

RPM INTERNATIONAL INC/DE/  
Form DEF 14A  
August 27, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**SCHEDULE 14A  
(RULE 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
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

**RPM INTERNATIONAL INC.**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**Frank C. Sullivan**

Chairman and Chief Executive Officer

August 27, 2010

To RPM International Stockholders:

I would like to extend a personal invitation for you to join us at this year's Annual Meeting of RPM Stockholders which will be held at 2:00 p.m., Eastern Daylight Time, Thursday, October 7, 2010, at the Holiday Inn Select located at Interstate 71 and Route 82 East, Strongsville, Ohio.

At this year's Annual Meeting, you will vote on the election of four Directors and on a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2011. We also look forward to giving you a report on the first quarter of our current fiscal year, which ends on August 31. As in the past, there will be a discussion of the Company's business, during which time your questions and comments will be welcomed.

We hope that you are planning to attend the Annual Meeting in person, and we look forward to seeing you. Whether or not you expect to attend in person, the return of the enclosed Proxy as soon as possible would be greatly appreciated and will ensure that your shares will be represented at the Annual Meeting. If you do attend the Annual Meeting, you may, of course, withdraw your Proxy should you wish to vote in person.

On behalf of the Directors and management of RPM, I would like to thank you for your continued support and confidence.

Sincerely yours,

Frank C. Sullivan

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2628 PEARL ROAD P.O. BOX 777  
MEDINA, OHIO 44258

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

Notice is Hereby Given that the Annual Meeting of Stockholders of RPM International Inc. will be held at the Holiday Inn Select located at Interstate 71 and Route 82 East, Strongsville, Ohio, on Thursday, October 7, 2010, at 2:00 p.m., Eastern Daylight Time, for the following purposes:

- (1) To elect four Directors in Class I for a three-year term ending in 2013;
- (2) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending May 31, 2011; and
- (3) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Holders of shares of Common Stock of record at the close of business on August 13, 2010 are entitled to receive notice of and to vote at the Annual Meeting.

By Order of the Board of Directors.

Edward W. Moore  
*Vice President, General Counsel  
and Secretary*

August 27, 2010

Please fill in and sign the enclosed Proxy and return the Proxy  
in the envelope enclosed herewith.

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2628 PEARL ROAD P.O. BOX 777  
MEDINA, OHIO 44258

**PROXY STATEMENT**

**Mailed on or about August 27, 2010**

**Annual Meeting of Stockholders to be held on October 7, 2010**

This Proxy Statement is furnished in connection with the solicitation of Proxies by the Board of Directors of RPM International Inc. (the Company) to be used at the Annual Meeting of Stockholders of the Company to be held on October 7, 2010, and any adjournment or postponement thereof. The time, place and purposes of the Annual Meeting are stated in the Notice of Annual Meeting of Stockholders which accompanies this Proxy Statement.

The accompanying Proxy is solicited by the Board of Directors of the Company. All validly executed Proxies received by the Board of Directors of the Company pursuant to this solicitation will be voted at the Annual Meeting, and the directions contained in such Proxies will be followed in each instance. If no directions are given, the Proxy will be voted (i) FOR the election of the four nominees listed on the Proxy and (ii) FOR ratifying the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2011.

Any person giving a Proxy pursuant to this solicitation may revoke it. A stockholder, without affecting any vote previously taken, may revoke a Proxy by giving notice to the Company in writing, in open meeting or by a duly executed Proxy bearing a later date.

The expense of soliciting Proxies, including the cost of preparing, assembling and mailing the Notice, Proxy Statement and Proxy, will be borne by the Company. The Company may pay persons holding shares for others their expenses for sending proxy materials to their principals. In addition to solicitation of Proxies by mail, the Company's Directors, officers and employees, without additional compensation, may solicit Proxies by telephone, electronic means and personal interview. Also, the Company has engaged a professional proxy solicitation firm, Georgeson Inc., to assist it in soliciting proxies. The Company will pay a fee of approximately \$9,000, plus expenses, to Georgeson for its services.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on October 7, 2010: Proxy materials for the Company's Annual Meeting, including the 2010 Annual Report and this Proxy Statement, are now available over the Internet by accessing the Investor Information section of our website at [www.rpminc.com](http://www.rpminc.com).** While the Company elected to mail complete sets of the proxy materials for this year's Annual Meeting, in the future you may receive only a Notice of Internet Availability of Proxy Materials and you may have to request to receive a printed set of the proxy materials. To access the proxy materials over the Internet or to request an additional printed copy, go to [www.rpminc.com](http://www.rpminc.com). You also can obtain a printed copy of this Proxy Statement, free of charge, by writing to: RPM International Inc., c/o Secretary, 2628 Pearl Road, P.O. Box 777, Medina, Ohio 44258.

## VOTING RIGHTS

The record date for determination of stockholders entitled to vote at the Annual Meeting was the close of business on August 13, 2010. On that date, the Company had 130,001,475 shares of Common Stock, par value \$0.01 per share (the Common Stock ), outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote.

At the Annual Meeting, in accordance with the General Corporation Law of the State of Delaware and the Company's Amended and Restated By-Laws (the By-Laws ), the inspectors of election appointed by the Board of Directors for the Annual Meeting will determine the presence of a quorum and will tabulate the results of stockholder voting. As provided by the General Corporation Law of the State of Delaware and the By-Laws, holders of shares entitling them to exercise a majority of the voting power of the Company, present in person or by proxy at the Annual Meeting, will constitute a quorum for such meeting. Under applicable Delaware law, if a broker returns a Proxy and has not voted on a certain proposal (generally referred to as a broker non-vote ), such broker non-votes will count for purposes of determining a quorum. The shares represented at the Annual Meeting by Proxies which are marked withheld with respect to the election of Directors will be counted as shares present for the purpose of determining whether a quorum is present.

Under a new rule of the New York Stock Exchange, if you are the beneficial owner of shares held in street name and do not provide the bank, broker or other intermediary that holds your shares with specific voting instructions, that bank, broker or other intermediary may generally vote on routine matters but cannot vote on non-routine matters. Proposal 1, the election of four Directors, is considered a non-routine matter. Unless you instruct the bank, broker or other intermediary that holds your shares to vote on Proposal 1, no votes will be cast on your behalf. Therefore, it is important that you instruct the bank, broker or other intermediary to cast your vote if you want it to count in the election of Directors. Proposal 2 is considered a routine matter and, therefore, broker non-votes are not expected to exist on Proposal 2.

Nominees for election as Directors who receive the greatest number of votes will be elected Directors. The General Corporation Law of the State of Delaware provides that stockholders cannot elect Directors by cumulative voting unless a company's certificate of incorporation so provides. The Company's Amended and Restated Certificate of Incorporation does not provide for cumulative voting.

Our Corporate Governance Guidelines include a majority voting policy, which sets forth our procedures if a Director-nominee is elected, but receives a majority of withheld votes. In an uncontested election, the Board of Directors expects any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election to tender his or her resignation following certification of the stockholder vote. The Board of Directors shall fill Board vacancies and new Directorships and shall nominate for election or re-election as Director only candidates who agree to tender their resignations in such circumstances. The Governance and Nominating Committee will act on an expedited basis to determine whether to accept a Director's resignation tendered in accordance with the policy and will make recommendations to the Board of Directors for its prompt consideration with respect to any such letter of resignation. For the full details of our majority voting policy, which is part of our Corporate Governance Guidelines, please see our Corporate Governance Guidelines on our website at [www.rpminc.com](http://www.rpminc.com).

Pursuant to the By-Laws, proposals other than the election of Directors and matters brought before the Annual Meeting will be decided, unless otherwise provided by law or by the Company's Amended and Restated Certificate of Incorporation, by the vote of the holders of a majority of the shares entitled to vote thereon present in person or by

proxy at the Annual Meeting. In voting for other proposals, votes may be cast in favor, against or abstained. Abstentions will count as present for purposes of the items on which the abstention is noted and will have the effect of a vote against the proposal. Broker non-votes, however, are not counted as present for purposes of determining whether a proposal has been approved and will have no effect on the outcome of any such proposal.

If you have any questions or need any assistance in voting your shares of Common Stock, please contact the Company's proxy solicitor:

Georgeson Inc.  
199 Water Street, 26th Floor  
New York, NY 10038  
(866) 785-7395 (Toll Free)  
Banks and Brokerages please call:  
(212) 440-9800

**STOCK OWNERSHIP OF PRINCIPAL HOLDERS AND MANAGEMENT**

The following table sets forth the beneficial ownership of shares of Common Stock as of May 31, 2010, unless otherwise indicated, by (i) each person or group known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock, (ii) each Director and nominee for election as a Director of the Company, (iii) each executive officer named in the Executive Compensation tables below and (iv) all Directors and executive officers as a group. All information with respect to beneficial ownership of Directors, Director nominees and executive officers has been furnished by the respective Director, nominee for election as a Director, or executive officer, as the case may be. Unless otherwise indicated below, each person named below has sole voting and investment power with respect to the number of shares set forth opposite his or her name. The address of each Director nominee, Director and executive officer is 2628 Pearl Road, P.O. Box 777, Medina, Ohio 44258.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned(1)	Percentage of Shares of Common Stock(1)
Blackrock, Inc.(2)	10,894,012	8.4 %
Capital Research Global Investors(3)	8,340,000	6.4
John P. Abizaid(4)	8,700	*
Bruce A. Carbonari(5)	14,364	*
David A. Daberko(6)	10,400	*
Paul G. P. Hoogenboom(7)	236,024	0.1
James A. Karman(8)	164,169	0.1
Stephen J. Knoop(9)	216,643	0.1
Robert L. Matejka(10)	153,000	0.1
Donald K. Miller(11)	54,725	*
Frederick R. Nance(12)	7,900	*
William A. Papenbrock(13)	28,572	*
Charles A. Ratner(14)	16,178	*
Ronald A. Rice(15)	336,659	0.2
Frank C. Sullivan(16)	1,056,530	0.8
Thomas C. Sullivan(17)	219,280	0.1
William B. Summers, Jr.(18)	22,590	*
Jerry Sue Thornton(19)	14,700	*
P. Kelly Tompkins(20)	77,311	*
Joseph P. Viviano(21)	24,725	*
All Directors and executive officers as a group (twenty persons including the Directors and executive officers named above)(22)	2,717,089	2.0

\* Less than 0.1%.

(1) In accordance with Securities and Exchange Commission ( Commission ) rules, each beneficial owner's holdings have been calculated assuming full exercise of outstanding options covering Common Stock, if any, exercisable by such owner within 60 days after May 31, 2010, but no exercise of outstanding options covering Common

Stock held by any other person.

- (2) According to a Schedule 13G filed with the Commission on January 29, 2010, Blackrock, Inc. ( Blackrock ), as of December 31, 2009, has sole voting power over the 10,894,012 shares of Common Stock and sole dispositive power over the 10,894,012 shares of Common Stock shown in the table above. Blackrock is located at 40 East 52nd Street, New York, New York 10022. On December 1, 2009, Blackrock completed its acquisition of Barclays Global Investors from Barclays Bank PLC.
- (3) According to a Schedule 13G filed with the Commission on February 9, 2010, Capital Research Global Investors, a division of Capital Research and Management Company, as of December 31, 2009, has sole voting power over the 8,340,000 shares of Common Stock and sole dispositive power over the 8,340,000 shares of Common Stock shown in the table above. Capital Research Global Investors is located at 333 South Hope Street, Los Angeles, California 90071.
- (4) Mr. Abizaid is a Director of the Company.
- (5) Mr. Carbonari is a Director of the Company.
- (6) Mr. Daberko is a Director of the Company.

