

PARK OHIO HOLDINGS CORP
Form DEF 14A
April 15, 2015

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:

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- (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):

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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 2015 Annual Meeting of Shareholders

The 2015 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 238, Warrensville Heights, Ohio 44128, on Thursday, May 28, 2015, at 9:30 A.M., Cleveland Time. The purposes of the Annual Meeting are:

1. To elect three directors to serve until the 2018 annual meeting of shareholders;
2. To ratify the appointment of Ernst & Young LLP as our independent auditors for fiscal year 2015;
3. To approve the Park-Ohio Holdings Corp. 2015 Equity and Incentive Compensation Plan, the terms of which are described in the accompanying Proxy Statement;
4. To re-approve the Park-Ohio Holdings Corp. Annual Cash Bonus Plan, as amended; and
5. 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 31, 2015 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

April 16, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 28, 2015: 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 28, 2015

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 2015 annual meeting of shareholders. The Annual Meeting will be held at Cuyahoga Community College, Corporate College East, 4400 Richmond Road, Room 238, Warrensville Heights, Ohio 44128 on Thursday, May 28, 2015, at 9:30 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 16, 2015. 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 be 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, (2) FOR ratification of the appointment of Ernst & Young LLP as our independent auditors for fiscal year 2015, (3) FOR approval of the Park-Ohio Holdings Corp. 2015 Equity and Incentive Compensation Plan and (4) FOR the re-approval of the Annual Cash Bonus Plan, as amended.

The record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting is March 31, 2015. As of March 31, 2015, there were issued and outstanding 12,495,573 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 2015 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 & Co., 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 \$5,500, 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 2015, 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: Patrick V. Auletta, Edward F. Crawford and James W. Wert, 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.

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 Patrick V. Auletta, Edward F. Crawford and James W. Wert as directors to serve until the 2018 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 PATRICK V. AULETTA, EDWARD F. CRAWFORD AND JAMES W. WERT.

Biographical Information

Information is set forth below regarding the nominees for election and the directors who will continue in office as directors 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

Principal Occupation

Name	Age	Principal Occupation and Other Directorships
Patrick V. Auletta (a,b)	64	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 in his capacity 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.
Edward F. Crawford (a,d)	75	Director, Chairman and Chief Executive Officer of the Company since 1992 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. Director of Materion Corporation (producer of high performance advanced engineered materials used in a variety of applications) since 2014. Mr. Edward Crawford has completed over 23 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.
James W. Wert (a,b,d,e)	68	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 and investment issues through his experience managing a registered investment adviser and as chief 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.

Directors Continuing in Office with Term Expiring 2016
Principal Occupation

Name	Age	and Other Directorships
Matthew V. Crawford (d)	45	Director since 1997; President and Chief Operating Officer of the Company since 2003; Senior Vice President from 2001 to 2003; Assistant Secretary and Corporate Counsel from February 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.
Ronna Romney (c)	71	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 Corporate Governance and Nominating Committee of Molina Healthcare, Inc. 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.
Steven H. Rosen (c,e)	43	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). 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, operations and capital investments.

Directors Continuing in Office with Term Expiring 2017
Principal Occupation

Name	Age	and Other Directorships
Kevin R. Greene (b)	56	Director since 1998; Managing Partner of James Alpha Management LLC (money management company) since 2005; Chairman and Chief Executive Officer of Capital Resource Holdings L.L.C. (pension consultant) from 1999 through 2004; Chairman and Chief Executive Officer of Bryant Park Capital (investment bank) from 1991 through 2001; formerly a management consultant with McKinsey & Company (consulting firm). With his background in finance and money management, Mr. Greene provides the Board with financial and investment expertise, as well as valuable perspective on risk analysis and development and management of effective internal controls.
A. Malachi Mixon III (d)	74	Director since 2008; Executive Chairman from 1983 until 2014, director since 1979, and Chief Executive Officer 1979-2010 of Invacare Corporation (manufacturer and distributor of home and long-term care medical products); director from 1993 through 2013 of The Sherwin-Williams Company (manufacturer and distributor of coatings and related products); since 2011, Chairman Emeritus of the Board of Directors and Trustees of The Cleveland Clinic Foundation; Chairman of the Board of Trustees of the Cleveland Institute of Music; Trustee Emeritus of Case Western Reserve University. Mr. Mixon, as a long-time senior executive of a publicly-traded corporation, brings 30 years of upper management experience to the Board. Mr. Mixon is experienced in managing domestic and international manufacturing and distribution operations as well as organizing and restructuring companies. Through this experience, as well as his service on the boards of publicly-traded corporations, he provides important insight and assistance to the Board in the areas of finance, marketing, and corporate governance.
Dan T. Moore III (c,e)	75	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 since 1979 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.

(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 42 of this proxy statement individually; and (iv) all directors and executive officers as a group. Unless otherwise indicated, the information is as of March 31, 2015, 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(1)	Percent of Class (%)
Patrick V. Auletta	14,850	7,465 ^(e)	*
Edward F. Crawford	1,570,272 ^{(a)(c)}	25,000	12.7
Matthew V. Crawford	1,861,472 ^{(b)(c)}	25,000	15.1
W. Scott Emerick	35,079	0	*
Patrick W. Fogarty	46,436 ^(d)	25,000	*
Kevin R. Greene	15,150	0	*
A. Malachi Mixon III	15,700	0	*
Dan T. Moore III	49,050	0	*
Ronna Romney	22,850	0	*
Steven H. Rosen	10,150	0	*
Robert D. Vilsack	64,053	25,000	*
James W. Wert	104,950	0	*
GAMCO Investors, Inc.	1,444,601 ^(f)		11.6
Directors and executive officers as a group (12 persons)	3,717,911	107,465	30.4

* Less than one percent.

(1) Other than with respect to Mr. Auletta, reflects the number of shares that could be purchased by exercise of options vested at March 31, 2015.

(a) The total includes 1,426,330 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 9,500 shares owned by Mr. Edward Crawford's wife as to which Mr. Edward Crawford disclaims beneficial ownership. The total includes 19,841 shares held under the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries as of December 31, 2014.

(b) Total includes 1,469,371 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 92,101 shares over which Messrs. Edward Crawford and Matthew Crawford have shared voting power and investment power, consisting of: 39,000 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 92,101 shares are included in the beneficial ownership amounts reported for both Mr. Edward Crawford and Mr. Matthew Crawford.

(d) Total includes 816 shares held under the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries as of December 31, 2014.

(e) Represents restricted share units that represent the right to receive 7,465 shares of our Common Stock upon Separation of Service (as defined in the Director DC Plan, described below).

(f)

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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.

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 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 2014, all filing requirements applicable for reporting persons were met, with the exception of Mr. Patrick V. Auletta who filed (i) a Form 4 on June 20, 2014 reporting the award of 16 restricted stock units converted from the payment of a quarterly dividend on June 4, 2014 and (ii) a Form 5 on February 4, 2015 reporting a gift of 600 shares on April 12, 2013.

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, Greene, Mixon, 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 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. Auletta 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. Auletta's experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Mr. Auletta 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. Edward Crawford, also serves as our Chairman. 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. Edward 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. Edward 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. 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 seven meetings in 2014. All directors are expected to attend each meeting of the Board and the committees on which he or she serves. In 2014, no director attended less than 75% of the aggregate meetings of the Board and the committees on which he or she served. Directors are expected to attend the Annual Meeting, and all directors, except for Mr. Greene, attended the 2014 annual meeting of shareholders.

Board Committees

The Board currently has, and appoints the members of, 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. Auletta, Greene and Wert, with Mr. Auletta 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 2014, the Audit Committee held seven 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

The Compensation Committee consists of Messrs. Moore and Rosen and Ms. Romney, 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 two meetings in 2014 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 was reconstituted in 2014 and consists of Messrs. Moore, Rosen and Wert, 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 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 Wert, with Mr. Wert 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 held one meeting in 2014 and also acted by written consents.

Long-Range Planning Committee

The Long-Range Planning Committee consists of Messrs. Edward Crawford, Matthew Crawford, Mixon and Wert, with Mr. Mixon 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 held no meetings in 2014.

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 2014 were Messrs. Moore and Rosen and Ms. Romney. 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 2014. None of the Members of the Compensation Committee during 2014 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 2014.

