maintaining effective internal controls and evaluating risks to the Company.
Ronna Romney (c,e)	75	Director since 2001; former political and news commentator for radio and television; author; U.S. Senate Candidate for Michigan 1996; former Chair of the President's Commission for White House Fellowships; former Chair of the President's Commission for White House Scholars; former Commissioner on the President's National Advisory Council on Adult Education; since 1999 Director of Molina Healthcare, Inc. (managed healthcare service provider), also Lead Director and Chair of the Transactions Committee of Molina Healthcare, Inc. Selected as a top 100 director in America in 2015 by NACD (National Association of Corporate Directors). Ms. Romney's diverse experiences as a lead director for a health care company, her political experience, and her focus on education issues ensures the Board is aware of alternative perspectives in the oversight of the Company.
James W. Wert (b,e)	72	Director since 1992 and Lead Director since 2014; Chief Executive Officer, President and Director since 2003 and Vice President from 2000 to 2002 of CM Wealth Advisors, Inc., formerly known as Clanco Management Corporation (a registered investment advisor); formerly Senior Executive Vice President and Chief Investment Officer of KeyCorp (financial services company) from 1995 to 1996 and Chief Financial Officer of KeyCorp and predecessor companies from 1990 to 1995. Director of Marlin Business Services Corp. since 1997. For the period 1997-2008, director of Continental Global Group. Mr. Wert has acquired extensive experience handling transactional finance and investment issues through his experience managing a registered investment adviser and as chief financial and investment officer of a publicly-traded corporation. Through this experience, as well as his service on other boards of publicly-traded corporations, he provides important insight and assistance to the Board in the areas of finance, investments and corporate governance. In addition, as one of our longest-standing directors, Mr. Wert provides continuity to the Board and has a broad understanding of the strategic and operational issues we face.

(a) Member, Executive Committee

(b) Member, Audit Committee

(c) Member, Compensation Committee

(d) Member, Long-Range Planning Committee

(e) Member, Nominating and Corporate Governance Committee

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information with respect to beneficial ownership of our Common Stock by: (i) each person (or group of affiliated persons) known to us to be the beneficial owner of more than five percent of our outstanding Common Stock; (ii) each director or director nominee; (iii) each executive officer named in the Summary Compensation Table on page 23 of this proxy statement individually; and (iv) all directors and executive officers as a group. Unless otherwise indicated, the information is as of March 20, 2019, and the nature of beneficial ownership consists of sole voting and investment power.

Name of Beneficial Owner	Shares of Common Stock Currently Owned	Shares Acquirable Within 60 Days	Percent of Class (%)
Patrick V. Auletta	16,600	7,864 ^(h)	*
Edward F. Crawford	1,650,944 ^{(a)(c)}	51,521 ^(h)	13.4
Matthew V. Crawford	1,962,107 ^{(b)(c)}		15.5
Patrick W. Fogarty	68,497 ^(d)		*
John D. Grampa	2,000	9,385 ^(h)	*
Howard W. Hanna IV	1,150		*
Dan T. Moore III	53,660	4,583 ^(h)	*
Ronna Romney	18,995		*
Steven H. Rosen	20,255		*
Robert D. Vilsack	100,467		*
James W. Wert	90,995		*
GAMCO Investors, Inc.	1,444,601 ^(e)		11.4
Dimensional Fund Advisors LP	896,556 ^(f)		7.1
Private Management Group, Inc.	672,325 ^(g)		5.3
Directors and executive officers as a group (11 persons)	3,896,569	73,353	31.2

* Less than one percent.