- (7) Mr. Hoogenboom is an executive officer of the Company. His ownership is comprised of 117,458 shares of Common Stock which he owns directly, 111,250 shares of Common Stock which he has the right to acquire within 60 days of May 31, 2010 through the exercise of stock options, 5,499 shares of Common Stock issuable under stock-settled stock appreciation rights currently exercisable or exercisable within 60 days of May 31, 2010, and approximately 1,817 shares of Common Stock held by Wells Fargo Bank, N.A., as trustee of the RPM International Inc. 401(k) Plan which represents Mr. Hoogenboom's approximate percentage ownership of the total shares of Common Stock held in the RPM International Inc. 401(k) Plan as of May 31, 2010.
- (8) Mr. Karman is a Director of the Company. Mr. Karman's ownership is comprised of 11,797 shares of Common Stock which he owns directly, 47,000 shares of Common Stock that are held by the James A. Karman Grantor Retained Annuity Trust dated June 26, 2009, of which Mr. Karman is a trustee and a beneficiary, 47,000 shares of Common Stock that are held by the Carolyn L. Karman Grantor Retained Annuity Trust dated June 26, 2009 which are owned by Mr. Karman's wife, and 58,372 shares of Common Stock which are held by a family-owned corporation of which Mr. Karman is an officer and director. Ownership of the shares of Common Stock held by the family-owned corporation and the shares of Common Stock held by his wife is attributed to Mr. Karman pursuant to Commission rules.
- (9) As previously disclosed, on July 20, 2010, Mr. Knoop began a leave of absence from his duties as Senior Vice President - Corporate Development of the Company in order to devote his full time and attention to his duties as Chairman and Chief Executive Officer of the Company's Specialty Products Holding Corp. subsidiary. His ownership is comprised of 102,866 shares of Common Stock which he owns directly, 105,000 shares of Common Stock which he has the right to acquire within 60 days of May 31, 2010 through the exercise of stock options, 5,499 shares of Common Stock issuable under stock-settled stock appreciation rights currently exercisable or exercisable within 60 days of May 31, 2010, and approximately 3,278 shares of Common Stock held by Wells Fargo Bank, N.A., as trustee of the RPM International Inc. 401(k) Plan which represents Mr. Knoop's approximate percentage ownership of the total shares of Common Stock held in the RPM International Inc. 401(k) Plan as of May 31, 2010.
- (10) Mr. Matejka is an executive officer of the Company. Mr. Matejka's ownership is comprised of 4,000 shares of Common Stock which he owns directly, 135,000 shares of Common Stock which he has the right to acquire within 60 days of May 31, 2010 through the exercise of stock options, 4,000 shares of Common Stock issuable under stock-settled stock appreciation rights currently exercisable or exercisable within 60 days of May 31, 2010, and 10,000 shares of Common Stock which are owned by his wife. Ownership of the shares of Common Stock held by his wife is attributed to Mr. Matejka pursuant to Commission rules.
- (11) Mr. Miller is a Director of the Company. Mr. Miller's ownership is comprised of 24,725 shares of Common Stock which he owns directly, 25,000 shares of Common Stock which are held by a family partnership, and 5,000 shares of Common Stock which are held by a trust of which Mr. Miller is settler and co-trustee. Ownership of the shares of Common Stock held by the family partnership and by the trust is attributed to Mr. Miller pursuant to Commission rules.
- (12) Mr. Nance is a Director of the Company.
- (13) Mr. Papenbrock is a Director of the Company.
- (14) Mr. Ratner is a Director of the Company. Mr. Ratner's ownership is comprised of 11,178 shares of Common Stock which he owns directly and 5,000 shares of Common Stock which are held by a trust of which Mr. Ratner is settlor and co-trustee. Ownership of the shares of Common Stock held by the trust is attributed to Mr. Ratner

pursuant to Commission rules. Mr. Ratner received a portion of his Directors' fees in the form of stock equivalent units in connection with the Company's Deferred Compensation Program. As of May 31, 2010, Mr. Ratner had approximately 6,780 stock equivalent units in the Deferred Compensation Program, which stock equivalent units are excluded from the amount reported in the table pursuant to Commission guidance.

- (15) Mr. Rice is an executive officer of the Company. His ownership is comprised of 203,111 shares of Common Stock which he owns directly, 120,000 shares of Common Stock which he has the right to acquire within 60 days of May 31, 2010 through the exercise of stock options, 9,506 shares of Common Stock issuable under stock-settled stock appreciation rights currently exercisable or exercisable within 60 days of May 31, 2010, and approximately 4,042 shares of Common Stock held by Wells Fargo Bank, N.A., as trustee of the RPM International Inc. 401(k) Plan, which represents Mr. Rice's approximate percentage ownership of the total shares of Common Stock held in the RPM International Inc. 401(k) Plan as of May 31, 2010.
- (16) Frank C. Sullivan is a Director and an executive officer of the Company. Mr. Sullivan's ownership is comprised of 678,331 shares of Common Stock which he owns directly, 9,900 shares of Common Stock which he holds as custodian for his sons, 325,000 shares of Common Stock which he has the right to acquire within 60 days of May 31, 2010 through the exercise of stock options, 32,947 shares of Common Stock issuable under stock-settled stock appreciation rights currently exercisable or exercisable within 60 days of May 31, 2010, 6,624 shares of Common Stock which are held in a trust for the benefit of Mr. Sullivan's sons, and approximately 3,728 shares of Common Stock held by Wells Fargo Bank, N.A., as trustee of the RPM International Inc. 401(k) Plan, which represents Mr. Sullivan's approximate percentage ownership of the total shares of Common Stock held in the RPM International Inc. 401(k) Plan as of May 31, 2010. Ownership of the shares of Common Stock held as custodian for his sons and those held in a trust for the benefit of his sons is attributed to Mr. Sullivan pursuant to Commission rules.
- (17) Thomas C. Sullivan is Chairman Emeritus of the Board of Directors of the Company. Mr. Sullivan's ownership is comprised of 158,432 shares of Common Stock which he owns directly, 43,485 shares of Common Stock that are held by the Thomas C. Sullivan Grantor Retained Annuity Trust dated October 29, 2008, of which Mr. Sullivan is trustee and a beneficiary, and 17,363 shares of Common Stock which are owned by his wife. Ownership of the shares of Common Stock held by his wife is attributed to Mr. Sullivan pursuant to Commission rules.
- (18) Mr. Summers is a Director of the Company.
- (19) Dr. Thornton is a Director of the Company. Dr. Thornton received a portion of her Directors' fees in the form of stock equivalent units in connection with the Company's Deferred Compensation Program. As of May 31, 2010, Dr. Thornton had approximately 23,869 stock equivalent units in the Deferred Compensation Program, which stock equivalent units are excluded from the amount reported in the table pursuant to Commission guidance.
- (20) Mr. Tompkins was an executive officer of the Company. Mr. Tompkins left the Company on April 30, 2010.

- (21) Mr. Viviano is a Director of the Company. Mr. Viviano received a portion of his Directors' fees in the form of stock equivalent units in connection with the Company's Deferred Compensation Program. As of May 31, 2010, Mr. Viviano had approximately 17,689 stock equivalent units in the Deferred Compensation Program, which stock equivalent units are excluded from the amount reported in the table pursuant to Commission guidance.
- (22) The number of shares of Common Stock shown as beneficially owned by the Directors and executive officers as a group on May 31, 2010 includes 801,250 shares of Common Stock which the Directors and executive officers as a group have the right to acquire within 60 days of said date through the exercise of stock options, and approximately 24,380 shares of Common Stock held by Wells Fargo Bank, N.A., as trustee of the RPM International Inc. 401(k) Plan, which represents the group's approximate percentage ownership of the total shares of Common Stock held in the RPM International Inc. 401(k) Plan as of May 31, 2010.

## **PROPOSAL ONE**

### **ELECTION OF DIRECTORS**

The authorized number of Directors of the Company presently is fixed at thirteen, with the Board of Directors divided into three Classes. Each of Class I and Class III has four Directors and Class II has five Directors. The term of office of one Class of Directors expires each year, and at each Annual Meeting of Stockholders the successors to the Directors of the Class whose term is expiring at that time are elected to hold office for a term of three years.

The term of office of Class I of the Board of Directors expires at this year's Annual Meeting. The term of office of the persons elected Directors in Class I at this year's Annual Meeting will expire at the time of the Annual Meeting held in 2013. Each Director in Class I will serve until the expiration of that term or until his successor shall have been duly elected. The Board of Directors' nominees for election as Directors in Class I are David A. Daberko, William A. Papenbrock, Frank C. Sullivan and Thomas C. Sullivan. Each of Messrs. Daberko, Papenbrock, Frank C. Sullivan and Thomas C. Sullivan currently serves as a Director in Class I.

The Proxy holders named in the accompanying Proxy or their substitutes will vote such Proxy at the Annual Meeting or any adjournment or postponement thereof for the election as Directors of the four nominees unless the stockholder instructs, by marking the appropriate space on the Proxy, that authority to vote is withheld. If any nominee should become unavailable for election (which contingency is not now contemplated or foreseen), it is intended that the shares represented by the Proxy will be voted for such substitute nominee as may be named by the Board of Directors. In no event will the accompanying Proxy be voted for more than four nominees or for persons other than those named below and any such substitute nominee for any of them.

### **NOMINEES FOR ELECTION**

**David A. Daberko**, age 65 Director since 2007

Retired Chairman of the Board and Chief Executive Officer, National City Corporation, now a part of PNC Financial Services Group, Inc. Mr. Daberko earned a bachelor's degree from Denison University and a M.B.A. degree from the Weatherhead School of Management at Case Western Reserve University. He joined National City Bank in 1968. Mr. Daberko was elected Deputy Chairman of National City Corporation and President of National City Bank in Cleveland in 1987. He served as President and Chief Operating Officer of National City Corporation from 1993 until 1995. From 1995 until his retirement in 2007, Mr. Daberko served as Chairman and Chief Executive Officer of National City Corporation. Mr. Daberko is a director of Marathon Oil Corporation, and recently became a director of Chesapeake Midstream Partners, L.P. in July 2010. He is a trustee of Case Western Reserve University, University Hospitals Health System and Hawken School. From 1999 until 2007, Mr. Daberko was a director of OMNOVA Solutions Inc.

The Board of Directors has determined that Mr. Daberko should serve as a Director because of his extensive executive management experience, including 12 years as Chairman and Chief Executive Officer of National City Corporation. In that position, Mr. Daberko dealt with many of the major issues, such as financial, strategic, technology, compensation, management development, acquisitions, capital allocation, government and stockholder relations, that the

Company deals with today. His service on other boards of directors has given him exposure to different industries and approaches to governance and other key issues. Mr. Daberko also provides the Board of Directors a valuable perspective as a member of the boards of several prominent local non-profit organizations.

**Shares of Common Stock beneficially owned:**  
**10,400**

Nominee to Class I  
(term expiring in 2013)

**William A. Papenbrock**, age 71 Director since 1972

Retired Partner, Calfee, Halter & Griswold LLP, Attorneys-at-law, since 2000. Mr. Papenbrock received his B.S. degree in Business Administration from Miami University (Ohio) and his LL.B. degree from Case Western Reserve Law School. After serving one year as the law clerk to Chief Justice Taft of the Ohio Supreme Court, Mr. Papenbrock joined Calfee, Halter & Griswold LLP as an attorney in 1964. He became a partner of the firm in 1969 and is a past Vice Chairman of the firm's Executive Committee. Calfee, Halter & Griswold LLP serves as counsel to the Company.