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 2014, each non-employee director earned, as an annual retainer, \$40,000 and was granted 1,250 restricted shares. The restricted shares were granted in accordance with our Amended and Restated 1998 Long-Term Incentive Plan, which we refer to as the 1998 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, Nominating and Corporate Governance and Long-Range Planning 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	160,500 ⁽²⁾	71,900	232,400
Kevin R. Greene	117,000 ⁽²⁾	71,900	188,900
A. Malachi Mixon III	75,000	71,900	146,900
Dan T. Moore III	67,000	71,900	138,900
Ronna Romney	128,000 ⁽²⁾	71,900	199,900
Steven H. Rosen	67,000	71,900	138,900
James W. Wert	87,000	71,900	158,900

(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, 2014, each director in the table held 1,250 shares subject to restriction.

(2) The amounts in this column include \$82,500, \$55,000 and \$55,000 paid to Messrs. Auletta (as Chairman) and Greene and Ms. Romney, respectively, for serving on an ad hoc special committee of our Board.

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. Auletta, Greene 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, 2014. 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 the statement on Auditing Standards No. 16, *Communication 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, 2014.

Patrick V. Auletta, Chair

Kevin R. Greene

James W. Wert

PROPOSAL NO. 2**RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS**

The Audit Committee has appointed Ernst & Young LLP as our independent auditors to examine our financial statements and those of our subsidiaries for the fiscal year ending December 31, 2015. During fiscal year 2014, Ernst & Young LLP examined our financial statements and those of our subsidiaries, including those set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The Board recommends ratification of the appointment of Ernst & Young LLP.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have an opportunity to make a statement at the Annual Meeting, if they so desire, and will be available to respond to appropriate shareholders' questions.

Vote Required and Recommendation of the Board

Although shareholder approval of this appointment is not required by law or binding on the Audit Committee, the Audit Committee believes that shareholders should be given the opportunity to express their views. If the shareholders do not ratify the appointment of Ernst & Young LLP as our independent auditors, the Audit Committee will consider this vote in determining whether or not to continue the engagement of Ernst & Young LLP. Abstentions will have no effect on the ratification of the appointment of Ernst & Young LLP.

YOUR BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THIS APPOINTMENT.

INDEPENDENT AUDITOR FEE INFORMATION

The following table presents fees for services rendered by Ernst & Young LLP in each of the last two fiscal years:

	2013	2014
Audit Fees	\$ 1,122,000	\$ 1,246,000
Audit-Related Fees	75,000	75,000
Tax Fees	183,430	312,400
All Other Fees		
	\$ 1,380,430	\$ 1,633,400

Audit fees included fees associated with the annual audit, the reviews of quarterly reports on Form 10-Q, statutory audits required internationally and the audit of management's assessment of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002. Audit-related fees principally included fees in connection with pension plan audits and accounting consultations. Tax fees included fees in connection with tax compliance and tax planning services.

Pre-approval Policy

The Audit Committee has adopted a formal policy on auditor independence requiring the approval by the Audit Committee of all professional services rendered by our independent auditor prior to the commencement of the specified services.

All of the services described in Audit Fees, Audit-Related Fees and Tax Fees were pre-approved by the Audit Committee in accordance with the Audit Committee's formal policy on auditor independence.

PROPOSAL NO. 3

APPROVAL OF THE

PARK-OHIO HOLDINGS CORP.

2015 EQUITY AND INCENTIVE COMPENSATION PLAN

General

We are asking shareholders to approve the Park-Ohio Holdings Corp. 2015 Equity and Incentive Compensation Plan, which we refer to as the 2015 Plan. On March 12, 2015, upon the recommendation of the Compensation Committee, our Board of Directors approved and adopted, subject to the approval of our shareholders at the Annual Meeting, the 2015 Plan to replace our Amended and Restated 1998 Long-Term Incentive Plan (as Amended and Restated as of May 24, 2012), or the 1998 Plan. The 1998 Plan was originally approved by our shareholders at the May 28, 1998 annual meeting of shareholders. Revisions to the 1998 Plan were approved by our shareholders at each of the May 24, 2001, May 25, 2006, May 28, 2009, and May 24, 2012 annual meetings of shareholders.

The 2015 Plan replaces in its entirety the 1998 Plan. If the 2015 Plan is approved by our shareholders, no further awards will be made under the 1998 Plan, but, as described below, shares that remain available for awards under the 1998 Plan will be added to the aggregate share limit under the 2015 Plan. The 2015 Plan continues to afford the Compensation Committee the ability to design compensatory awards that provide opportunities for our employees and directors and the employees of our subsidiaries to participate, through share ownership, in our long-term success and growth. This participation enhances our ability to attract and retain persons with desired abilities, provides additional incentives for such persons and furthers the common interests of our employees and shareholders.

If the 2015 Plan is approved by our shareholders, it will become effective on the day of the Annual Meeting. Outstanding awards under the 1998 Plan will continue in effect in accordance with their terms. If the 2015 Plan is not approved by our shareholders, no awards will be made under the 2015 Plan. In addition, our ability under the 1998 Plan to make certain performance awards to certain participants may be limited.

Our principal reason for adopting the 2015 Plan is to obtain shareholder approval of the shares of our Common Stock, which we refer to as Common Shares, authorized for issuance under the 2015 Plan. Shareholder approval of the 2015 Plan is also intended to constitute approval of the material terms for qualified performance-based compensation under the 2015 Plan for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Section 162(m) of the Code disallows a deduction for certain compensation paid to our CEO and to each of our other three most highly compensated executive officers, other than our CEO, in a taxable year to the extent that compensation to a covered employee exceeds \$1 million for such year. However, some types of compensation, including qualified performance-based compensation under Section 162(m) of the Code, are not subject to the deduction limit if the compensation satisfies the requirements of Section 162(m) of the Code. The deduction limit does not apply to compensation paid under a shareholder approved plan that meets certain requirements for qualified performance-based compensation under Section 162(m) of the Code. While we believe it is in the best interests of us and our shareholders to have the ability to potentially grant qualified performance-based compensation under Section 162(m) of the Code under the 2015 Plan, we may decide to grant compensation to covered employees that will not qualify as qualified performance-based compensation for purposes of Section 162(m) of the Code. Moreover, even if we intend to grant compensation that qualifies as qualified performance-based compensation for purposes of Section 162(m) of the Code under the 2015 Plan, we cannot guarantee that such compensation will so qualify or ultimately will be deductible by us.

Generally, compensation attributable to stock options, appreciation rights and other performance-based awards may be deemed to qualify as qualified performance-based compensation under Section 162(m) of the Code if: (1) the grant is made by a committee of outside directors for purposes of Section 162(m) of the Code;

(2) the plan under which the award is granted states the maximum number of shares with respect to which share-based awards may be granted, and the maximum amount of cash awards that may be granted to any individual during a specified period of time; and (3) the amount of compensation an individual may receive under the awards is based solely on the achievement of one or more pre-established performance goals which incorporate business criteria approved by shareholders (or, in the case of stock options or appreciation rights, the increase in the value of the shares after the date of grant). Shareholder approval of this Proposal No. 3 is intended to satisfy the shareholder approval requirements under Section 162(m) of the Code.

We are seeking shareholder approval of the material terms for qualified performance-based compensation under the 2015 Plan, including the performance measures and applicable individual grant limits under the 2015 Plan, as well as the individuals eligible to receive awards under the 2015 Plan, to have the flexibility to potentially grant awards under the 2015 Plan that may be fully deductible for federal income tax purposes. If our shareholders approve the material terms for qualified performance-based compensation under the 2015 Plan, assuming that all other Section 162(m) requirements are met, we may be able to obtain tax deductions with respect to awards issued under the 2015 Plan to our Section 162(m) executive officers without regard to the limitations of Section 162(m) through the 2020 annual meeting of shareholders (in other words, for five years).

The full text of the 2015 Plan is attached to this Proxy Statement as Appendix A. The following description of the 2015 Plan is only a summary of its principal terms and provisions and is qualified by reference to the actual text as set forth in Appendix A.

Why We Recommend That You Vote for Proposal No. 3

The 2015 Plan authorizes the Compensation Committee to provide equity-based and incentive compensation in the form of stock options, appreciation rights, restricted shares, restricted stock units, cash incentive awards, performance shares, performance units, dividend equivalents and certain other awards denominated or payable in, or otherwise based on our Common Shares or factors that may influence the value of our shares for the purpose of providing our employees and directors, and the employees of our subsidiaries, and certain non-employees who perform employee functions, incentives and rewards for performance. Some of the key features of the 2015 Plan that reflect our commitment to effective management of equity and incentive compensation are set forth below in this subsection.