- (a) The total includes 1,510,090 shares over which Mr. Edward Crawford has sole voting and investment power, 22,500 shares owned by L. Accent de Provence of which Mr. Edward Crawford is President and owner of 25% of its capital stock and over which Mr. Edward Crawford shares voting and investment power and 10,650 shares owned by Mr. Edward Crawford's wife as to which Mr. Edward Crawford disclaims beneficial ownership. The total includes 18,603 shares held under the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries as of December 31, 2018.
- (b) Total includes 1,573,006 shares over which Mr. Matthew Crawford has sole voting and investment power and 300,000 shares as to which Mr. Matthew Crawford disclaims beneficial ownership.
- (c) Total includes an aggregate of 89,101 shares over which Messrs. Edward Crawford and Matthew Crawford have shared voting power and investment power, consisting of: 36,000 shares held by a charitable foundation; 11,700 shares owned by Crawford Capital Company; and 41,401 shares owned by First Francis Company, Inc. These 89,101 shares are included in the beneficial ownership amounts reported for both Mr. Edward Crawford and Mr. Matthew Crawford.
- (d) Total includes 831 shares held under the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries as of December 31, 2018.
- (e) Based on information set forth on Amendment No. 24 to Schedule 13D as filed with the SEC on October 28, 2014. Total includes 882,301 shares held by GAMCO Asset Management Inc., 414,000 shares held by Gabelli Funds, LLC, 147,000 shares held by Teton Advisors, Inc. and 1,300 shares held by Mario J. Gabelli, as of October 27, 2014. GGCP, Inc. is the ultimate parent holding company for the above-listed companies, and Mr. Mario J. Gabelli is the majority stockholder, chief executive officer and a director of GGCP, Inc. Each of the foregoing has the sole power to vote or direct the vote and sole power to dispose or direct the disposition of their respective reported shares. The foregoing companies provide securities and investment related services and have their principal business office at One Corporate Center, Rye, New York 10580.

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- (f) Based on information set forth on Amendment No. 1 to Schedule 13G as filed with the SEC on February 8, 2019. Total includes 896,556 shares held by Dimensional Fund Advisors LP. Dimensional Fund Advisors LP has the sole power to dispose or direct the disposition of 896,556 and sole power to vote or direct the vote of 856,728 of their reported shares. Dimensional Advisors LP is a registered investment advisory firm, and has its principal business office at Building One, 6300 Bee Cave Road, Austin, Texas, 78746.

- (g) Based on information set forth on Amendment No. 2 to Schedule 13G as filed with the SEC on January 23, 2019. Total includes 672,325 shares held by Private Management Group, Inc. Private Management Group, Inc. has the sole power to vote or direct the vote and sole power to dispose or direct the disposition of their reported shares. Private Management Group, Inc. is a registered investment advisory firm, and has its principal business office at 15635 Alton Parkway, Suite 400, Irvine, California 92618.

- (h) Represents restricted share units that represent the right to receive shares of our Common Stock upon Separation of Service (as defined in the Director DC Plan, described below).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, or the Exchange Act, requires our officers and directors, and persons who beneficially own more than ten percent of our Common Stock, to file reports of ownership and changes in ownership of such securities with the Securities and Exchange Commission, or SEC. Officers, directors and greater than ten percent beneficial owners are required by applicable regulations to furnish us with copies of all Section 16(a) forms they file.

Based upon our review of the copies of Section 16(a) forms received by us, and upon written representations from reporting persons concerning the necessity of filing a Form 5, we believe that, during 2018, all filing requirements applicable for reporting persons were met, with the exception of Mr. Patrick V. Auletta, who filed a Form 4 on February 6, 2019 reporting the December 26, 2017 sale of 400 shares of Common Stock and the May 23, 2018 sale of 2,195 shares of Common Stock.

CORPORATE GOVERNANCE

Director Independence

The Board believes that there should be a substantial majority of independent directors on the Board. The Board also believes that it is useful and appropriate to have members of management, including the Chief Executive Officer, or CEO, and President, as directors. The current Board members include seven independent directors (including two of the nominees).

Each of Messrs. Auletta, Grampa, Hanna, Moore, Rosen and Wert, and Ms. Romney is independent in accordance with the rules of the Nasdaq Stock Market. The Nasdaq Stock Market's independence definition includes a series of objective tests, including that the director is not our employee and has not engaged in various types of business dealings with us. In addition, as further required by the Nasdaq Stock Market's rules, the Board has made a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board reviewed and discussed information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and management. In reaching the determination that Mr. Rosen is independent, the Board determined that Mr. Rosen's status as a director and shareholder of Hickok Incorporated, which purchased products from us in the ordinary course of business during 2018, did not impair his independence.

In addition, as required by the Nasdaq Stock Market's rules, the members of the Audit Committee are each independent under special standards established by the SEC for members of audit committees. The Board has determined that the Audit Committee includes at least one independent member whom the Board has determined meets the qualifications of an audit committee financial expert in accordance with SEC rules. Mr. Grampa is the independent director who has been determined to be an audit committee financial expert. Shareholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Grampa's experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Mr. Grampa any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and the Board, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board.