The Board of Directors has determined that Mr. Papenbrock should serve as a Director because of his deep understanding of the Company acquired during his nearly 30 years of service as counsel to the Company and his 38 years of service on the Board of Directors. From 1970 until his retirement from Calfee, Halter & Griswold LLP in 2000, Mr. Papenbrock was primarily responsible for counseling the Company on the legal aspects of corporate transactions and securities regulation matters. The Board of Directors believes that Mr. Papenbrock's extensive experience in and knowledge of the Company's business gained as a result of his long-time service to the Company is essential to the Board of Directors' oversight of the Company and its business operations. Furthermore, Mr. Papenbrock's significant legal background allows him to provide valuable insights to the Board of Directors, particularly in regard to corporate governance and risk issues that confront the Company.

**Shares of Common Stock beneficially owned:**  
**28,572**

Nominee to Class I  
(term expiring in 2013)

**Frank C. Sullivan**, age 49 Director since 1995

Chairman and Chief Executive Officer, RPM International Inc. Frank C. Sullivan entered the University of North Carolina as a Morehead Scholar and received his B.A. degree in 1983. From 1983 to 1987, Mr. Sullivan held various commercial lending and corporate finance positions at Harris Bank and First Union National Bank prior to joining RPM as Regional Sales Manager from 1987 to 1989 at RPM's AGR Company joint venture. In 1989, he became RPM's Director of Corporate Development. He became a Vice President in 1991, Chief Financial Officer in 1993, Executive Vice President in 1995, President in 1999, Chief Operating Officer in 2001, Chief Executive Officer in 2002, and was elected Chairman of the Board in 2008. Mr. Sullivan serves on the boards of The Timken Company, The Cleveland Foundation, the National Paint and Coatings Association, the Cleveland Rock and Roll Hall of Fame and Museum, Greater Cleveland Partnership, the Ohio Business Roundtable, the Army War College Foundation, Inc., the Chamber of Commerce of the United States, and the Medina County Bluecoats. Frank C. Sullivan is the son of Thomas C. Sullivan.

The Board of Directors has determined that Mr. Sullivan should serve as a Director because of his role as the Company's Chief Executive Officer, his intimate knowledge of the Company, and his experience serving as a director of other public companies and non-profit organizations. The Board of Directors believes that Mr. Sullivan's extensive experience in and knowledge of the Company's business gained as a result of his long-time service as a member of management is essential to the Board of Directors' oversight of the Company and its business operations. The Board of Directors also believes that continuing participation by qualified members of the Sullivan family on the Board of Directors is an important part of the Company's corporate culture that has contributed significantly to its long-term success.

**Shares of Common Stock beneficially owned:**  
**1,056,530**

Nominee to Class I  
(term expiring in 2013)

**Thomas C. Sullivan**, age 73 Director since 1963

Chairman Emeritus, RPM International Inc. Thomas C. Sullivan received his B.S. degree in Business Administration from Miami University (Ohio). He joined RPM as a Divisional Sales Manager in 1961 and was elected Vice President in 1967. He became Executive Vice President in 1969, and in 1971 Mr. Sullivan was elected Chairman of the Board. He also served as President from 1970 to 1978 and Chief Executive Officer from 1971 to 2002. In October 2008, Mr. Sullivan retired after 37 years of serving as Chairman, and now serves on the Board of Directors as Chairman Emeritus. From 1998 until May 2010, Mr. Sullivan was a director of Kaydon Corporation, from 1984 until 2007, Mr. Sullivan was a director of Agilysys, Inc., and from 1995 until 2005, Mr. Sullivan was a director of Huff Corporation.

The Board of Directors has determined that Mr. Sullivan should serve as a Director because of his prior service as the Company's Chairman and Chief Executive Officer, his intimate knowledge of the Company, and his experience serving as a director of other private and public companies. The Board of Directors believes that Mr. Sullivan's extensive experience in and knowledge of the Company's business gained as a result of his long-time service as a member of management, including 47 years of service on the Board of Directors, is essential to the Board of Directors' oversight of the Company and its business operations. The Board of Directors also believes that continuing participation by qualified members of the Sullivan family on the Board of Directors is an important part of the Company's corporate culture that has contributed significantly to its long-term success.

<b>Shares of Common Stock beneficially owned:</b>	Nominee to Class I
<b>219,280</b>	(term expiring in 2013)

#### **DIRECTORS WHOSE TERMS OF OFFICE WILL CONTINUE AFTER THE ANNUAL MEETING**

**Frederick R. Nance**, age 56 Director since 2007

Regional Managing Partner of Squire, Sanders & Dempsey L.L.P., Attorneys-at-law, Cleveland, Ohio, since 2007. Mr. Nance has also served on the firm's worldwide, seven-person Management Committee since 2007. He received his B.A. degree from Harvard University and his J.D. degree from the University of Michigan. Mr. Nance joined Squire, Sanders & Dempsey L.L.P. directly from law school, became partner in 1987 and served as the Managing Partner of the firm's Cleveland office from 2002 until 2007. In addition to his duties at Squire, Sanders & Dempsey L.L.P., Mr. Nance also currently serves as General Counsel of the Cleveland Browns. Mr. Nance serves on the boards of Greater Cleveland Partnership, The Cleveland Foundation, and the Cleveland Clinic. Squire, Sanders & Dempsey L.L.P. provides legal services to the Company from time-to-time.

The Board of Directors has determined that Mr. Nance should serve as a Director

primarily due to his significant legal background and management experience. Mr. Nance's background allows him to provide valuable insights to the Board of Directors, particularly in regard to corporate governance and risk issues that confront the Company. Mr. Nance also provides the Board of Directors a valuable perspective as a member of the boards of several prominent local non-profit organizations.

**Shares of Common Stock beneficially owned:**  
**7,900**

Director in Class III  
(term expiring in 2011)

**Charles A. Ratner**, age 69 Director since 2005

Mr. Ratner's principal occupation is President and Chief Executive Officer of Forest City Enterprises, Inc. (FCE) since 1993 and 1995, respectively. Mr. Ratner serves on the Board of Directors for FCE, American Greetings Corporation, Greater Cleveland Partnership, University Hospitals Health System, and the United Jewish Communities. Mr. Ratner also serves on the Board of Trustees for the Musical Arts Association, Mandel Associated Foundations, and the David and Inez Myers Foundation.

The Board of Directors has determined that Mr. Ratner should serve as a Director because of his extensive executive management experience, with a particular emphasis in real estate development, along with particular strengths with respect to leadership, management and corporate governance skills gained from more than 40 years of senior management experience at FCE, as well as his experience on other boards of directors. Mr. Ratner also provides the Board of Directors a valuable perspective as a member of the boards of several prominent local non-profit organizations.

<b>Shares of Common Stock beneficially owned:</b> <b>16,178*</b>	Director in Class III (term expiring in 2011)
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**William B. Summers, Jr.**, age 60 Director since 2004

Retired Chairman and Chief Executive Officer of McDonald Investments Inc., an investment banking and securities firm and a part of KeyBank Capital Markets. Prior to his retirement, Mr. Summers served as Chairman of McDonald Investments Inc. from 2000 to 2006, and as its Chief Executive Officer from 1994 to 2000. From 1998 until 2000, Mr. Summers served as the Chairman of Key Capital Partners and an Executive Vice President of KeyCorp. Mr. Summers is a director of Developers Diversified Realty Corporation and Greatbatch, Inc., and a member of the Advisory Boards of Molded Fiber Glass Companies and Dix & Eaton Inc.

The Board of Directors has determined that Mr. Summers should serve as a Director because of his extensive executive management experience, including over 15 years of experience as Chairman and Chief Executive Officer of McDonald Investments Inc., service on the boards of both the New York Stock Exchange and National Association of Securities Dealers, and his experience serving as a director of other private and public companies. His experience enables Mr. Summers to provide keen insight and diverse perspectives on several critical areas impacting the Company, including capital markets, financial and external reporting, long-term strategic planning and business modeling. With his extensive financial background, Mr. Summers serves as the chairman of, and a financial expert for, the Company's Audit Committee. Mr. Summers also provides the Board of Directors a valuable perspective as a member of the boards of several prominent local non-profit organizations.

**Shares of Common Stock beneficially owned:**  
**22,590**

Director in Class III  
(term expiring in 2011)

\* Mr. Ratner previously participated in the Company's Deferred Compensation Program, and deferred payment of a portion of his Directors' fees in the form of stock equivalent units. As of May 31, 2010, Mr. Ratner had approximately 6,780 stock equivalent units in the Deferred Compensation Program.

**Dr. Jerry Sue Thornton**, age 63 Director since 1999

President of Cuyahoga Community College since 1992. From 1985 to 1992, Dr. Thornton served as President of Lakewood Community College in White Bear Lake, Minnesota. She received her Ph.D. degree from the University of Texas at Austin and her M.A. and B.A. degrees from Murray State University. Dr. Thornton is also a director of American Greetings Corporation, American Family Insurance and Applied Industrial Technologies, Inc. Dr. Thornton is also a board member of United Way of Cleveland, Greater Cleveland Partnership, the Rock and Roll Hall of Fame and Museum Cleveland and New York, University Hospitals Health System, the Cleveland Museum of Art, and Playhouse Square Foundation. From 2001 until 2008, Dr. Thornton was a director of National City Corporation.

The Board of Directors has determined that Dr. Thornton should serve as a Director because of her extensive executive management experience and her experience serving on boards of directors of public companies. In addition, as the president of Cuyahoga Community College, Dr. Thornton has demonstrated management expertise and is a recognized leader in the local community, which, among other things, provides the Board of Directors a valuable perspective on engagement with the public sector and the communities in which the Company operates. Dr. Thornton also provides the Board of Directors a valuable perspective as a member of the boards of several local non-profit organizations.

<b>Shares of Common Stock beneficially owned:</b>	Director in Class III
<b>14,700**</b>	(term expiring in 2011)

\*\* Dr. Thornton participates in the Company's Deferred Compensation Program, and deferred payment of a portion of her Directors' fees in the form of stock equivalent units. As of May 31, 2010, Dr. Thornton had approximately 23,869 stock equivalent units in the Deferred Compensation Program.

**General John P. Abizaid**, age 59 Director since 2008

Senior Partner, JPA Partners LLC, a Nevada-based strategic and analytic consulting firm. Gen. Abizaid retired from the U.S. Army in 2007 after 34 years of service, during which he rose from an infantry platoon leader to become a four-star general and the longest-serving commander of U.S. Central Command. During his distinguished career, his command assignments ranged from infantry combat to delicate international negotiations. Gen. Abizaid graduated from the U.S. Military Academy with a bachelor of science degree in 1973. His civilian studies include an Olmsted Scholarship at the University of Jordan, Amman, and a master of arts degree in Middle Eastern studies at Harvard University. Gen. Abizaid is a highly decorated officer who has been awarded the Defense Distinguished Service Medal, the Army Distinguished Service Medal, Legion of Merit and the Bronze Star.

The Board of Directors has determined that Gen. Abizaid should serve as a Director because of the extensive leadership and management experience he gained during his distinguished military career in which he ultimately became a four-star general in the U.S. Army. As commander of U.S. Central Command, Gen. Abizaid was responsible for military operations in 27 countries and commanded over 500,000 U.S. and allied air, naval and land forces for over three years. Furthermore, as director of strategic plans and policies for the United States Armed Forces Joint Staff, Gen. Abizaid led numerous delegations to foreign nations and conducted extensive negotiations on a number of sensitive subjects. His experience also enables him to assist the Company with leadership development and also provide a unique strategic perspective to the Company.

<b>Shares of Common Stock beneficially owned:</b> <b>8,700</b>	Director in Class II (term expiring in 2012)
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**Bruce A. Carbonari**, age 54 Director since 2002

Chairman and Chief Executive Officer, Fortune Brands, Inc., a diversified consumer products company, since 2008. He served as President and Chief Executive Officer from 2007 to 2008. Previously, he held positions with Fortune Brands business unit, Fortune Brands Home & Hardware LLC, as Chairman and Chief Executive Officer, from 2005 until 2007 and as President and Chief Executive Officer, from 2001 to 2005. Prior to joining the Moen business as President and Chief Operating Officer in 1990, Mr. Carbonari was Executive Vice President and Chief Financial Officer of Stanadyne, Inc., Moen's parent company at that time. He began his career at PricewaterhouseCoopers prior to joining Stanadyne in 1981.