We believe our future success depends in part on our ability to attract, motivate and retain high quality employees and directors and that the ability to provide equity-based and incentive-based awards under the 2015 Plan is critical to achieving this success. We would be at a severe competitive disadvantage if we could not use share-based awards to recruit and compensate our employees and directors.

The use of our Common Shares as part of our compensation program is also important to our continued success because we believe it fosters a pay-for-performance culture that is an important element of our overall compensation philosophy. We believe that equity compensation motivates employees and directors to create shareholder value because the value employees and directors realize from equity compensation is based on our stock price performance. Equity compensation also aligns the compensation interests of our employees and directors with the investment interests of our shareholders and promotes a focus on long-term value creation because our equity compensation awards can be subject to vesting and/or performance criteria.

As of March 31, 2015, 106,806 Common Shares remained available for issuance under the 1998 Plan. If the 2015 Plan is not approved, we may be compelled to increase significantly the cash component of our employee and director compensation, which may not necessarily align employee and director compensation interests with the investment interests of our shareholders as well as alignment provided by equity-based awards. Replacing equity awards with cash also would increase cash compensation expenses and use cash that could be better utilized if reinvested in our businesses or returned to our shareholders. If the 2015 Plan is approved by our shareholders, no further awards will be made under the 1998 Plan, but, as described in this proposal, shares that remain available for awards under the 1998 Plan will be added to the aggregate share limit under the 2015 Plan.

The following includes aggregated information regarding the overhang and dilution associated with the 1998 Plan and the potential shareholder dilution that would result if our proposed share increase under the 2015 Plan is approved. The information is as of March 31, 2015. As of that date, there were approximately 12,495,573 Common Shares outstanding.

Under the 1998 Plan:

Outstanding full-value awards (unvested restricted share awards): 344,932 Common Shares (2.8 percent of our outstanding Common Shares);

Outstanding stock options: 143,500 Common Shares (1.1 percent of our outstanding Common Shares) (outstanding stock options have an average exercise price of \$16.76 and an average remaining term of 1.7 years);

Total Common Shares subject to outstanding awards as described above (full-value awards and stock options): 488,432 Common Shares (3.9 percent of our outstanding Common Shares);

Total Common Shares available for future awards under the 1998 Plan: 106,806 Common Shares (.85 percent of our outstanding Common Shares); and

The total number of Common Shares subject to outstanding awards (488,432 shares), plus the total number of Common Shares available for future awards under the 1998 Plan (106,806 shares), represents a current overhang percentage of 4.8 percent (in other words, the maximum potential straight dilution of our shareholders represented by the 1998 Plan).

Under the 2015 Plan:

Proposed Common Shares available for issuance under the 2015 Plan: 650,000 Common Shares, (5.2 percent of our outstanding Common Shares this percentage reflects the simple dilution of our shareholders that would occur if the 2015 Plan is approved).

Total potential overhang or dilution under the 1998 Plan and proposed 2015 Plan:

The total Common Shares subject to outstanding awards as of March 31, 2015 (488,432), plus the total number of Common Shares available for future awards under the 1998 Plan as of March 31, 2015 (106,806), plus the proposed Common Shares available for issuance under the 2015 Plan (650,000), represent a total fully-diluted overhang of 1,245,238 shares (10 percent) under the 2015 Plan.

Based on the closing price on the Nasdaq Stock Market for our Common Shares on March 31, 2015 of \$52.67 per share, the aggregate market value as of March 31, 2015 of the 650,000 Common Shares requested for issuance under the 2015 Plan was \$34,235,500.

In 2012, 2013 and 2014, we granted awards under the 1998 Plan covering 289,606 Common Shares, 226,050 Common Shares and 151,799 Common Shares, respectively. Based on our basic weighted average Common Shares outstanding for those three years of 12,236,990, 12,429,280, and 12,499,129, respectively, for the three-year period 2012-2014, our average burn rate, not taking into account forfeitures, was 1.8% (our individual years burn rates were 2.4% for 2012, 1.8% for 2013 and 1.2% for 2014).

In determining the number of shares to request for approval under the 2015 Plan, our management team worked with Pearl Meyer & Partners, which we refer to as PM&P, the Compensation Committee's independent compensation consultant, and the Compensation Committee to evaluate a number of factors including our recent share usage and criteria expected to be utilized by institutional proxy advisory firms in evaluating our proposal for the 2015 Plan.

If the 2015 Plan is approved, we intend to utilize the shares authorized under the 2015 Plan to continue our practice of incentivizing key individuals through annual equity grants. We will no longer utilize any shares remaining under the 1998 Plan, but such shares will be added to the aggregate share limit under the 2015 Plan. We currently anticipate that the shares requested in connection with the approval of the 2015 Plan, combined with the shares left under the 1998 Plan for use under the 2015 Plan, will last for about four years, based on our historic grant rates and the approximate current share price, but could last for a shorter period of time if actual practice does not match historic rates or our share price changes materially. As noted in Summary of Material Terms of the 2015 Plan, our Compensation Committee would retain full discretion under the 2015 Plan to determine the number and amount of awards to be granted under the 2015 Plan, subject to the terms of the 2015 Plan, and future benefits that may be received by participants under the 2015 Plan are not determinable at this time.

We believe that we have demonstrated a commitment to sound equity compensation practices in recent years. We recognize that equity compensation awards dilute shareholder equity, so we have carefully managed our equity incentive compensation. Our equity compensation practices are intended to be competitive and consistent with market practices, and we believe our historical share usage has been responsible and mindful of shareholder interests, as described above.

In evaluating this Proposal No. 3, shareholders should consider all of the information in this Proposal No. 3.

2015 Plan Highlights

Administration. The 2015 Plan will be administered by the Compensation Committee.

Reasonable 2015 Plan Limits. Subject to adjustment as described in the 2015 Plan, total awards under the 2015 Plan are limited to 650,000 Common Shares, plus, as of the effective date of the 2015 Plan, the number of Common Shares available for new awards under the 1998 Plan on such effective date, plus any Common Shares recycled into the 2015 Plan as described below. These Common Shares may be shares of original issuance or treasury shares or a combination of the foregoing. If approved by our shareholders, the 2015 Plan will become effective and no further awards will be made under the 1998 Plan.

The 2015 Plan also provides that, subject to adjustment as described in the 2015 Plan:

the aggregate number of Common Shares actually issued or transferred upon the exercise of incentive stock options, or ISOs, will not exceed 650,000 Common Shares;

no participant will be granted stock options and/or appreciation rights, in the aggregate, for more than 200,000 Common Shares during any calendar year;

no participant will be granted awards of restricted shares, restricted stock units, performance shares and/or other stock-based awards that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, in the aggregate, for more than 200,000 Common Shares during any calendar year;

no participant in any calendar year will receive an award of performance units and/or other awards payable in cash that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, other than cash incentive awards, having an aggregate maximum value as of their respective grant dates in excess of \$7,000,000;

no participant in any calendar year will receive a cash incentive award that is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code having an aggregate maximum value in excess of \$7,000,000;

no non-employee director will be granted, in any period of one calendar year, awards under the 2015 Plan in excess of 50,000 Common Shares; and

awards that do not comply with the applicable minimum vesting periods provided for in the 2015 Plan (as further described below) will not result in the issuance or transfer of more than 5% of the maximum number of Common Shares available under the 2015 Plan.

Allowances for Conversion Awards and Assumed Plans. Common Shares issued or transferred under awards granted under the 2015 Plan in substitution for or conversion of, or in connection with an assumption of, stock options, appreciation rights, restricted shares, restricted stock units or other stock or stock-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with us or any of our subsidiaries will not count against (or be added back to) the aggregate share limit or other 2015 Plan limits described above. Additionally, shares available under certain plans that we or our subsidiaries may assume in connection with corporate transactions from another entity may be available for certain awards under the 2015 Plan, under circumstances further described in the 2015 Plan, but will not count against the aggregate share limit or other 2015 Plan limits described above.