Risk Oversight

The Board is responsible for overseeing the Company's risk, with reviews of certain areas being conducted by the relevant committees of the Board and directly through senior management reports.

The Audit Committee oversees our risk policies and processes relating to the financial statements and financial reporting processes, as well as internal controls and compliance, and the guidelines, policies and processes for monitoring and mitigating those risks. The Compensation Committee assesses and monitors risks relating to our executive compensation policies and practices. The Nominating and Corporate Governance Committee is responsible for overseeing the management of risks related to our governance structure and processes, the independence of the Board and potential conflicts of interest and ensuring compliance with the Code of Business Conduct and Ethics. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

In addition, the Board's role in our risk oversight process includes receiving regular reports either directly from presentations to the Board by senior or regional management or through executive officers at Board meetings on areas of material risk to us, including market-specific, operational, legal, regulatory, competitive and strategic risks.

The procedures described above permit the Board to maintain an awareness of material risks that may affect us and ensure the ability of the Board to take any and all appropriate actions to oversee risks we face. We also believe that our Board leadership structure complements our risk management structure, as it allows our independent directors, through the independent committees, to exercise effective oversight of the actions of management in identifying risks and implementing effective risk management policies and controls.

Leadership Structure

Our CEO, Mr. Matthew V. Crawford, was appointed CEO and Chairman on May 10, 2018. The Company has no fixed policy on whether the roles of Chairman and CEO should be separate or combined; this decision is based on the best interests of the Company considering the circumstances at the time. The Board believes that the combined role of Chairman and CEO promotes strategic development and execution of our business strategies, which is essential to effective governance. The Board recognizes that utilizing the expertise of Mr. Matthew Crawford contributes to the success of the Company. The diversity of our operating units requires a leader who possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing those diverse businesses. At this time, the Board believes that Mr. Matthew Crawford, based upon his experience in the various industries in which we are positioned, is best qualified to efficiently develop agendas that ensure that the Board's time and attention are focused on the most critical matters and to execute strategic plans effectively. However, we balance the current combined role of Chairman and CEO by the appointment of a Lead Director.

Lead Director

In November 2014, the Board appointed Mr. Wert as the Lead Director. The Lead Director serves as a liaison between our Chairman and our independent directors, presides over executive sessions of the independent directors, makes recommendations to the Chairman regarding the timing and structure of Board meetings, reviews and recommends agendas for the Board meetings and consults with the Chairman on the adequacy of the flow of information from management to the Board. We believe that this leadership structure results in increased engagement of the Board as a whole, and provides strong, independent oversight of our management and affairs resulting in good governance.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (our Code). All directors, officers and employees must act ethically at all times and in accordance with the policies comprising our Code. A copy of the Code is available, without charge, upon written request to: Secretary, Park-Ohio Holdings Corp., 6065 Parkland Boulevard, Cleveland, Ohio 44124 and is also available on our website at www.pkoh.com. We intend to disclose any amendment to, or waiver from, the Code by posting such amendment or waiver, as applicable, on our website.

Board of Directors and Committees

Board Meetings

The Board held four meetings in 2018. All directors are expected to attend each meeting of the Board and the meetings of the committees on which he or she serves. In 2018, no director attended less than 75% of the aggregate meetings of the Board and the meetings of the committees on which he or she served. Directors are expected to attend the Annual Meeting, and all directors attended the 2018 annual meeting of shareholders.

Board Committees

The Board currently has, and appoints the members of, the Audit, Compensation, Nominating and Corporate Governance, Executive and Long-Range Planning Committees. Each member of the Audit, Compensation and Nominating and Corporate Governance Committees is an independent director as defined under the rules of the Nasdaq Stock Market.

Audit Committee

The Audit Committee consists of Messrs. Grampa, Rosen and Wert, with Mr. Grampa as its chair. The Audit Committee assists the Board in its general oversight of our financial reporting, internal controls and audit functions, and is directly responsible for the retention, compensation and oversight of the work of our independent auditors. In 2018, the Audit Committee held eight meetings. The Audit Committee has a written charter approved by the Board. The responsibilities and activities of the Audit Committee are described in greater detail in the Audit Committee Charter, which is available on our website at www.pkoh.com.