The Board of Directors has determined that Mr. Carbonari should serve as a Director because of his extensive executive management experience, including his service as Chairman and Chief Executive Officer of Fortune Brands, Inc. In that position, Mr. Carbonari deals with many of the major issues, such as financial, strategic, technology, compensation, management development, acquisitions, capital allocation, government and stockholder relations, that the Company also

deals with today.

**Shares of Common Stock beneficially owned:**  
**14,364**

Director in Class II  
(term expiring in 2012)

**James A. Karman**, age 73 Director since 1963

Retired Vice Chairman, RPM International Inc. Mr. Karman holds a B.S. degree from Miami University (Ohio) and an M.B.A. degree from the University of Wisconsin. Mr. Karman taught corporate finance at the University of Wisconsin and was an Investment Manager at The Union Bank & Trust Company, Grand Rapids, Michigan, prior to joining RPM. From 1973 through 1978, Mr. Karman served as our Executive Vice President, Secretary and Treasurer and, prior to that time, as Vice President Finance and Treasurer. From 1978 to 1999, he served as our President and Chief Operating Officer. Mr. Karman also served as Chief Financial Officer from 1982 to 1993, and again in 2001. He was Vice Chairman from 1999 to 2002. From 1995 until 2008, Mr. Karman was a director of A. Schulman, Inc.

The Board of Directors has determined that Mr. Karman should serve as a Director largely due to his prior service as the Company's Vice Chairman, President, Chief Operating Officer and Chief Financial Officer, his intimate knowledge of the Company, and his experience serving as a director of other public companies. The Board of Directors believes that Mr. Karman's extensive experience in and knowledge of the Company's business gained as a result of his long-time service as a member of management, including 47 years of service on the Board of Directors, is essential to the Board of Directors' oversight of the Company and its business operations. Mr. Karman has an extensive financial background, and serves as a financial expert for the Company's Audit Committee.

<b>Shares of Common Stock beneficially owned:</b> <b>164,169</b>	Director in Class II (term expiring in 2012)
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**Donald K. Miller**, age 78 Director since 1972

Chairman of Axiom International Investors LLC, an international equity asset management firm, since 1999. From 1986 to 1996, Mr. Miller was Chairman of Greylock Financial Inc., a venture capital firm. Formerly, Mr. Miller served as Chairman and CEO of Thomson Advisory Group L.P. (Thomson), a money management firm, from 1990 to 1993 and Vice Chairman from 1993 to 1994 when Thomson became PIMCO Advisors L.P. Mr. Miller served as Director of PIMCO Advisors, L.P. from 1994 to 1997. Until June 2009, Mr. Miller was a director of Layne Christensen Company, a successor corporation to Christensen Boyles Corporation, a supplier of mining products and services, where Mr. Miller served as Chairman from 1987 through 1995. Mr. Miller received his B.S. degree from Cornell University and his M.B.A. degree from Harvard University Graduate School of Business Administration.

The Board of Directors has determined that Mr. Miller should serve as a Director because of his extensive executive management experience, including over 11 years of experience as Chairman of Axiom International Investors LLC, an international equity asset management firm, and his experience serving as a director of other private and public companies. Furthermore, Mr. Miller has

acquired a deep understanding of the Company during his 38 years of service on the Board of Directors. His experience enables Mr. Miller to provide keen insight and diverse perspectives on several critical areas impacting the Company, including capital markets, financial and external reporting, long-term strategic planning and business modeling. With his extensive financial background, Mr. Miller serves as a financial expert for the Company's Audit Committee.

**Shares of Common Stock beneficially owned:**  
**54,725**

Director in Class II  
(term expiring in 2012)

**Joseph P. Viviano**, age 72 Director since 2001

Retired Vice Chairman of Hershey Foods Corporation, a manufacturer, distributor and marketer of consumer food products. Prior to his retirement, Mr. Viviano served as the Vice Chairman of Hershey Foods from 1999 to 2000, and as its President and Chief Operating Officer from 1994 to 1999. From 2004 until 2009, Mr. Viviano was a director of Reynolds American Inc., from 1999 until 2008, Mr. Viviano was a director of Harsco Corporation, from 1988 until 2008, Mr. Viviano was a director of Chesapeake Corporation (now Canal Corporation), and from 1996 until 2005, Mr. Viviano was a director of Huffey Corporation.

The Board of Directors has determined that Mr. Viviano should serve as a Director because of his extensive executive management experience at Hershey Foods Corporation. At Hershey Foods, Mr. Viviano dealt with many of the major issues, such as financial, strategic, technology, compensation, management development, acquisitions, capital allocation, government and stockholder relations, that the Company deals with today. Furthermore, his service on other boards of directors has given him exposure to different industries and approaches to governance and other key issues.

<b>Shares of Common Stock beneficially owned:</b> <b>24,725***</b>	Director in Class II (term expiring in 2012)
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\*\*\* Mr. Viviano previously participated in the Company's Deferred Compensation Program, and deferred payment of a portion of his Directors' fees in the form of stock equivalent units. As of May 31, 2010, Mr. Viviano had approximately 17,689 stock equivalent units in the Deferred Compensation Program.

## **INFORMATION REGARDING MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors has an Executive Committee, an Audit Committee, a Compensation Committee and a Governance and Nominating Committee. The Executive Committee exercises the power and authority of the Board of Directors in the interim period between Board meetings. The functions of each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee are governed by charters that have been adopted by the Board of Directors. The Board of Directors also has adopted Corporate Governance Guidelines to assist the Board of Directors in the exercise of its responsibilities, and a Code of Business Conduct and Ethics that applies to the Company's Directors, officers, and employees.

The charters of the Audit Committee, Compensation Committee and Governance and Nominating Committee and the Corporate Governance Guidelines and Code of Business Conduct and Ethics are available on the Company's website at [www.rpminc.com](http://www.rpminc.com) and in print to any stockholder who requests a copy. Requests for copies should be directed to Manager of Investor Relations, RPM International Inc., P.O. Box 777, Medina, Ohio 44258. The Company intends to disclose any amendments to the Code of Business Conduct and Ethics, and any waiver of the Code of Business Conduct and Ethics granted to any Director or executive officer of the Company, on the Company's website. As of the date of this Proxy Statement, there have been no such waivers.

### **Board Independence**

The Company's Corporate Governance Guidelines and the New York Stock Exchange (the "NYSE") listing standards provide that at least a majority of the members of the Board of Directors must be independent, i.e., free of any material relationship with the Company, other than his or her relationship as a Director or Board Committee member. A Director is not independent if he or she fails to satisfy the standards for independence under the NYSE listing standards, the rules of the Commission, and any other applicable laws, rules and regulations. The Board of Directors adopted categorical standards (the "Categorical Standards") to assist it in making independence determinations. The Categorical Standards specify the criteria by which the independence of the Directors will be determined and meet or exceed the independence requirements set forth in the NYSE listing standards and the rules of the Commission. The Categorical Standards are available on the Company's website at [www.rpminc.com](http://www.rpminc.com).

During the Board of Directors' annual review of director independence, the Board of Directors considers transactions, relationships and arrangements between each Director or an immediate family member of the Director and RPM. The Board of Directors also considers transactions, relationships and arrangements between each Director or an immediate family member of the Director and RPM's senior management.

In July 2010, the Board of Directors performed its annual director independence review for 2011. As part of this review, the Board of Directors considered common public, private and charitable board memberships among our executive officers and Directors, including Dr. Thornton and Messrs. Carbonari, Daberko, Nance, Ratner and Summers. The Board of Directors does not believe that any of these common board memberships impairs the independence of the Directors. In addition, the Board of Directors considered that Mr. Nance is the Regional Managing Partner of Squire, Sanders & Dempsey L.L.P., a law firm that provides legal services to the Company. The Board of Directors also considered that Mr. Papenbrock is a retired partner of Calfee, Halter & Griswold LLP, a law firm that provides legal services to the Company. The Board of Directors does not believe that either of these law firm relationships impairs the independence of the Directors.

In determining the independence of Mr. Daberko, the Board of Directors further considered the stock transfer agent and banking services previously provided by National City Bank, now a part of PNC Financial Services Group, Inc. The Board of Directors determined that Mr. Daberko had no material interest in any such transactions.

As a result of this review, the Board of Directors determined that 11 out of 13 current Directors are independent, and that all members of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee are independent. The Board of Directors determined that Dr. Thornton and Messrs. Abizaid, Carbonari, Daberko, Karman, Miller, Nance, Papenbrock, Ratner, Summers and Viviano meet the Categorical Standards and are independent and, in addition, satisfy the independence requirements of the NYSE.

Frank C. Sullivan is not considered to be independent because of his position as Chairman and Chief Executive Officer of RPM. Thomas C. Sullivan is not considered to be independent because he is the father of Frank C. Sullivan.

### **Audit Committee**

The Audit Committee assists the Board of Directors in fulfilling its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and independent auditor, and prepares the report of the Audit Committee. The specific functions and responsibilities of the Audit Committee are set forth in the Audit Committee Charter which is available on the Company's website.

The Board of Directors has determined that each member of the Audit Committee is financially literate and satisfies the current independence standards of the NYSE listing standards and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Board of Directors has also determined that each member of the Audit Committee, other than Mr. Papenbrock, qualifies as an audit committee financial expert as that term is defined in Item 407(d) of Regulation S-K. Each audit committee financial expert also satisfies the NYSE accounting and financial management expertise requirements.

### **Compensation Committee**

The Compensation Committee assists the Board of Directors in discharging its oversight responsibilities relating to, among other things, executive compensation, equity and incentive compensation plans, management succession planning and producing the Compensation Committee Report. The Compensation Committee administers the Company's Stock Option Plans, Incentive Compensation Plan, Restricted Stock Plan, 2003 Restricted Stock Plan for Directors and Amended and Restated 2004 Omnibus Equity and Incentive Plan. The Compensation Committee reviews and determines the salary and bonus compensation of the Chief Executive Officer, as well as reviews and recommends to the Board of Directors for its approval the compensation of the other executive officers of the Company. The Compensation Committee may delegate its authority to a subcommittee or subcommittees. Each member of the Compensation Committee is independent within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines.

Our Chief Executive Officer and our President and Chief Operating Officer, together with the Compensation Committee, review assessments of executive compensation practices at least annually against our defined comparative framework. Our Chief Executive Officer makes recommendations to the Compensation Committee with the intent of keeping our executive officer pay practices aligned with our intended pay philosophy. The Compensation Committee must approve any recommended changes before they can be made.

The Compensation Committee has the authority to retain and terminate any compensation and benefits consultant and the authority to approve the related fees and other retention terms of such consultants.

### **Governance and Nominating Committee**

The Governance and Nominating Committee reports to the Board of Directors on all matters relating to corporate governance of the Company, including the development and recommendation to the Board of

Directors of a set of corporate governance principles applicable to the Company, selection, qualification and nomination of the members of the Board of Directors and nominees to the Board of Directors, and administration of the Board's evaluation process. Each of the members of the Governance and Nominating Committee is independent within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines.

In identifying and considering possible candidates for election as a Director, the Governance and Nominating Committee, after consultation with the Board and the Chief Executive Officer, will consider all relevant factors and will be guided by the following principles: (1) each Director should be an individual of the highest character and integrity; (2) each Director shall have demonstrated exceptional ability and judgment and should have substantial experience which is of particular relevance to the Company; (3) each Director should have sufficient time available to devote to the affairs of the Company; and (4) each Director should represent the best interests of the stockholders as a whole rather than special interest groups. This evaluation is performed in light of the Governance and Nominating Committee's views as to the needs of the Board of Directors and the Company as well as what skill set and other characteristics would most complement those of the current Directors.