Limited Share Recycling Provisions. Subject to the 2015 Plan's share counting rules, Common Shares covered by an award granted under the 2015 Plan will not be counted as used unless and until they are actually issued and delivered to a participant. If any Common Shares issued or transferred pursuant to an award granted under the 2015 Plan are forfeited, or an award granted under the 2015 Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the Common Shares issued or transferred pursuant to, or subject to, such award (as applicable) will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, again be available for issuance or transfer as described in the 2015 Plan. If, on or after the effective date of the 2015 Plan, any Common Shares subject to an award granted under the 1998 Plan are forfeited, or an award granted under the 1998 Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the Common Shares subject to such award will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, be available for issuance or transfer under the 2015 Plan. The following Common Shares will not be added back to the aggregate share limit under the 2015 Plan: (1) shares tendered or otherwise used in payment of an option's exercise price; (2) shares withheld or otherwise used by us to satisfy tax withholding obligations; (3) shares subject to an appreciation right that are not actually issued in connection with its share settlement on exercise; and (4) shares that are repurchased by us with stock option proceeds. If a participant elects to give up the right to receive compensation in exchange for Common Shares based on fair market value, such shares will not count against the aggregate share limit under the 2015 Plan.

No Repricing Without Shareholder Approval. The repricing of options and appreciation rights (outside of certain corporate transactions or adjustment events described in the 2015 Plan) is prohibited without shareholder approval under the 2015 Plan.

Change in Control Definition. The 2015 Plan includes a definition of change in control, which is set forth below.

Other Features.

The 2015 Plan also provides that, except with respect to converted, assumed or substituted awards as described in the 2015 Plan, no stock options or appreciation rights will be granted with an exercise or base price less than the fair market value of our Common Shares on the date of grant; and

The 2015 Plan is designed to allow awards made under the 2015 Plan to potentially qualify as qualified performance-based compensation under Section 162(m) of the Code.

Section 162(m)

As discussed above, one reason for submitting this Proposal No. 3 to shareholders is to obtain shareholder approval of the material terms for qualified performance-based compensation under the 2015 Plan for purposes of Section 162(m) of the Code. Such shareholder approval is expected to enable us to structure certain awards so that they may be able to qualify as qualified performance-based compensation under Section 162(m) of the Code.

In particular, the 2015 Plan includes a list of performance measures upon which the Compensation Committee must condition a grant or vesting of a qualified performance-based award pursuant to the 2015 Plan, which measures are as follows (including relative or growth achievement regarding such metrics):

Profits (e.g., operating income, EBIT, EBT, net income, earnings per share, residual or economic earnings, retained earnings, economic profit these profitability metrics could be measured before certain specified special items and/or subject to GAAP definition);

Cash Flow (e.g., EBITDA, free cash flow, free cash flow with or without specific capital expenditure target or range, including or excluding divestments and/or acquisitions, expenses, total cash flow, cash flow in excess of cost of capital or residual cash flow or cash flow return on investment);

Returns (e.g., profits or cash flow returns on: assets, investments, net capital employed, and equity);

Working Capital (e.g., working capital divided by sales, days sales outstanding, days sales inventory, and days sales in payables);

Profit Margins (e.g., profits divided by revenues, gross margins and material margins divided by revenues, and material margin divided by sales pounds, operating profit and margin);

Liquidity Measures (e.g., debt-to-capital, debt-to-EBITDA, total debt ratio);

Sales Growth, Gross Margin Growth, Cost Initiative and Stock Price Metrics (e.g., revenues, revenue growth, revenue growth outside the United States, asset turnover, gross margin and gross margin growth, material margin and material margin growth, stock price appreciation, capitalization, market share, total return to shareholders, sales to targeted customers, sales and administrative costs divided by sales, and sales and administrative costs divided by profits); and

Strategic Initiative Key Deliverable Metrics consisting of one or more of the following: product development, strategic partnering, quality measures, productivity, safety measures, educational and technical skills of employees, research and development, vitality index, market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures.

In addition to the performance measures, the 2015 Plan also includes individual grant limits for equity or incentive awards that can be granted pursuant to the 2015 Plan, as further described below under the heading Summary of Material Terms of the 2015 Equity Plan .

Summary of Material Terms of the 2015 Plan

Administration: The 2015 Plan will be administered by the Compensation Committee (or its successor), or any other committee of the Board of Directors designated by the Board of Directors to administer the 2015 Plan that consists solely of two or more directors who are (1) non-employee directors within the meaning of Rule 16b-3 of the Exchange Act, which we refer to as the Exchange Act, and (2) outside directors within the meaning of Section 162(m) of the Code. References to the Committee in this Proposal No. 3 refer to the Compensation Committee or such other committee designated by the Board of Directors, as applicable. The Committee may from time to time delegate all or

any part of its authority under the 2015 Plan to any subcommittee thereof. Any interpretation, construction and determination by the Committee of any provision of

the 2015 Plan, or of any agreement, notification or document evidencing the grant of awards under the 2015 Plan, will be final and conclusive. To the maximum extent permitted by applicable law, the Committee may delegate to one or more of its members or to one or more officers, or to one or more agents or advisors, such administrative duties or powers as it deems advisable. In addition, the Committee may by resolution, subject to certain restrictions set forth in the 2015 Plan, authorize one or more of our officers to (1) designate employees to be recipients of awards under the 2015 Plan, and (2) determine the size of such awards. However, the Committee may not delegate such responsibilities to officers for awards granted to certain employees who are subject to the reporting requirements of Section 16 of the Exchange Act or subject to Section 162(m) of the Code.

Eligibility: Any person who is selected by the Committee to receive benefits under the 2015 Plan and who is at that time an officer or other employee of us or any of our subsidiaries or a non-employee director is eligible to participate in the 2015 Plan. In addition, certain persons who provide services to us or any of our subsidiaries that are equivalent to those typically provided by an employee (provided that such persons satisfy the Form S-8 definition of "employee") may also be selected to participate in the 2015 Plan. As of March 31, 2015, approximately 100 employees and seven directors are expected to participate in the 2015 Plan.

Shares Available for Awards under the 2015 Plan: Subject to adjustment as described in the 2015 Plan, the number of Common Shares that may be issued or transferred:

Upon the exercise of stock options or appreciation rights;

As restricted shares and released from substantial risks of forfeiture;

In payment of restricted stock units;

In payment of performance shares or performance units that have been earned;

As other stock-based awards under the 2015 Plan; or

In payment of dividend equivalents paid with respect to awards under the 2015 Plan; may not in the aggregate exceed 650,000 Common Shares, plus, as of the effective date of the 2015 Plan, the number of Common Shares available for new awards under the 1998 Plan on such effective date, plus any Common Shares that become available under the 2015 Plan or 1998 Plan as a result of forfeiture, cancellation, expiration, or cash settlement of awards, which we refer to as Available Shares. The Available Shares may be Common Shares of original issuance, treasury shares or a combination of the foregoing.

Other Share Limits Under the 2015 Plan: The 2015 Plan also provides that, subject to adjustment as described in the 2015 Plan:

the aggregate number of Common Shares actually issued or transferred upon the exercise of ISOs will not exceed 650,000 Common Shares;

no participant will be granted stock options or appreciation rights, in the aggregate, for more than 200,000 Common Shares during any calendar year;

no participant will be granted awards of restricted shares, restricted stock units, performance shares or other stock-based awards that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, in the aggregate, for more than 200,000 Common Shares during any calendar year;

no participant in any calendar year will receive an award of performance units or other awards payable in cash that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, other than cash incentive awards, having an aggregate maximum value in excess of \$7,000,000;

no participant in any calendar year will receive a cash incentive award that is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code having an aggregate maximum value in excess of \$7,000,000; and

no non-employee director will be granted, in any period of one calendar year, awards in excess of 50,000 Common Shares. Notwithstanding any provision of the 2015 Plan, up to 5% of the maximum number of Common Shares that may be issued or transferred under the 2015 Plan, as may be adjusted pursuant to the 2015 Plan, may be used for awards that do not comply with the applicable minimum vesting requirements for such awards.

Share Counting: Common Shares covered by an award granted under the 2015 Plan will not reduce the Available Shares unless and until they are actually issued or transferred. If any Common Shares issued or transferred under an award granted under the 2015 Plan are forfeited, or if an award granted under the 2015 Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the Common Shares issued or transferred under (or subject to) the award will, to the extent of such cancellation, forfeiture, expiration or cash settlement, again be available for issuance or transfer under the 2015 Plan. If, on or after the effective date of the 2015 Plan, any Common Shares subject to an award granted under the 1998 Plan are forfeited, or an award granted under the 1998 Plan is cancelled or forfeited, expires or is settled in cash (in whole or in part), the Common Shares subject to such award will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, be available for issuance or transfer under the 2015 Equity Plan.