Compensation Committee

During 2018, the Compensation Committee consisted of Ms. Romney and Mr. Rosen, with Ms. Romney as its chair. The Compensation Committee reviews and approves salaries, performance-based incentives and other matters relating to executive compensation, including reviewing and granting equity awards to executive officers. As described in greater detail below under Executive Compensation Discussion and Analysis, the Compensation Committee determines the compensation of our executive officers, including our CEO, and directors. With respect to executive officers other than the CEO, the Compensation Committee takes into account the recommendations of the CEO when determining the various elements of their compensation, including the amount and form of such compensation. The Compensation Committee has the sole authority to retain and terminate compensation consultants to assist in the evaluation of executive compensation and the sole authority to approve the fees and other retention terms of any such consultants. The Compensation Committee may delegate all or a portion of its duties and responsibilities to a subcommittee.

The Compensation Committee also reviews and approves various other compensation policies and matters. The Compensation Committee held one meeting in 2018 and also acted by written consent. The Compensation Committee has a written charter approved by the Board. The responsibilities and activities of the Compensation Committee are described in greater detail in the Compensation Committee Charter, which is available on our website at www.pkoh.com.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Messrs. Moore and Wert and Ms. Romney, with Mr. Wert as its chair. The Nominating and Corporate Governance Committee establishes procedures for the director nomination process, recommends candidates for election to the Board and also nominates officers for election by the Board. The Nominating and Corporate Governance Committee makes recommendations to the Board regarding the size and composition of the Board. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current size and make-up of the Board. This assessment includes issues of diversity in numerous factors such as: age; understanding of and achievements in

manufacturing, technology, finance and marketing; and international experience and culture. These factors, and any other qualifications considered useful by the Nominating and Corporate Governance Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. As a result, the priorities and emphasis of the Nominating and Corporate Governance Committee and of the Board may change from time to time to take into account changes in business and other trends and the portfolio of skills and experience of current and prospective Board members. Therefore, while focused on the achievement and the ability of potential candidates to make a positive contribution with respect to such factors, the Nominating and Corporate Governance Committee has not established any specific minimum criteria or qualifications that a nominee must possess. The Nominating and Corporate Governance Committee establishes procedures for the nominating process, recommends candidates for election to the Board and also nominates officers for election by the Board.

The Nominating and Corporate Governance Committee will consider candidates proposed by shareholders, and evaluates candidates proposed by shareholders using the same criteria as for other candidates. Any shareholder nominations proposed for consideration by the Nominating and Corporate Governance Committee should include (1) complete information as to the identity and qualifications of the proposed nominee, including name, address, present and prior business and/or professional affiliations, education and experience and particular fields of expertise, (2) an indication of the nominee's consent to serve as a director if elected and (3) the reasons why, in the opinion of the recommending shareholder, the proposed nominee is qualified and suited to be a director, and should be addressed to our Secretary at 6065 Parkland Boulevard, Cleveland, Ohio 44124.

The Nominating and Corporate Governance Committee held one meeting in 2018 and also acted by written consent. The Nominating and Corporate Governance Committee has a written charter approved by the Board. The responsibilities and activities of the Nominating and Corporate Governance Committee are described in greater detail in the Nominating and Corporate Governance Committee Charter, which is available on our website at www.pkoh.com.

Executive Committee

The Executive Committee consists of Messrs. Auletta, Edward Crawford and Matthew Crawford, with Mr. Edward Crawford as its chair. The Executive Committee may exercise the authority of the Board between Board meetings, except to the extent that the Board has delegated authority to another committee or to other persons and except as limited by Ohio law and our Regulations. The Executive Committee did not meet in 2018 but acted by written consent.

Long-Range Planning Committee

The Long-Range Planning Committee consists of Messrs. Edward Crawford, Matthew Crawford, and Moore, with Mr. Edward Crawford as its chair. The Long-Range Planning Committee explores long-term strategic opportunities available to the Company, internal and external growth development, the Company's capital structure and other duties delegated to it by the Board. The Long-Range Planning Committee did not meet in 2018.