The Governance and Nominating Committee and the Board of Directors consider a diverse group of experiences, characteristics, attributes, and skills, including diversity in gender, ethnicity, race, cultural background, and age, in determining whether an individual is qualified to serve as a Director of the Company. While the Board of Directors does not maintain a formal policy regarding diversity, it does consider the diversity of the Board of Directors when considering Director nominees. The Governance and Nominating Committee and the Board of Directors also consider the composition of the Board of Directors as a whole in evaluating whether a particular individual should serve on the Board of Directors, as the Board of Directors seeks to comprise itself of members which, collectively, possess a range of relevant skills, experience, and expertise.

The Governance and Nominating Committee will consider potential candidates recommended by stockholders, current Directors, Company officers, employees and others. The Governance and Nominating Committee will use the above enumerated factors to consider potential candidates regardless of the source of the recommendation. Stockholder recommendations for director nominations may be submitted to the Secretary of the Company at P.O. Box 777, Medina, Ohio 44258, and they will be forwarded to the Governance and Nominating Committee for consideration, provided such recommendations are accompanied by sufficient information to permit the Governance and Nominating Committee to evaluate the qualifications and experience of the potential candidates. Recommendations should include, at a minimum, the following:

the name, age, business address and residence address of the proposed nominee;

the principal occupation or employment of the proposed nominee;

the number of shares of Common Stock which are beneficially owned by such candidate;

a description of all arrangements or understandings between the stockholder(s) making such nomination and each candidate and any other person or persons (naming such person or persons) pursuant to which nominations are to be made by the stockholder;

detailed biographical data and qualifications and information regarding any relationships between the candidate and the Company within the past three years;

any other information relating to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

any other information the stockholder believes is relevant concerning the proposed nominee;

a written consent of the proposed nominee(s) to being named as a nominee and to serve as a director if elected;

the name and record address of the stockholder who is submitting the notice; and

the number of shares of Common Stock which are owned of record or beneficially by the stockholder who is submitting the notice and the date such shares were acquired by the stockholder and if such person is not a stockholder of record or if such shares are owned by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity.

Stockholders who desire to nominate a proposed nominee for Director at an Annual Meeting must also comply with the requirements set forth in the By-Laws concerning such nominations.

### Committee Membership

Set forth below is the current membership of each of the above-described Committees, with the number of meetings held during the fiscal year ended May 31, 2010 in parentheses:

<b>Executive Committee (1)</b>	<b>Audit Committee (5)</b>	<b>Compensation Committee (3)</b>	<b>Governance and Nominating Committee (3)</b>
Frank C. Sullivan	William B. Summers, Jr.	Charles A. Ratner	Joseph P. Viviano
(Chairman)	(Chairman)	(Chairman)	(Chairman)
Charles A. Ratner	James A. Karman	John P. Abizaid	Bruce A. Carbonari
Thomas C. Sullivan	Donald K. Miller	David A. Daberko	Frederick R. Nance
William B. Summers, Jr.	William A. Papenbrock	Dr. Jerry Sue Thornton	William A. Papenbrock
Dr. Jerry Sue Thornton			

Under the By-Laws, the Board of Directors may designate one or more independent Directors as alternate members of any Committee, in order to replace any absent or disqualified member at any meetings. The Board of Directors has designated Mr. Papenbrock as an alternate member of the Compensation Committee and Dr. Thornton as an alternate member of the Governance and Nominating Committee. Each alternate member also meets the applicable independence, composition and related requirements of the Commission and the NYSE with respect to his or her respective Committees.

### Board Meetings

The Board of Directors held seven meetings during the fiscal year ended May 31, 2010. All of the Directors, during the fiscal year ended May 31, 2010, attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors held during the period he or she served as a Director and (ii) the total number of meetings held by Committees of the Board of Directors on which the Director served, during the periods that the Director served.

### Independent Directors Meetings

Each of the Directors, other than Frank C. Sullivan, is a non-management Director. Each of the non-management Directors, other than Thomas C. Sullivan, was independent within the meaning of the NYSE listing standards and the

Company's Corporate Governance Guidelines during fiscal 2010. The Company's independent Directors meet in executive sessions each year in January, April and July. For the coming year, William B. Summers, Jr. will serve as the presiding Director for the January, April and July meetings of the Company's independent Directors.

**Structure of the Board of Directors**

The By-Laws provide that one person may hold the position of Chairman of the Board of Directors and Chief Executive Officer. Although a majority of the Company's Directors are independent, the Board of Directors does not have a lead independent Director. However, as discussed above under Independent Directors Meetings, the independent Directors meet each year in January, April and July, and an

independent Director serves as the presiding Director for each of those meetings. The Chief Executive Officer of the Company currently serves as the Chairman of the Board of Directors. The Board of Directors believes that the Chief Executive Officer is best situated to serve as Chairman because he is one of the Directors most familiar with the Company's business and industry. The Board of Directors believes that combining the roles of Chief Executive Officer and Chairman of the Board of Directors provides an efficient and effective leadership model for the Company by fostering clear accountability, effective decision-making, and alignment of corporate strategy. The independent Directors bring experience, oversight, and expertise from outside the Company and its industry, while the Chief Executive Officer brings Company and industry-specific experience and expertise. One of the key responsibilities of the Board of Directors is to develop strategic direction and hold management accountable for the execution of management's strategy once it is developed. The Board of Directors believes the combined role of Chief Executive Officer and Chairman of the Board of Directors, together with independent Directors having the duties described above, is in the best interests of stockholders because it strikes an appropriate balance for the Company. With the Chief Executive Officer also serving as Chairman of the Board of Directors, there is unified leadership and a focus on strategic development and execution, while the independent Directors help assure independent oversight of management.

### **Role in Risk Oversight**

Risk is inherent in any business and the Company's management is responsible for the day-to-day management of risks that the Company faces. The Board of Directors, on the other hand, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to evaluate the risk management process to ensure its adequacy and that it is implemented properly by management.

The Board of Directors believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. The Board of Directors meets regularly with senior management, including the executive officers, to discuss strategy and risks facing the Company. Senior management attends quarterly meetings of the Board of Directors, as well as certain committee meetings, in order to address any questions or concerns raised by the Board of Directors on risk management and any other matters. Each quarter, the Board of Directors receives presentations from senior management on business operations, financial results, and strategic issues. In addition, senior management holds an annual strategic planning retreat attended by members of the Board of Directors, as well as periodic strategic planning sessions, to discuss strategies, key challenges, and risks and opportunities for the Company. Senior management then reviews the results of each strategic planning session with the Board of Directors.

The Board Committees assist the Board of Directors in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls, and compliance with legal and regulatory requirements. Risk assessment reports are regularly provided by management and the Company's internal auditors to the Audit Committee. The Compensation Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks arising from the Company's compensation policies and programs, including overseeing the Company's compensation-related risk assessment described further below in this Proxy Statement. The Governance and Nominating Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks associated with the organization of the Board of Directors and its membership and structure, succession planning for Directors and executive officers, and corporate governance, including the annual monitoring of corporate governance issues, administering Director self-evaluations, and reviewing potential conflicts of interest. All of these Board Committees report back to the full Board of Directors at meetings of the Board of Directors as to the Board Committees' activities and matters discussed and reviewed at the Board Committees' meetings. In addition, the Board of Directors is encouraged to participate in external Director education courses to keep apprised of current issues, including areas of risk.



### **Communications with the Board of Directors**

Stockholders and other interested persons may communicate with the non-management Directors as a group or any chair of a Board Committee. Such communications may be confidential or anonymous, if so designated, and may be submitted in writing to Board of Directors Communications c/o General Counsel, RPM International Inc., P.O. Box 777, Medina, Ohio 44258 or by email to [directors@rpminc.com](mailto:directors@rpminc.com). Unless specifically directed to one of the Committee chairs, communications will be forwarded to the presiding Director for the next scheduled meeting of independent Directors.

All communications received in accordance with these procedures will be reviewed initially by the Company's General Counsel, who will relay all such communications (or a summary thereof) to the appropriate Director or Directors unless he determines that such communication:

does not relate to the business or affairs of the Company or the functioning or constitution of the Board of Directors or any of its Committees; or

relates to routine or insignificant matters that do not warrant the attention of the Board of Directors.

In the alternative to the procedures outlined above, any stockholder or interested party may report any suspected accounting or financial misconduct confidentially through our compliance hotline. Information regarding our compliance hotline is available on our website, [www.rpminc.com](http://www.rpminc.com).

### **Attendance at Annual Meetings of Stockholders**

It is a policy of the Board of Directors that all its members attend the Annual Meeting absent exceptional cause. All of the Directors who were at that time members of the Board of Directors were present at the October 2009 Annual Meeting.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Overview

RPM's compensation programs are designed to support our founder's philosophy:

Hire the best people you can find.

Create an atmosphere that will keep them.

Then let them do their jobs.

Our general compensation philosophy is that our executive officers should be well compensated for achieving strong operating results. We seek to compensate our executive officers at a fair level of compensation which reflects RPM's positive operating financial results, the relative skills and experience of the individuals involved, peer group compensation levels and other similar benchmarks.

The Compensation Committee has designed compensation policies and programs for our executive officers which are intended to compensate the executive officers at about the market median for a relevant group of similarly-sized companies and competitors within RPM's industry, with the potential for higher than average compensation when we exceed our annual business plan. Our primary compensation goals are to retain key leaders, reward past performance, incentivize strong future performance and align executives' long-term interests with those of our stockholders.

#### Role of the Compensation Committee

The Compensation Committee Charter provides for the Compensation Committee to oversee RPM's compensation programs and, in consultation with the Chief Executive Officer, develop and recommend to the Board of Directors an appropriate compensation and benefits philosophy and strategy for RPM. The Compensation Committee consists of four independent Directors (and one alternate member) who are appointed to the Compensation Committee by, and report to, the entire Board of Directors. Each member of the Compensation Committee, as well as the alternate member, qualifies as a "non-employee director" within the definition of Rule 16b-3 under the Exchange Act, as an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code, and as an "independent" director under the rules of the NYSE. The Compensation Committee Charter is available on our website at [www.rpminc.com](http://www.rpminc.com).

#### Comparative Framework

We periodically evaluate the competitiveness of our executive compensation programs. In 2009, the Compensation Committee retained the professional compensation consulting firm of Pearl Meyer & Partners, or Pearl Meyer, to conduct a compensation benchmark study. Pearl Meyer reviewed and evaluated our compensation packages for our key officers in light of the levels of compensation being offered by companies in the specialty chemicals industry and other related industries which fall within a reasonable size range (in terms of revenues) and operate businesses similar to that of the Company. These companies included:

PPG Industries, Inc.

Albemarle Corporation

FMC Corporation

The Sherwin-Williams Company  
PolyOne Corporation  
Nalco Holding Company

The Lubrizol Corporation  
Ferro Corporation  
Cytec Industries Inc.  
Rockwood Holdings Inc.

The Valspar Corporation  
Eastman Chemical Company  
Ecolab Inc.

Pearl Meyer reviewed both published survey and peer group proxy data to determine competitive pay levels for each officer position for the following elements of compensation: base salary, target annual incentive opportunity, target total cash compensation (base salary plus target annual incentives), and target total direct compensation (target total cash compensation plus long-term incentive compensation). Two primary surveys were used by Pearl Meyer in its analysis: the Mercer 2008 Executive Compensation

Survey and the Watson Wyatt 2008/2009 Survey on Top Management Compensation. Based on its analysis and findings, Pearl Meyer concluded that the Company's target total direct compensation levels were competitive with the market median.