The 2015 Plan further provides that the following Common Shares will not be added to the aggregate number of Common Shares available for issuance or transfer under the 2015 Plan: (1) Common Shares tendered or otherwise used in payment of the exercise price of a stock option granted under the 2015 Plan (or the option price of a stock option granted under the 1998 Plan), (2) Common Shares withheld or otherwise used by us to satisfy a tax withholding obligation, (3) Common Shares subject to an appreciation right granted under the 2015 Plan (or an appreciation right granted under the 1998 Plan) that are not actually issued in connection with its Common Shares settlement on exercise, and (4) Common Shares reacquired by us on the open market or otherwise using cash proceeds from the exercise of stock options granted under the 2015 Plan (or stock options granted under the 1998 Plan). In addition, if under the 2015 Plan a participant has elected to give up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will not count against the aggregate share limit under the 2015 Plan.

Common Shares issued or transferred pursuant to awards granted under the 2015 Plan in substitution for or in conversion of, or in connection with the assumption of, awards held by awardees of an entity engaging in a corporate acquisition or merger with us or any of our subsidiaries will not count against the share limits under the 2015 Plan. Additionally, shares available under certain plans that we or our subsidiaries may assume in connection with corporate transactions from another entity may be available for certain awards under the 2015 Plan, but will not count against the share limits under the 2015 Plan.

Types of Awards Under the 2015 Plan: Pursuant to the 2015 Plan, we may grant stock options (including ISOs), appreciation rights, restricted shares, restricted stock units, performance shares, performance units, cash incentive awards, and certain other awards based on or related to our Common Shares.

Each grant of an award under the 2015 Plan will be evidenced by an award agreement or agreements, or an Evidence of Award, which will contain such terms and provisions as the Committee may determine, consistent with the 2015 Plan. A brief description of the types of awards which may be granted under the 2015 Plan is set forth below.

Stock Options: A stock option is a right to purchase Common Shares upon exercise of the stock option. Stock options granted to an employee under the 2015 Plan may consist of either an ISO, a non-qualified stock option that does not comply with the requirements for ISOs, or a combination of both. ISOs may only be granted to employees of us or certain of our related corporations. Except with respect to awards issued in substitution for, in conversion of, or in connection with an assumption of stock options held by awardees of an entity engaging in a corporate acquisition or merger with us or any of our subsidiaries, ISOs and non-qualified stock options must

have an exercise price per share that is not less than the fair market value of a share of Common Shares on the date of grant. The term of a stock option may not extend more than ten years after the date of grant.

Each grant of stock options will be evidenced by an Evidence of Award which specifies the applicable terms and conditions of such award, including the number of Common Shares subject to the stock option and the applicable vesting and forfeiture provisions. However, no grant of stock options may become exercisable sooner than after one year. A grant of stock options may provide for the earlier exercise of the stock options, including in the event of retirement, death or disability of the participant or in the event of a change in control of us.

Any grant of stock options may specify management objectives that must be achieved as a condition to the exercise of the stock options. In addition, each grant will specify the form of consideration to be paid in satisfaction of the exercise price, which may include: (1) cash or check acceptable to us, or by wire transfer of immediately available funds; (2) the actual or constructive transfer to us of Common Shares owned by the participant (or certain other consideration permitted under the 2015 Plan) with a value at the time of exercise that is equal to the total exercise price; (3) subject to any conditions or limitations established by the Committee, by a net exercise arrangement pursuant to which we will withhold Common Shares otherwise issuable upon exercise of a stock option; (4) by a combination of the foregoing methods; and (5) such other methods as may be approved by the Committee. To the extent permitted by law, any grant may provide for deferred payment of the exercise price from the proceeds of a sale through a bank or broker of some or all of the shares to which the exercise relates. Stock options granted under the 2015 Plan may not provide for dividends or dividend equivalents.

Appreciation Rights: The 2015 Plan provides for the grant of appreciation rights, which may be granted as either Tandem Appreciation Rights or Free-Standing Appreciation Rights. A Tandem Appreciation Right is an Appreciation Right that is granted in tandem with a stock option or similar right. A Free-Standing Appreciation Right is an appreciation right that is not granted in tandem with a stock option or similar right. An appreciation right is a right, exercisable by the surrender of a related stock option (if a Tandem Appreciation Right) or by itself (if a Free-Standing Appreciation Right), to receive from us an amount equal to 100%, or such lesser percentage as the Committee may determine, of the spread between the base price (or option exercise price if a Tandem Appreciation Right) and the value of our Common Shares on the date of exercise. Tandem Appreciation rights may be granted at any time prior to the exercise or termination of the related stock options, but a Tandem Appreciation Right awarded in relation to an ISO must be granted concurrently with such ISO.

Each grant of an appreciation right will be evidenced by Evidence of Award which specifies the applicable terms and conditions of such award, including any vesting and forfeiture provisions. However, no grant of appreciation rights may be exercisable sooner than after one year. A grant of appreciation rights may provide for earlier exercise, including in the case of retirement, death or disability of the participant or in the event of a change in control of us. Any grant of appreciation rights may specify management objectives that must be achieved as a condition of the exercise of such appreciation rights. An appreciation right may be paid in cash, Common Shares or any combination thereof. Except with respect to awards issued in substitution for, in conversion of, or in connection with an assumption of appreciation rights held by awardees of an entity engaging in a corporate acquisition or merger with us or any of our subsidiaries, the base price of an appreciation right may not be less than the fair market value of a share of Common Shares on the date of grant. The term of an appreciation right may not extend more than ten years from the date of grant.

Tandem Appreciation Rights may be exercised only at a time when the related stock options are also exercisable and the spread (the excess of the fair market value of a share of Common Shares over the exercise price) is positive, by surrender of the related stock option for cancellation. Appreciation rights granted under the 2015 Plan may not provide for dividends or dividend equivalents.

Restricted Shares: Restricted shares awarded under the 2015 Plan will consist of an award of Common Shares in consideration for the performance of services, which shares are subject to a substantial risk of forfeiture

for a period of time determined by the Committee or until certain management objectives specified by the Committee are achieved. Each such grant or sale of restricted shares may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value per share of Common Shares on the date of grant. If the elimination of the restrictions is based solely on the passage of time, the period of time will be no shorter than one year. Restricted shares constitute an immediate transfer of the ownership of Common Shares to the participant, entitling such participant to dividend, voting and other ownership rights, subject to the substantial risk of forfeiture and restrictions on transfer determined by the Committee.

Any grant of restricted shares may specify management objectives that, if achieved, will result in termination or early termination of the restrictions applicable to the restricted shares, but restrictions relating to restricted shares that vest upon the achievement of management objectives may not terminate sooner than after one year. Any grant of restricted shares may require that any or all dividends or distributions paid on restricted shares that remain subject to a substantial risk of forfeiture be automatically deferred and reinvested in additional restricted shares, which may be subject to the same restrictions as the underlying restricted shares. However, dividends or other distributions on restricted shares with restrictions that lapse as a result of the achievement of management objectives will be deferred until and paid contingent upon the achievement of the applicable management objectives. Each grant of restricted shares will be evidenced by an Evidence of Award which specifies the applicable terms and conditions of such award, including any vesting and forfeiture provisions.

Any grant or sale of restricted shares may provide for the earlier termination of restrictions on such restricted shares, including in the event of retirement, death or disability of the participant or in the event of a change in control of us, except in the case of an award intended to qualify as qualified performance-based compensation under Section 162(m) of the Code (other than in connection with the death or disability of the participant or a change in control of us) where such early termination would cause the award to fail to so qualify.