Shareholder Communications

The Board believes that it is important for shareholders to have a process to send communications to the Board. Accordingly, shareholders who wish to communicate with the Board or a particular director may do so by sending a letter to our Secretary at 6065 Parkland Boulevard, Cleveland, Ohio 44124. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Shareholder-Board Communication or Shareholder-Director Communication. All such letters must identify the author as a shareholder and clearly state whether the intended recipients are all members of the Board or certain specified individual directors. The Secretary will make copies of all such letters deemed to be appropriate and circulate them to the appropriate director or directors.

Compensation Committee Interlocks and Insider Participation

Members of the Compensation Committee during 2018 were Ms. Romney and Mr. Rosen. No current or former officer or employee of ours served on the Compensation Committee, or on the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee, during 2018. None of the Members of the Compensation Committee during 2018 had any relationship with us that would be required to be disclosed by us under applicable related party requirements. None of our executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officer of which served on our Board or on our Compensation Committee during 2018.

COMPENSATION OF DIRECTORS

We compensate non-employee directors for serving on our Board and reimburse them for expenses incurred in connection with Board and committee meetings. During 2018, each non-employee director other than Mr. Hanna, who was appointed to the Board in September 2018 (and whose compensation was prorated), earned, as an annual retainer, \$50,000 and was granted 2,300 restricted shares. The restricted shares were granted in accordance with our 2018 Equity and Incentive Compensation Plan, which we refer to as the 2018 Plan. The non-employee directors also received \$4,000 for each Board meeting attended in-person and \$1,000 for each Board meeting attended telephonically, and \$1,000 for each committee meeting attended in-person or telephonically. The Compensation, Audit and Nominating and Corporate Governance Committee Chairpersons each received an additional \$10,000 committee chair annual retainer.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Total (\$)
Patrick V. Auletta	66,000	92,230	158,230
John D. Grampa	84,000	92,230	176,230
Howard W. Hanna IV(2)	29,000	43,700	72,700
Dan T. Moore III	66,000	92,230	158,230
Ronna Romney	75,000	92,230	167,230
Steven H. Rosen	74,000	92,230	166,230
James W. Wert	85,000	92,230	177,230

(1) The amounts in this column represent the grant date fair value for awards of restricted shares in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or ASC 718. The restricted shares vest one year from the date of grant. As of December 31, 2018, each director in the table held 2,300 shares or share units subject to restriction, with the exception of Mr. Hanna who held 1,150.

(2) Mr. Hanna was appointed to the Board effective September 13, 2018.

In 2009, we established a 2009 Director Supplemental Defined Contribution Plan, or Director DC Plan, which is a non-qualified deferred compensation plan for our directors. Under the Director DC Plan, eligible directors can defer up to 100% of their cash retainer, attendance fees, and/or restricted share units for pre-tax savings opportunities. The investment options available to the eligible directors are the same investment options offered under our 401(k) Plan. Eligible directors' contributions and earnings are always 100% vested. Distributions under the Director DC Plan may be made only upon a Separation of Service (as defined in the Director DC Plan). Distributions are paid in a lump sum or in annual installments over a maximum of 10 years. We do not pay above-market interest rates or provide preferential earnings.

AUDIT COMMITTEE

Audit Committee Report

The Audit Committee oversees our accounting and financial reporting processes and the audits of financial statements. The Audit Committee selects our independent auditors. The Audit Committee is composed of three directors, each of whom is independent as defined under the rules of the Nasdaq Stock Market and SEC rules. Currently, the Audit Committee is composed of Messrs. Grampa, Rosen and Wert. The Audit Committee operates under a written charter adopted by the Board.

Management is responsible for our internal controls and financial reporting process. The independent auditors are responsible for performing an independent audit of our consolidated financial statements in accordance with auditing standards generally accepted in the United States and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management and Ernst & Young LLP to review and discuss the audited consolidated financial statements for the year ended December 31, 2018. The Audit Committee discussed with Ernst & Young LLP its judgments as to the quality, not just the acceptability, of our accounting principles and such other matters required to be discussed by Auditing Standard 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (United States) (PCAOB). In addition, the Audit Committee has discussed with Ernst & Young LLP their independence from our Company management and our Company, including the matters in the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB regarding Ernst & Young LLP's communication with the Audit Committee concerning independence, and considered the compatibility of non-audit services with Ernst & Young LLP's independence.

The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the overall scope and plans for their respective audits, the results of audit examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

John D. Grampa, Chair