In fiscal 2010, the Compensation Committee retained the professional compensation consulting firm of Towers Watson to assist in structuring the Company's next Performance Contingent Restricted Stock (PCRS) awards to coincide with the Company's new, five-year strategic plan. In providing its services, Towers Watson (i) discussed the Company's reward program, pay philosophy and key performance metrics with management, (ii) evaluated the performance associated with the Company's strategic plan relative to the historical results of its compensation peers (listed below) and the companies it uses for measuring total shareholder return as presented in the Company's Annual Report to Stockholders and (iv) analyzed the competitiveness of the Company's potential long-term incentive opportunities relative to its compensation peers as well as other general industrials comparable in size to the Company. The compensation peers included:

PPG Industries, Inc.	Albemarle Corporation	FMC Corporation
The Sherwin-Williams Company	The Lubrizol Corporation	The Valspar Corporation
PolyOne Corporation	Ferro Corporation	Eastman Chemical Company
Nalco Holding Company	Cytec Industries Inc.	Ecolab Inc.
A. Schulman, Inc	Rockwood Holdings Inc.	H.B. Fuller Company
Masco Corporation		

Towers Watson gave its preliminary report to the Compensation Committee at its July 2010 meeting recommending PCRS awards yielding 55th to 65th percentile annualized long-term incentive values for achieving strategic plan results that are in the peers' historical second quartile performance. Although no final determination has been made with respect to the granting of PCRS awards, the Compensation Committee plans to act on Towers Watson's recommendations at its meeting in October 2010.

For services performed by Towers Watson relating solely to work performed for, and at the direction of, the Compensation Committee, Towers Watson was paid \$20,000 by the Company. Towers Watson also provided other services to the Company in fiscal 2010, including other non-executive compensation consulting services and advice relating to employee compensation and programs, for which Towers Watson was paid \$249,263 by the Company. The decision to engage Towers Watson for such other services was made by management and not approved by the Compensation Committee or the Board of Directors.

### **Elements of Compensation**

Our named executive officer compensation program for fiscal 2010 included three main elements:

Base salary;

Annual cash incentive compensation; and

Equity-based incentives, including restricted stock and stock appreciation rights.

### **Pay Mix**

We use these particular elements of compensation because we believe that they provide a balanced mix of fixed compensation and at-risk compensation that produces short-term and long-term performance incentives and rewards.

With this balanced portfolio, we provide the executive with a competitive base salary while motivating the executive to focus on the business metrics that will produce a high level of performance for the Company and provide the executive with additional compensation through short- and long-term incentives.

The mix of compensation for our named executive officers is weighted toward at-risk pay (consisting of cash and equity compensation). In July 2007, our Compensation Committee granted long-term incentive awards in order to more heavily weight the mix of compensation for our named executive officers toward at-

risk pay. Maintaining this pay mix will result in a pay-for-performance orientation, which aligns to our compensation philosophy of paying total direct compensation that is competitive with peer group levels based on relative company performance. Although the long-term incentive awards (in the form of PCRS awards) granted in 2007 were forfeited in July 2010 because the targeted performance goals were not met, the Compensation Committee will be considering the granting of new PCRS awards at its meeting in October 2010.

### **Role of Executives in Determining Compensation**

Our Chief Executive Officer and our President and Chief Operating Officer, together with the Compensation Committee, review assessments of executive compensation practices at least annually against our defined comparative framework. These assessments involve the gathering of compensation data, such as base salary, cash incentive and equity awards for similarly situated officers at companies in the diversified chemicals and specialty chemicals segments of the Company's industry which fall within a reasonable size range (in terms of sales) and operate businesses similar to that of the Company. See Comparative Framework for more information about this review. With this information in hand, and as stated on the previous page under the heading Overview, the executive officers identified above recommend to the Compensation Committee levels of compensation that are at about the market median for a relevant group of similarly-sized companies and competitors within RPM's industry and aligned with our intended pay philosophy. The Compensation Committee must approve any recommended changes before they can be made.

### **Base Salary**

Base salary represents amounts paid during the fiscal year to named executive officers as direct compensation for their services to us. Base salary and increases to base salary recognize the overall experience, position and responsibilities within RPM and expected contributions to RPM of each named executive officer. Adjustments to salaries are used to reward superior individual performance of our named executive officers on a day-to-day basis during the year and to encourage them to perform at their highest levels. We also use our base salary to retain top quality executives and attract management employees from other companies. In response to the deteriorating economic conditions during fiscal 2009, the Company initiated several major initiatives to control costs, including implementing a hiring and salary freeze. As a result, in July 2009, our Chief Executive Officer recommended to the Compensation Committee no increases in base salary for the named executive officers for fiscal 2010.

In July 2010, our Chief Executive Officer recommended to the Compensation Committee an increase in the base salary for each of the named executive officers for fiscal 2011. As in the past, this recommendation was based upon an analysis of:

RPM's fiscal 2010 operating results (excluding asbestos items);

A comparison of the Five-Year Cumulative Total Returns among RPM, the S&P 500 Index and proxy statement peer group of companies; and

Base salary and bonus compensation information for 2009 and 2010 and proposed amounts for 2011.

The base salary amounts for fiscal 2011, which were effective as of June 1, 2010, are: Mr. Sullivan, \$850,000; Mr. Rice, \$620,000; Mr. Hoogenboom, \$357,000; Mr. Knoop, \$350,000; and Mr. Matejka, \$340,000.

With respect to the setting of base salaries, the items listed above: (i) operating results; (ii) a comparison of Five-Year Cumulative Total Returns among RPM, the S&P 500 Index and proxy statement peer group of companies; and (iii) base salary and bonus compensation information for 2009 and 2010 and proposed amounts for 2011, are analyzed

to arrive at a target percentage increase for base salaries. Operating results and Five-Year Cumulative Total Returns are important to gauge whether the Company is keeping pace with its peer group, and if not, whether an increase in base salary would be defensible given

RPM's relative performance versus its peers. Finally, historical and proposed compensation information is important to the analysis to ensure that the individual officer's compensation, given the individual officer's experience, position and responsibilities, exhibits a logical progression supported by the Company's operating results and the comparison of the Company's performance to its peer group of companies.

### **Annual Cash Incentive Compensation**

For fiscal 2010, we provided annual cash incentive compensation under the Amended and Restated 1995 Incentive Compensation Plan, which was designed to motivate participants to achieve our financial objectives and reward executives for their achievements when those objectives are met. All named executive officers who are Covered Employees under Section 162(m) of the Internal Revenue Code, namely the Chief Executive Officer and the next three highest paid executive officers, excluding the Chief Financial Officer, participated in the fiscal 2010 incentives. Although the Chief Financial Officer is not a Covered Employee by definition, the Compensation Committee evaluates the Chief Financial Officer under the same performance criteria in awarding incentive compensation as used to determine the cash incentive compensation of the other named executive officers. The amount of cash incentive compensation earned by our named executive officers in fiscal 2010 is set forth in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. We paid these amounts in July 2010.

In July 2009, the Compensation Committee determined, on a percentage basis, the portion of the aggregate cash incentive compensation award pool under the Incentive Compensation Plan, or the Incentive Plan, to be awarded to each of the Covered Employees in respect of the Company's performance for the fiscal year ending May 31, 2010 as follows: Frank C. Sullivan, 40%; Ronald A. Rice, 30%; Paul G. P. Hoogenboom, 15%; and Stephen J. Knoop, 15%. The Compensation Committee left unchanged for fiscal 2010 that the cash incentives paid would range from zero to 133% of salary with a target of 100% of salary. The Compensation Committee may reduce or eliminate the amount of a named executive officer's annual cash incentive award, at the Compensation Committee's sole discretion, based solely on individual performance.

The Incentive Plan in place for fiscal 2010 provided for an aggregate cash incentive compensation award pool of 1.5% of our pre-tax income for fiscal 2010. In July 2010, the Compensation Committee calculated the aggregate non-equity compensation award pool based on our audited pre-tax income and each individual's cash incentive payout amount. For fiscal 2010, the Company's reported pre-tax income was \$268.5 million, providing a cash incentive compensation award pool under the Incentive Plan for the Covered Employees of approximately \$4.0 million. Upon the recommendation of our Chief Executive Officer, and after a review of a variety of factors described below, the Compensation Committee awarded cash incentives totaling \$1,775,000 to the Covered Employees, which was significantly below the aggregate amount authorized to be paid pursuant to the award pool formula. The cash incentive compensation paid to the Covered Employees equaled approximately 80% of their salary for fiscal 2010.

In July 2010, the Compensation Committee determined, on a percentage basis, the portion of the aggregate cash incentive award pool under the Incentive Plan to be awarded to each of the Covered Employees under Section 162(m) of the Internal Revenue Code in respect of the Company's performance for the fiscal year ending May 31, 2011 as follows: Frank C. Sullivan, 40%; Ronald A. Rice, 30%; and Paul G. P. Hoogenboom, 15%. Because of Mr. Knoop's change in status, he will not be covered by the Incentive Plan for fiscal 2011. Robert L. Matejka, the Chief Financial Officer of the Company, although not a Covered Employee under the Section 162(m) definition, is eligible to receive cash incentive compensation for fiscal 2011 based on the same performance criteria as the Covered Employees listed above. The Compensation Committee also determined that for fiscal 2011 the cash incentive compensation paid would range from zero to 150% of salary with a target of 100% of salary.

The named executive officers during fiscal 2010 had financially measured performance objectives that were the same as the corporate performance objectives described below. These performance



objectives are evaluated independently, and it is not necessary to obtain each performance objective to receive an award.

The corporate performance objectives that were targeted are as follows:

Net sales target for fiscal 2010 was \$3.099 billion versus actual net sales of \$3.413 billion;

Net income target for fiscal 2010 was \$127 million versus actual net income of \$188 million; and

Earnings per share target for fiscal 2010 was \$1.00 versus actual earnings per share of \$1.45.

As provided for in the Incentive Plan, these results excluded the impact of asbestos items.

As disclosed above, the Incentive Plan in place for fiscal 2010 provided for an aggregate cash incentive compensation award pool of approximately \$4.0 million. The maximum portion of the award pool that each named executive officer could be awarded was: Mr. Sullivan 40% or \$1,600,000; Mr. Rice 30% or \$1,200,000; and each of Messrs. Hoogenboom and Knoop 15% or \$600,000. However, the Compensation Committee had set a maximum award of 133% of the named executive officer's base salary as a limit, with a target award of 100% of the named executive officer's base salary. As a result, the maximum award that could be earned by the named executive officers was: Mr. Sullivan \$1,097,500; Mr. Rice \$798,000; Mr. Hoogenboom \$460,180; and Mr. Knoop \$445,550. The actual awards were as follows: Mr. Sullivan, \$675,000; Mr. Rice, \$485,000; Mr. Hoogenboom, \$300,000; and Mr. Knoop, \$335,000. Mr. Matejka did not receive any incentive compensation for fiscal 2010 as he had recently joined the Company on April 30, 2010.

In determining the actual incentive compensation awards for fiscal 2010, the following criteria were considered: (i) if the Company achieved its planned percentage increase of earnings before interest and taxes the named executive would receive an award equal to 50% of his base salary; (ii) if the Company achieved its consolidated performance objectives set forth above, the named executive would receive an additional award equal to 30% of his base salary; (iii) the Chief Executive Officer, in the exercise of his discretion, could award the named executive an additional award of up to 20% of his base salary based on the achievement of non-financially measured management objectives; and (iv) the named executive could earn an additional award of up to 33% of his base salary if the Company achieved exceptional growth in financially measured objectives, such as operating income, gross margin improvement or improvement in return on invested capital or capital adjusted net earnings. Based on the achievement by the Company of the first two criteria listed above, the named executives each were awarded incentive compensation equal to approximately 80% of their base salaries. In addition, Mr. Knoop was awarded an additional 20% of his base salary as the result of achieving a non-financially measured management objective as determined in the discretion of the Chief Executive Officer.