Restricted Stock Units: Restricted stock units awarded under the 2015 Plan constitute an agreement by us to deliver Common Shares, cash, or a combination thereof, to the participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of management objectives) during the restriction period as the Committee may specify. Each grant or sale of restricted stock units may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value of our Common Shares on the date of grant. During the restriction period applicable to restricted stock units, the participant will have no right to transfer any rights under the award and will have no rights of ownership in the Common Shares underlying the restricted stock units and no right to vote them. Rights to dividend equivalents may be extended to and made part of any restricted stock unit award at the discretion of and on the terms determined by the Committee, on a current, deferred or contingent basis, either in cash or in additional Common Shares, but dividend equivalents or other distributions on Common Shares underlying the restricted stock units with restrictions that lapse as a result of the achievement of management objectives will be deferred until and paid contingent upon the achievement of the applicable management objectives. Each grant of a restricted stock unit award will be evidenced by an Evidence of Award which specifies the applicable terms and conditions of such award, including any vesting and forfeiture provisions. Each grant of restricted stock units will specify that the amount payable with respect to such restricted stock units will be paid in cash, Common Shares, or a combination of the two.

The restriction period applicable to any grant of restricted stock units may not terminate sooner than after one year. Any grant or sale of restricted stock units may provide for the earlier lapse or other modification of the restriction period, including in the event of retirement, death or disability of the participant or in the event of a change in control of us, except in the case of an award intended to qualify as qualified performance-based compensation under Section 162(m) of the Code (other than in connection with the death or disability of the participant or a change in control of us) where such early lapse or modification would cause the award to fail to so qualify.

Cash Incentive Awards, Performance Shares, and Performance Units: Performance shares, performance units and cash incentive awards may also be granted to participants under the 2015 Plan. Each grant will specify the number or amount of performance shares or performance units, or the amount payable with respect to cash incentive awards, which number or amount may be subject to adjustment to reflect changes in compensation or other factors. However, no such adjustment will be made in the case of an award intended to qualify as qualified performance-based compensation under Section 162(m) of the Code (other than in connection with the death or disability of the participant or a change in control of us) where it would result in the loss of the otherwise available exemption under Section 162(m) of the Code.

These awards, when granted under the 2015 Plan, become payable to participants upon the achievement of specified management objectives and upon such terms and conditions as the Committee determines at the time of grant. Each grant may specify with respect to the management objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of performance shares or performance units, or the amount payable with respect to cash incentive awards, that will be earned if performance is at or above the minimum or threshold level, or is at or above the target level but falls short of maximum achievement. Each grant will specify the time and manner of payment of cash incentive awards, performance shares or performance units that have been earned, and any grant may further specify that any such amount may be paid or settled by us in cash, Common Shares, restricted shares, restricted stock units or any combination thereof. Any grant of performance shares may provide for the payment of dividend equivalents in cash or in additional Common Shares, subject to deferral and payment on a contingent basis based on the participant's earning of the performance shares with respect to which such dividend equivalents are paid. Each grant of performance shares, performance units or cash incentive awards will be evidenced by an Evidence of Award which specifies the applicable terms and conditions of such award, including any vesting and forfeiture provisions.

The performance period with respect to a cash incentive award, performance share, or performance unit will be a period of time (not less than one year) determined by the Committee on the grant date. The performance period may be subject to earlier lapse or modification, including in the event of retirement, death or disability of the participant or in the event of a change in control of us. However, no such adjustment will be made in the case of an award intended to qualify as qualified performance-based compensation under Section 162(m) of the Code (other than in connection with the death or disability of the participant or a change in control of us) where it would result in the loss of the otherwise available exemption under Section 162(m) of the Code.

Other Awards: Subject to applicable law and the limits set forth in the 2015 Plan, the Committee may grant such other awards, which we refer to as Other Awards, that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Shares or factors that may influence the value of such Common Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares, awards with value and payment contingent upon performance of us or specified subsidiaries, affiliates or other business units or any other factors designated by the Committee, and awards valued by reference to the book value of the Common Shares or the value of securities of, or the performance of the subsidiaries, affiliates or other business units of us. The terms and conditions of any such awards will be determined by the Committee. Common Shares delivered under an award in the nature of a purchase right granted under the 2015 Plan will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Shares, other awards, notes or other property, as the Committee determines.

In addition, the Committee may grant cash awards, as an element of or supplement to any other awards granted under the 2015 Plan. The Committee may also grant Common Shares as a bonus, or may grant other awards in lieu of obligations of us or a subsidiary to pay cash or deliver other property under the 2015 Plan or under other plans or compensatory arrangements, subject to terms determined by the Committee in a manner than complies with Section 409A of the Code.

If the earning or vesting of, or elimination of restrictions applicable to, Other Awards is based only on the passage of time rather than the achievement of management objectives, the period of time will be no shorter than one year. If the earning or vesting of, or elimination of restrictions applicable to, Other Awards is based on the achievement of management objectives, the earning, vesting or restriction period may not terminate sooner than after one year. Any grant of an Other Award may provide for the earning or vesting of, or earlier elimination of restrictions applicable to, such award, including in the event of the retirement, death, or disability of the participant or in the event of a change in control of us. However, no such adjustment will be made in the case of an award intended to qualify as qualified performance-based compensation under Section 162(m) of the Code (other than in connection with the death or disability of the participant or a change in control of us) where it would result in the loss of the otherwise available exemption under Section 162(m) of the Code.

Change in Control Definition: The 2015 Plan includes a definition of change in control. In general, except as may be otherwise prescribed by the Committee in any Evidence of Award, a change of control will be deemed to have occurred if: (1) we are merged, consolidated or reorganized into or with another corporation or other legal person, and immediately after such merger, consolidation or reorganization less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of our Voting Stock (as that term is defined below) immediately prior to such transaction; (2) we sell all or substantially all of our assets to any other corporation or other legal person, and less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such sale are held in the aggregate by the holders of our Voting Stock immediately prior to such sale; (3) any person (as the term person is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) becomes the beneficial owner (as the term beneficial owner is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 30% or more of the combined voting power of the then-outstanding securities entitled to vote generally in the election of our directors, which we refer to as Voting Stock; or (4) if during any period of two consecutive years, individuals who at the beginning of any such period constitute our directors cease for any reason to constitute at least a majority thereof, subject to certain limitations as described in the 2015 Plan. However, a change in control will not be deemed to have occurred for purposes of the 2015 Plan solely because (i) we, (ii) an entity in which we directly or indirectly beneficially own 50% or more of the voting securities or interest, or (iii) any employee stock ownership plan that we sponsor or any other of our employee benefit plans either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-I, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 30% or otherwise, or because we report that a change in control of us has or may have occurred or will or may occur in the future by reason of such beneficial ownership.

Management Objectives; Qualified Performance Based Awards: The 2015 Plan permits us to grant both awards that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and awards that are not intended to so qualify, and provides that any of the awards set forth above may be granted subject to the achievement of specified management objectives.

Management objectives are defined as the measurable performance objective or objectives established pursuant to the 2015 Plan for participants who have received grants of performance shares, performance units or cash incentive awards or, when so determined by the Committee, stock options, appreciation rights, restricted shares, restricted stock units, dividend equivalents or Other Awards. Management objectives may be described in terms of company-wide objectives or objectives that are related to the performance of the individual participant or of one or more of the subsidiaries, divisions, departments, regions, functions or other organizational units within us or one of our subsidiaries. The management objectives may be made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies, and may be made relative to an index or one or more of the performance objectives themselves.

The Committee may grant awards subject to management objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. A Qualified Performance-Based Award is any cash incentive award or award of performance shares, performance units, restricted shares, restricted stock units, or Other Awards, granted to certain covered employees (as defined in Section 162(m) of the Code) that is intended to satisfy the requirements for qualified performance-based compensation under Section 162(m) of the Code. Under the 2015 Plan, the management objectives applicable to any Qualified Performance-Based Award to a covered employee must be based on one or more, or a combination, of the metrics set forth above under the heading Section 162(m) (including relative or growth achievement regarding such metrics).

Additionally, in the case of a Qualified Performance-Based Award, each such management objective must be objectively determinable to the extent required under Section 162(m) of the Code, and, unless otherwise determined by the Committee and to the extent consistent with Section 162(m) of the Code, will exclude the effects of certain designated items identified at the time of grant. If the Committee determines that a change in the business, operations, corporate structure or capital structure of us, or the manner in which we conduct our business, or other events or circumstances render the management objectives unsuitable, the Committee may in its discretion modify such management objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with a change in control of us) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the management objectives or minimum acceptable level of achievement with respect to such covered employee.