## **Equity Compensation**

We use equity compensation to align our named executive officers' interests with those of our stockholders and to attract and retain high-caliber executives through recognition of anticipated future performance. Under our Amended and Restated 2004 Omnibus Equity and Incentive Plan, or Omnibus Plan, we can grant a variety of stock-based awards, including awards of restricted stock and stock appreciation rights. Our Chief Executive Officer makes annual recommendations to the Compensation Committee of the type and amount of equity awards for the Chief Executive Officer and other executive officers. In determining the equity incentive compensation component of Chief Executive Officer compensation, the Compensation Committee considers, in addition to the factors used to determine salary and cash incentive compensation:

the value of similar incentive awards to chief executive officers in our peer group and other similar companies, and

awards given to the Chief Executive Officer in past years.

In determining the equity incentive compensation of the other executive officers, the Compensation Committee reviews and approves a mix of business plan goals, with a significant amount of emphasis placed on the compensation recommendations of the Chief Executive Officer.

The Compensation Committee uses the various equity incentive awards available to it under the Omnibus Plan to retain executives and other key employees and achieve the following additional goals:

- to reward past performance;
- to incentivize future performance (both short-term and long-term);
- to align executives' long-term interest with that of the stockholders; and
- to enhance the longer-term performance and profitability of the Company.

The Compensation Committee's current intention is to achieve these goals by making annual awards to the Company's executive officers and other key employees, using a combination of performance-based restricted stock and stock-settled stock appreciation rights.

*Performance Earned Restricted Stock (PERS)*. The Compensation Committee awards Performance Earned Restricted Stock, or PERS, under the Omnibus Plan. The threshold and maximum number of and performance goals for the award of PERS for a given fiscal year are set in July of that year. Beginning with fiscal 2010, the determination of whether and to what extent the PERS have been achieved for a fiscal year is made at the July meeting of the Compensation Committee following the close of that fiscal year. In years prior to fiscal 2010, the determination of whether and to what extent the PERS had been achieved for a fiscal year was made at the October meeting of the Compensation Committee following the close of that fiscal year. Based on that determination, the actual grants, if any, with respect to a fiscal year are made at that same meeting. For example, with respect to fiscal 2009, the maximum number and performance goals were set in July 2008 and the Compensation Committee determined whether and to what extent the PERS were achieved at its meeting in October 2009. However, based on that determination, no grants were made by the Compensation Committee at the October 2009 meeting. With respect to fiscal 2010, the maximum number and performance goals were set in July 2009 and the Compensation Committee determined whether and to what extent the PERS were achieved at its meeting in July 2010.

The percentage of shares with respect to which the performance goal has been achieved is determined by reference to the percentage increase of planned earnings before interest and taxes which is attained. In making the determination of whether the planned increase has been attained, the actual fiscal year results are adjusted for the exclusion of restructuring, asbestos and other similar charges or credits that are not central to the Company's operations as shown on the Company's financial statements as certified by the Company's independent registered public accounting firm. If less than 75% of the planned increase is attained, then the performance goal will not be achieved with respect to any shares. If 75% to 100% of the planned increase is attained, then the performance goal will be achieved with respect to an equivalent percentage of shares. For example, if 91% of the planned increase is attained, then the performance goal will be achieved with respect to a maximum amount of 91% of the shares. The percentage of the planned increase attained will be rounded down to the closest whole number (*e.g.*, 85.5% would be rounded down to 85%). If more than 100% of the planned increase is attained, then the performance goal will be achieved with respect to 100% of the shares.

In July 2009, pursuant to the Omnibus Plan, the Compensation Committee approved a contingent award of PERS to the Covered Employees of up to 200,000 shares (including 100,000 shares for the Chief Executive Officer) to be

based on the level of attainment of fiscal 2010 performance goals related to an increase in planned earnings before interest and taxes. In July 2009, the Compensation Committee established a 6.6% increase in adjusted earnings before interest and taxes over fiscal 2009 levels as the target for purposes of determining the amount of PERS awards earned by the named executive officers with respect to fiscal 2010. The actual increase in adjusted earnings before interest and taxes for fiscal 2010 over fiscal 2009 was 33.8%. As a result, the maximum PERS that could be granted, were granted to

each of the named executive officers and are set forth below in the Grants of Plan-Based Awards for Fiscal 2010 table.

*Stock Appreciation Rights (SARs)*. In October 2009, pursuant to the Omnibus Plan, the Compensation Committee awarded Stock Appreciation Rights, or SARs, totaling 410,000 shares to the executive officers. The SARs awards granted to the named executive officers in October 2009 are set forth below in the Grants of Plan-Based Awards for Fiscal 2010 table.

*Supplemental Executive Retirement Plan (SERP) Restricted Stock*. The RPM International Inc. 2007 Restricted Stock Plan was established to provide for the cash payment of supplemental retirement and death benefits to officers and other key employees of the Company designated by the Board of Directors whose retirement plan benefits may be limited under applicable law and the Internal Revenue Code. In July 2008, the Compensation Committee awarded 22,814 shares of restricted stock to the executive officers under the 2007 Restricted Stock Plan. In July 2009, the Compensation Committee awarded 191,419 shares of restricted stock to the executive officers under the 2007 Restricted Stock Plan. In July 2010, the Compensation Committee awarded 34,470 shares of restricted stock to the executive officers under the 2007 Restricted Stock Plan.

*Performance Contingent Restricted Stock (PCRS)*. In July 2007, the Compensation Committee approved contingent awards of Performance Contingent Restricted Stock, or PCRS, to the named executive officers. The purpose of the PCRS awards is to provide an added incentive to key officers to improve the long-term performance of the Company. The Compensation Committee determined that the PCRS awards were appropriate to continue the long-term incentive opportunity to key officers that was previously satisfied by awards under the Company's 2002 Performance Accelerated Restricted Stock (PARS) Plan, which was terminated on July 17, 2007. The PCRS awards were made pursuant to the Omnibus Plan and are contingent upon the level of attainment of performance goals for the three-year period from June 1, 2007 ending May 31, 2010. On July 19, 2010, the Compensation Committee determined that the requisite performance goals for the PCRS awards had not been achieved for the three-year period ended May 31, 2010, and as a result the PCRS awards were forfeited back to the Company as of such date. The Compensation Committee will consider the granting of new PCRS awards at its meeting in October 2010.

### **Timing of Equity Grants**

Equity grants are made in July and October at regularly scheduled meetings of the Compensation Committee. Board and Compensation Committee meetings are generally scheduled at least a year in advance. Scheduling decisions are made without regard to anticipated earnings or other major announcements by the Company.

### **Employment Agreements and Related Arrangements**

We are a party to the following employment agreements with our named executive officers:

*Frank C. Sullivan*. Effective December 31, 2008, we amended and restated our employment agreement with Mr. Sullivan that had been effective since June 1, 2006, pursuant to which Mr. Sullivan serves as our Chairman and Chief Executive Officer. Under his employment agreement, Mr. Sullivan is entitled to an annual base salary of not less than \$850,000 effective as of June 1, 2010.

*Ronald A. Rice*. Effective December 31, 2008, we amended and restated our employment agreement with Mr. Rice that had been effective since June 1, 2006, pursuant to which Mr. Rice serves as our President and Chief Operating Officer. Under his employment agreement, Mr. Rice is entitled to an annual base salary of not less than \$620,000 effective as of June 1, 2010.

*Paul G. P. Hoogenboom.* Effective December 31, 2008, we amended and restated our employment agreement with Mr. Hoogenboom that had been effective since June 1, 2006, pursuant to which Mr. Hoogenboom serves as our Senior Vice President Manufacturing and

Operations and Chief Information Officer. Under his employment agreement, Mr. Hoogenboom is entitled to an annual base salary of not less than \$357,000 effective as of June 1, 2010.

*Stephen J. Knoop.* Effective December 31, 2008, we amended and restated our employment agreement with Mr. Knoop that had been effective since June 1, 2006, pursuant to which Mr. Knoop serves as our Senior Vice President – Corporate Development. Under his employment agreement, Mr. Knoop is entitled to an annual base salary of not less than \$350,000 effective as of June 1, 2010. As previously disclosed, on July 20, 2010, Mr. Knoop began a leave of absence from his duties as Senior Vice President – Corporate Development of the Company in order to devote his full time and attention to his duties as Chairman and Chief Executive Officer of the Company’s Specialty Products Holding Corp. subsidiary.

Pursuant to the employment agreements, each of Messrs. Frank C. Sullivan, Rice, Hoogenboom and Knoop serves for a term ending on May 31, 2010, which is automatically extended for additional one-year periods unless either party gives the other party notice of nonrenewal two months in advance of the annual renewal date. In accordance with these automatic extension provisions, the employment agreement with each of these named executive officers has been extended to May 31, 2011. Each of Messrs. Frank C. Sullivan, Rice, Hoogenboom and Knoop is also eligible to receive such annual cash incentive compensation or bonuses as our Compensation Committee may determine based upon our results of operations and other relevant factors. Messrs. Frank C. Sullivan, Rice, Hoogenboom and Knoop are also generally entitled to participate in our employee benefit plans. Under the employment agreements, each of these named executive officers is entitled to receive fringe benefits in line with our present practice relating to the officer’s position, including the use of the most recent model of a full-sized automobile.

Mr. Matejka assumed the role of senior vice president and chief financial officer of the Company effective as of April 30, 2010. Mr. Matejka’s compensation consists of (i) an annual base salary of \$340,000 effective through May 31, 2011, (ii) a grant of equity compensation of 15,000 shares of restricted stock, and (iii) eligibility to participate in the Company’s performance bonus program for fiscal 2011. Furthermore, as of April 30, 2010, Mr. Matejka was entitled to receive fringe benefits in line with our present practice relating to his position, including the use of a full-sized automobile.

In connection with his election as an executive officer, the Company and Mr. Matejka entered into a change in control agreement, effective as of April 30, 2010. Mr. Matejka’s change in control agreement contains provisions substantially similar to those contained in the Company’s employment agreements with its other named executive officers.

See **Other Potential Post-Employment Compensation** for a discussion of additional terms of the employment agreements and Mr. Matejka’s change in control agreement related to restrictive covenants and potential post-employment compensation.

### **Post-Employment Compensation and Change in Control**

Each of the employment agreements with Messrs. Frank C. Sullivan, Rice, Hoogenboom and Knoop, and the change in control agreement with Mr. Matejka, provides for payments and other benefits if the named executive officer’s employment terminates under certain circumstances, such as being terminated without cause within two years of a change in control. We believe that these payments and other benefits are important to recruiting and retaining our named executive officers, as many of the companies with which we compete for executive talent provide for similar payments to their senior employees. Additional information regarding these payments and other benefits is found under the heading **Other Potential Post-Employment Compensation**.

### **Section 162(m) of the Internal Revenue Code**

In the course of fulfilling its responsibilities, the Compensation Committee routinely reviews the impact of Section 162(m) of the Internal Revenue Code, which disallows a tax deduction for certain compensation paid in excess of \$1,000,000 to the Chief Executive Officer and the next three highest paid executive

officers of the Company, excluding the Chief Financial Officer. The regulations under Section 162(m), however, except from this \$1,000,000 limit various forms of compensation, including performance-based compensation. The Company's performance-based Incentive Plan, described above, and the Omnibus Plan satisfy the requirements of Section 162(m). Although the Compensation Committee carefully considers the impact of Section 162(m) when administering the Company's compensation programs, the Compensation Committee does not make decisions regarding executive compensation solely based on the expected tax treatment of such compensation. In order to maintain flexibility in designing compensation programs that retain key leaders, reward past performance, incentivize strong future performance and align executives' long-term interests with stockholders, the Compensation Committee may deem it appropriate at times to forgo Section 162(m) qualified awards in favor of awards that may not be fully tax-deductible. This has occurred, for example, when the Company's operating results were adversely impacted by restructuring, asbestos or other non-operating charges, yet the Company performed significantly better than its business plan notwithstanding the charges.