Transferability of Awards: Except as otherwise provided by the Committee, no stock option, appreciation right, restricted share, restricted stock unit, performance share, performance unit, cash incentive award, Other Award or dividend equivalents paid with respect to awards made under the 2015 Plan may be transferred by a participant except by will or the laws of descent and distribution. In no event will any such award granted under the 2015 Plan be transferred for value. Except as otherwise determined by the Committee, stock options and appreciation rights will be exercisable during the participant's lifetime only by him or her or, in the event of the participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the participant in a fiduciary capacity under state law or court supervision.

The Committee may specify at the grant date that all or part of the Common Shares that are subject to awards under the 2015 Plan will be subject to further restrictions on transfer.

Adjustments: Corporate Transactions: The Committee will make or provide for such adjustments in the: (1) numbers of Common Shares covered by outstanding stock options, appreciation rights, restricted shares, restricted stock units, performance shares and performance units granted under the 2015 Plan; (2) if applicable, number of Common Shares covered by Other Awards granted pursuant to the 2015 Plan; (3) exercise price or base price provided in outstanding stock options and appreciation rights; (4) kind of shares covered thereby; (5) cash incentive awards; and (6) other award terms, as the Committee in its sole discretion in good faith determines to be equitably required in order to prevent dilution or enlargement of the rights of participants that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of us, (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities or (c) any other corporate transaction or event having an effect similar to any of the foregoing.

In the event of any such transaction or event, or in the event of a change in control of us, the Committee will provide in substitution for any or all outstanding awards under the 2015 Plan such alternative consideration (including cash), if any, as it in good faith determines to be equitable under the circumstances and will require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each stock option or appreciation right with an exercise price or base price greater than the

consideration offered in connection with any such transaction or event or change in control of us, the Committee may in its discretion elect to cancel such stock option or appreciation right without any payment to the person holding such stock option or appreciation right. The Committee will make or provide for such adjustments to the numbers and kind of shares available for issuance under the 2015 Plan and the share limits of the 2015 Plan as the Committee in its sole discretion in good faith determines to be appropriate in connection with such transaction or event. However, any adjustment to the limit on the number of Common Shares that may be issued upon exercise of ISOs will be made only if and to the extent such adjustment would not cause any option intended to qualify as an ISO to fail to so qualify.

Prohibition on Repricing: Except in connection with certain corporate transactions or changes in the capital structure of us, the terms of outstanding awards may not be amended to (1) reduce the exercise price or base price of outstanding stock options or appreciation rights, or (2) cancel outstanding stock options or appreciation rights in exchange for cash, Other Awards or stock options or appreciation rights with an exercise price or base price, as applicable, that is less than the exercise price or base price of the original stock options or appreciation rights, as applicable, without shareholder approval. The 2015 Plan specifically provides that this provision is intended to prohibit the repricing of underwater stock options and appreciation rights and that it may not be amended without approval by our shareholders.

Detrimental Activity and Recapture: Any Evidence of Award may provide for the cancellation or forfeiture and repayment to us of any award or gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, if any participant, either during employment or other service with us or a subsidiary or within a specified period after such employment or service engages in any detrimental activity. In addition, any Evidence of Award may provide for cancellation or forfeiture of an award or the forfeiture and repayment of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules and regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Shares may be traded.

Grants to Non-U.S. Based Participants: In order to facilitate the making of any grant or combination of grants under the 2015 Plan, the Committee may provide for such special terms for awards to participants who are foreign nationals, who are employed by us or any of our subsidiaries outside of the United States of America or who provide services to us under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. The Committee may approve such supplements to, or amendments, restatements or alternative versions of, the 2015 Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, provided that no such special terms, supplements, amendments or restatements may include any provisions that are inconsistent with the terms of the 2015 Plan as then in effect unless the 2015 Plan could have been amended to eliminate such inconsistency without further approval by our shareholders.

Withholding: To the extent we are required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the 2015 Plan, and the amounts available to us for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the participant or such other person make arrangements satisfactory to us for payment of the balance of such taxes required to be withheld, which arrangements, in the discretion of the Committee, may include relinquishment of a portion of such benefit. If a participant's benefit is to be received in the form of Common Shares, and such participant fails to make arrangements for the payment of tax, then, unless otherwise determined by the Committee, we will withhold Common Shares having a value equal to the amount required to be withheld. When a participant is required to pay us an amount required to be withheld under applicable income and employment tax laws, the participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the shares required to be delivered to the participant, Common Shares having a value equal to the amount required to be withheld or by

delivering to us other Common Shares held by such participant. The shares used for tax withholding will be valued at an amount equal to the market value of such Common Shares on the date the benefit is to be included in participant's income. In no event will the market value of the Common Shares to be withheld and delivered pursuant to the 2015 Plan to satisfy applicable withholding taxes in connection with the benefit exceed the minimum amount of taxes required to be withheld. Participants will also make such arrangements as we may require for the payment of any withholding tax obligation that may arise in connection with the disposition of Common Shares acquired upon the exercise of stock options.

No Right to Continued Employment: The 2015 Plan does not confer upon any participant any right with respect to continuance of employment or service with us or any of our subsidiaries.

Effective Date of the 2015 Plan: The 2015 Plan will become effective as of the date it is approved by our shareholders. No grants will be made on or after such date under the 1998 Plan, but outstanding awards granted under the 1998 Plan will continue unaffected following such date.

Amendment and Termination of the 2015 Plan: Our Board generally may amend the 2015 Plan from time to time in whole or in part. However, if any amendment (1) would materially increase the benefits accruing to participants under the 2015 Plan, (2) would materially increase the number of shares which may be issued under the 2015 Plan, (3) would materially modify the requirements for participation in the 2015 Plan, or (4) must otherwise be approved by our shareholders in order to comply with applicable law or the rules of the Nasdaq Stock Market, then such amendment will be subject to shareholder approval and will not be effective unless and until such approval has been obtained.

Further, subject to the 2015 Plan's prohibition on repricing, the Committee generally may amend the terms of any award prospectively or retroactively (except in the case of Qualified Performance-Based Award (other than in connection with the participant's death or disability or a change in control of us) where such action would result in the loss of the otherwise available exemption under Section 162(m) of the Code). Except in the case of certain adjustments permitted under the 2015 Plan, no such amendment may be taken that would impair the rights of any participant without his or her consent. If permitted by Section 409A of the Code and Section 162(m) of Code and subject to certain other limitations set forth in the 2015 Plan, including in the case of termination of employment due to death, disability or retirement, in the case of unforeseeable emergency or other special circumstances, or in the event of a change in control of us, the Committee may accelerate the vesting of certain awards granted under the 2015 Plan (except that with respect to Qualified Performance-Based Awards, no such action may be taken if it would result in the loss of the otherwise available exemption of such award under Section 162(m) of the Code).

The Board may, in its discretion, terminate the 2015 Plan at any time. Termination of the 2015 Plan will not affect the rights of participants or their successors under any awards outstanding and not exercised in full on the date of termination. No grant will be made under the 2015 Plan more than ten years after the effective date of the 2015 Plan, but all grants made on or prior to such date shall continue in effect thereafter subject to the terms thereof and of the 2015 Plan.

New Plan Benefits

It is not possible to determine the specific amounts and types of awards that may be awarded in the future under the 2015 Plan because the grant and actual pay-out of awards under the 2015 Plan are subject to the discretion of the plan administrator.

Federal Income Tax Consequences

The following is a brief summary of certain of the Federal income tax consequences of certain transactions under the 2015 Plan based on Federal income tax laws in effect. This summary, which is presented for the

information of shareholders considering how to vote on this proposal and not for 2015 Plan participants, is not intended to be complete and does not describe Federal taxes other than income taxes (such as Medicare and Social Security taxes), or state, local or foreign tax consequences.

Tax Consequences to Participants

Restricted Shares. The recipient of restricted shares generally will be subject to tax at ordinary income rates on the fair market value of the restricted shares (reduced by any amount paid by the recipient for such restricted shares) at such time as the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code, which we refer to as Restrictions. However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the Restrictions) over the purchase price, if any, of such restricted shares. If a Section 83(b) election has not been made, any dividends received with respect to restricted shares that are subject to the Restrictions generally will be treated as compensation that is taxable as ordinary income to the recipient.

Performance Shares and Performance Units. No income generally will be recognized upon the grant of performance shares or performance units. Upon payment in respect of the earn-out of performance shares or performance units, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any nonrestricted Common Shares received.

Nonqualified Stock Options. In general:

no income will be recognized by an optionee at the time a non-qualified stock option is granted;

at the time of exercise of a non-qualified stock option, ordinary income will be recognized by the optionee in an amount equal to the difference between the option price paid for the shares and the fair market value of the shares, if unrestricted, on the date of exercise; and

at the time of sale of shares acquired pursuant to the exercise of a non-qualified stock option, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

ISOs. No income generally will be recognized by an optionee upon the grant or exercise of an ISO. The exercise of an ISO, however, may result in alternative minimum tax liability. If Common Shares are issued to the optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such optionee within two years after the date of grant or within one year after the transfer of such shares to the optionee, then upon sale of such shares, any amount realized in excess of the option price will be taxed to the optionee as a long-term capital gain and any loss sustained will be a long-term capital loss.

If Common Shares acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the exercise price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

Appreciation Rights. No income will be recognized by a participant in connection with the grant of a Tandem Appreciation Right or a Free-Standing Appreciation Right. When the appreciation right is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the amount of cash received and the fair market value of any unrestricted Common Shares received on the exercise.

Restricted Stock Units. No income generally will be recognized upon the award of restricted stock units. The recipient of a restricted stock unit award generally will be subject to tax at ordinary income rates on the fair market value of unrestricted Common Shares on the date that such shares are transferred to the participant under the award (reduced by any amount paid by the participant for such restricted stock units), and the capital gains/loss holding period for such shares will also commence on such date.

Tax Consequences to Us or Our Subsidiaries

To the extent that a participant recognizes ordinary income in the circumstances described above, we or the subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Code and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Code. In this regard, certain types of awards under the 2015 Plan, such as time-vested restricted shares and restricted stock units, cannot qualify as performance-based awards under Section 162(m) of the Code, and in other cases awards may fail to qualify if all requirements for qualification are not met in connection with such awards.

Registration with the SEC

We intend to file a Registration Statement on Form S-8 relating to the issuance of Common Shares under the 2015 Plan with the SEC pursuant to the Securities Act as soon as practicable after approval of the 2015 Plan by our shareholders.

Vote Required and Recommendation of the Board of Directors

The affirmative vote of a majority of our shares of Common Stock represented at the Annual Meeting and entitled to vote on the proposal is required to approve the 2015 Plan. Abstentions will have the effect of a vote against and broker non-votes will have no effect with respect to the approval of this proposal.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE 2015 EQUITY AND INCENTIVE COMPENSATION PLAN.

PROPOSAL NO. 4

RE-APPROVAL OF THE PARK-OHIO HOLDINGS CORP. ANNUAL CASH BONUS PLAN

You are being asked to re-approve the Park-Ohio Holdings Corp. Annual Cash Bonus Plan, as amended, which we refer to as the Bonus Plan. The Bonus Plan was initially approved by our shareholders in May 2006. The Bonus Plan was re-approved by our shareholders in May 2011. Section 162(m) of the Code requires that certain executive compensation plans be re-approved by shareholders at least every five years in order to continue qualification of compensation awarded under such plans as performance-based compensation pursuant to Section 162(m). We are seeking re-approval of the Bonus Plan due to the amendment to increase the annual per person limit under the Bonus Plan from \$3,000,000 to \$5,000,000 and in order for all bonus payments made under the Bonus Plan to continue to satisfy the requirements for qualified performance-based compensation under the Internal Revenue Service's regulations under Section 162(m) and, accordingly, to be eligible for deductibility by the Company.

Summary of the Bonus Plan

The purpose of the Bonus Plan is to attract and retain key executives for the Company and its subsidiaries and to provide such persons with incentives for superior performance. A summary of the terms of the Bonus Plan is set forth below. The full text of the Bonus Plan is attached to this Proxy Statement as Appendix B, and the summary is qualified in its entirety by reference to Appendix B.

Administration. The Bonus Plan shall be administered by the Compensation Committee or any other committee appointed by the Board to administer the Bonus Plan (consisting of at least two directors, each of whom must be an outside director within the meaning of Section 162(m)). In administering the Bonus Plan, the Compensation Committee shall have full power and authority to interpret and administer the Bonus Plan and shall have the exclusive right to establish Management Objectives (as defined below) and the amount of incentive bonuses payable upon achievement of such objectives.

Eligible Executive. Participation in the Bonus Plan will be limited to an Eligible Executive, which is defined as the Company's CEO and any other executive officer of the Company designated by the Compensation Committee.

Management Objectives. An Eligible Executive's right to receive a bonus under the Bonus Plan depends on achievement of certain specified performance goals, referred to as Management Objectives. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Eligible Executive or of the subsidiary, division, department or function within the Company or subsidiary in which the Eligible Executive is employed. Management Objectives may be measured on a relative or absolute basis. The Management Objectives shall be limited to specified levels of, growth in or relative peer company performance in one or more or a combination of the following: earnings per share; earnings before interest, taxes, depreciation, and amortization; earnings before interest and taxes; earnings before taxes; return on invested capital; return on total capital; return on assets; return on equity; total shareholder return; net income; revenue; cash flow or operating profit; and productivity improvement.

Awards. Not later than the 90th day of each fiscal year of the Company, the Compensation Committee shall establish the Management Objectives for each Eligible Executive and the amount of incentive bonus payable (or formula for determining such amount) upon full achievement of the specified Management Objectives. The Compensation Committee may further specify in respect of the specified Management Objectives a minimum acceptable level of achievement below which no incentive bonus payment will be made and shall set forth a formula for determining the amount of any payment to be made if performance is at or above the minimum acceptable level but falls short of full achievement of the specified Management Objectives. The Compensation Committee may not modify any terms of awards established, except to the extent that after such modification the incentive bonus would continue to constitute qualified performance-based compensation for purposes of Section 162(m) of the Code.

The Compensation Committee retains the discretion to reduce the amount of any incentive bonus that would be otherwise payable to an Eligible Executive (including a reduction in such amount to zero).

Notwithstanding any other provision of the Bonus Plan to the contrary, in no event shall the incentive bonus paid to an Eligible Executive under the Bonus Plan for a year exceed \$5,000,000.

Committee Certification. As soon as practicable after the end of each fiscal year of the Company, the Compensation Committee shall determine whether the Management Objective has been achieved and the amount of the incentive bonus to be paid to each Eligible Executive for such fiscal year and shall certify such determinations in writing.

Effective Date. Subject to its re-approval by the shareholders, the Bonus Plan shall become effective on the day of the Annual Meeting, and shall remain effective until the first shareholders' meeting in 2020, subject to any further shareholder approvals (or re-approvals) mandated for performance-based compensation under Section 162(m) of the Code. The Board, however, may terminate the Bonus Plan, on a prospective basis only, at any time.

Bonus Plan Benefits. Since the Bonus Plan affords the Compensation Committee discretion in establishing target bonuses (subject to the \$5,000,000 annual limit per person noted above), it is not possible to determine the amount of the benefits that may become payable under the Bonus Plan. If the Bonus Plan is not approved by shareholders, no bonuses will be paid under such plan.

Federal Income Tax Consequences

Under present federal income tax law, a Bonus Plan participant will be taxed at ordinary income rates on the amount of any payment received pursuant to the Bonus Plan. Generally, and subject to the provisions of Section 162(m), the Company will receive a federal income tax deduction corresponding to the amount of income recognized by a Bonus Plan participant.

Vote Required and Recommendation of the Board

Your Board believes it is in the best interests of the Company to qualify performance-based compensation for deductibility under Section 162(m) in order to maximize the Company's income tax deductions. The re-approval of the Bonus Plan is necessary to qualify performance-based compensation for such deductibility.

The affirmative vote of a majority of our shares of Common Stock represented at the Annual Meeting and entitled to vote on the proposal is required to approve the Bonus Plan. Abstentions will have the effect of a vote against and broker non-votes will have no effect with respect to the approval of this proposal.

YOUR BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE RE-APPROVAL OF THE BONUS PLAN, AS AMENDED.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Our 2014 Performance

Fiscal 2014 was a year of significant and historical achievement for us, and our financial performance was at record levels. In summary:

Net sales were a record \$1.4 billion, up 15% over 2013;

Net income attributable to our common shareholders was a record \$45.6 million;

Earnings on a per share diluted basis were a record \$3.68;

The closing price of our Common Stock on December 31, 2014 was \$63.03, an increa