### **Perks and Other Benefits**

Our named executive officers participate in various employee benefit plans that are generally available to all employees and on the same terms and conditions as with respect to other similarly situated employees. These include normal and customary programs for life insurance, health insurance, prescription drug insurance, dental insurance, short and long term disability insurance, pension benefits, and matching gifts for charitable contributions. While these benefits are considered to be an important and appropriate employment benefit for all employees, they are not considered to be a material component of a named executive officer's annual compensation program. Because the named executive officers receive these benefits on the same basis as other employees, these benefits are not established or determined by the Compensation Committee separately for each named executive officer as part of the named executive officer's annual compensation package.

In addition, we maintain a 401(k) retirement savings plan for the benefit of all of our employees, including our named executive officers. In fiscal 2010, we provided a Company match of up to 4% of the qualified retirement plan compensation limit per employee, which executives also were able to receive. RPM's company match is fully vested to all employees, including executives, at the time of contribution. As is the case with all employees, named executive officers are not taxed on their contributions to the 401(k) retirement savings plan or earnings on those contributions until they receive distributions from the 401(k) retirement savings plan, and all RPM contributions are tax deductible by us when made.

During fiscal 2010 we provided car allowances to our named executive officers. Also during fiscal 2010, we made periodic executive physical examinations available to each named executive officer and provided financial and estate planning to Messrs. Frank C. Sullivan, Rice and Tompkins. In addition, we paid life insurance premiums for the benefit of our named executive officers.

We periodically review the perquisites that named executive officers receive.

### **Other Plans**

In addition to the above described plans, the Company offers a tax qualified defined benefit retirement plan. Information about this plan can be found under the heading Pension Benefits for Fiscal 2010. The Company also offers a deferred compensation plan. Under this plan, selected management employees, certain highly compensated employees and Directors are eligible to defer a portion of their salary, bonus, incentive plan amounts and Director fees until a future date. A participant's account will be credited with investment gains or losses as if the amounts credited to the account were invested in selected investment funds. Any compensation deferred under the plan is not included in the \$1,000,000 limit provided for under Section 162(m) of the Internal Revenue Code until the year in which the

compensation actually is paid. Additional information about this plan can be found under the heading, Nonqualified Deferred Compensation for Fiscal 2010.

### **Report of the Compensation Committee**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with the Company's management and legal counsel. Based on that review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and in the Company's definitive proxy statement prepared in connection with its 2010 Annual Meeting of Stockholders.

#### COMPENSATION COMMITTEE

Charles A. Ratner, Chairman  
John P. Abizaid  
David A. Daberko  
Dr. Jerry Sue Thornton

*The above Report of the Compensation Committee does not constitute soliciting material and should not be deemed filed with the Commission or subject to Regulation 14A or 14C (other than as provided in Item 407 of Regulation S-K) or to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically requests that the information in this Report be treated as soliciting material or specifically incorporates it by reference into a document filed under the Securities Act of 1933 (the "Securities Act") or the Exchange Act. If this Report is incorporated by reference into the Company's Annual Report on Form 10-K, such disclosure will be furnished in such Annual Report on Form 10-K and will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act as a result of furnishing the disclosure in this manner.*

#### **Compensation-Related Risk Assessment**

The Compensation Committee considers risks related to the attraction and retention of talent and risks relating to the design of compensation programs and arrangements affecting executive officers and employees. Our compensation programs reward outstanding performance by our operating companies, and do not encourage excessive risk taking on the part of our executive officers and employees. We have determined that it is not reasonably likely that compensation programs would have a material adverse effect on the Company.

### Summary Compensation Table

The following table sets forth information regarding the compensation of our Chief Executive Officer, the individuals serving as our Chief Financial Officer and our other three highest paid executive officers for fiscal 2010. Where required, the table also sets forth compensation information for fiscal 2009 and fiscal 2008.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$)(1) (d)	Stock Awards (\$)(2)(3) (e)	Option Awards (\$)(2)(3) (f)	Non-Equity Incentive Plan Compensation (\$)(4) (g)	Change in Pension Value and Nonqualified Deferred Compensation (\$)(5) (h)	All Other Compensation (\$)(6) (i)	Total (\$) (j)
Frank C. Sullivan	2010	825,000	0	2,955,625	818,000	675,000	69,981	90,428	5,434,034
Chairman and	2009	825,000	0	1,001,150	494,000	275,000	10,587	90,637	2,696,374
Chief Executive Officer	2008	795,000	0	3,694,922	1,722,000	795,000	5,398	45,394	7,057,714
Donald A. Rice	2010	600,000	0	1,406,206	409,000	485,000	53,572	84,059	3,037,837
President and Chief	2009	555,000	0	586,162	172,900	200,000	8,539	86,856	1,609,457
Operating Officer	2008	450,000	0	1,732,786	229,600	600,000	4,876	51,739	3,069,001
Paul G. P. Hoogenboom	2010	346,000	0	737,121	122,700	300,000	47,556	44,319	1,597,696
Senior Vice	2009	346,000	0	265,918	61,750	115,000	11,235	45,914	845,817
President	2008	335,000	0	911,043	143,500	445,000	8,292	24,783	1,867,618
Manufacturing and Operations, Chief Information Officer									
Stephen J. Knoop	2010	335,000	0	729,366	122,700	335,000	45,643	46,623	1,614,332
Senior Vice President	2009	335,000	0	260,387	61,750	115,000	6,795	41,762	820,694
Corporate Development									
Robert L. Matejka	2010	29,641	0	268,200	0	0	2,273	1,186	301,300
Senior Vice President	2009	0	0	0	0	0	0	0	0
and Chief Financial Officer(7)	2008	181,250	0	272,578	199,682	370,000	0	29,248	1,052,758
Kelly Tompkins	2010	426,250	0	447,907	122,700	0	71,333	96,211	1,164,401
Executive Vice	2009	465,000	0	435,754	123,500	155,000	17,132	73,180	1,269,566
President and Chief Financial Officer(8)	2008	450,000	0	1,518,514	229,600	310,000	12,577	34,984	2,555,675

(1) Amounts earned under the Incentive Plan are reported in the Non-Equity Incentive Plan Compensation column.

(2)

The dollar value of restricted stock, SARs and stock options set forth in these columns is equal to the fair market value as of the date of the respective grant.

- (3) Information regarding the shares of restricted stock and SARs granted to our named executive officers during fiscal 2010 is set forth in the Grants of Plan-Based Awards for Fiscal 2010 table. The Grants of Plan-Based Awards for Fiscal 2010 table also sets forth the aggregate grant date fair value of the restricted stock and SARs granted during fiscal 2010 computed in accordance with ASC 718.
- (4) The amounts set forth in this column were earned during fiscal 2010 and paid in July 2010, earned during fiscal 2009 and paid in July 2009 and earned during fiscal 2008 and paid in July 2008 for 2010, 2009 and 2008, respectively, under our Incentive Plan.
- (5) The amounts set forth in this column reflect the change in present value of the executive officer's accumulated benefits under the RPM International Inc. Retirement Plan (the Retirement Plan). During 2010, 2009 and 2008, there were no above-market or preferential earnings on nonqualified deferred compensation.
- (6) All Other Compensation includes Company contributions to the 401(k) plan, life insurance premiums, automobile allowances, financial/estate planning, periodic executive physical examinations and charitable matching programs. For each named executive officer for whom the total value of all personal benefits exceed \$10,000 in fiscal 2010, the amount of incremental cost to the Company for each personal benefit listed below, if applicable and to the extent such cost exceeded the greater of \$25,000 or 10% of the total personal benefits for such named executive officer is as follows: automobile allowance: Frank C. Sullivan \$23,350, Mr. Rice \$26,263 and Mr. Tompkins \$30,234; life insurance premiums: Frank C. Sullivan \$50,798, Mr. Rice \$39,026 and Mr. Tompkins \$42,897. The value of the automobile allowance is determined by adding all of the costs of the program, including lease costs and costs of maintenance, fuel, license and taxes and includes personal and business use.
- (7) Mr. Matejka was elected Senior Vice President and Chief Financial Officer in April 2010.
- (8) Mr. Tompkins left the Company on April 30, 2010.

## Grants of Plan-Based Awards For Fiscal 2010

Grant Date (b)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	All Other Option Awards: Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards (\$/Sh) (k)	Gr Fa o an A
	Threshold (c)	Target (d)	Maximum (e)	Threshold (f)	Target (g)	Maximum (h)				
7/20/09 SERP Restricted Stock(3) 7/20/09 2010							79,647			1
PERS(4) 10/08/09 SARs(5) Incentive Plan Award	825,000		1,097,500	75,000		100,000	100,000	200,000	17.88 18.96	1
7/20/09 SERP Restricted Stock(3) 7/20/09 2010							34,939			
PERS(4) 10/08/09 SARs(5) Incentive Plan Award	600,000		798,000	37,500		50,000	50,000	100,000	17.88 18.96	
7/20/09 SERP Restricted Stock(3) 7/20/09 2010							19,790			
PERS(4) 10/08/09 SARs(5) Incentive Plan Award	346,000		460,180	18,750		25,000	25,000	30,000	17.88 18.96	
7/20/09 SERP Restricted Stock(3) 7/20/09 2010							19,261			

PERS(4)		18,750	25,000	25,000		17.88
10/08/09 SARs(5)					30,000	18.96
Incentive Plan						
Award	335,000	445,550				
2010 PERS(4)				15,000		17.88
7/20/09						
SERP						
Restricted Stock(3)				30,553		
10/08/09 SARs(5)					30,000	18.96
Incentive Plan						
Award	465,000	618,450				

- (1) These columns show the possible payouts for each named executive officer under the Incentive Plan for fiscal 2010 based on the goals set in July 2009. Detail regarding actual awards under the Incentive Plan is reported in the Summary Compensation Table and is included in the Compensation Discussion and Analysis.
- (2) The values included in this column represent the grant date fair value of restricted stock computed in accordance with ASC 718, except no assumptions for forfeitures were included. A discussion of the assumptions used in calculating the compensation cost is set forth in Note E of the Notes to Consolidated Financial Statements of our 2010 Annual Report to Stockholders.
- (3) Shares of Supplemental Executive Retirement Plan (SERP) restricted stock awarded under the 2007 Restricted Stock Plan. These shares vest on the earliest to occur of (a) the later of either the employee's attainment of age 55 or the fifth anniversary of the May 31st immediately preceding the date on which the shares of restricted stock were awarded, (b) the retirement of the employee on or after the attainment of age 65 or (c) a change in control with respect to the Company.
- (4) Performance Earned Restricted Stock (PERS) for which the threshold and maximum number of shares and performance goals with respect to fiscal 2010 were determined in July 2009 and are disclosed herein pursuant to Commission rules.
- (5) Stock Appreciation Rights (SARs) granted pursuant to the Omnibus Plan. These SARs vest in four equal annual installments, beginning on October 8, 2010.

#### Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

**Salary.** Salaries paid to our named executive officers pursuant to their employment arrangements with us are set forth in the Summary Compensation Table. For fiscal 2010, salaries paid to our named executive officers accounted for the following percentages of their total compensation reported in the Total column of the Summary Compensation Table: Mr. Sullivan (15%), Mr. Rice (20%), Mr. Tompkins (37%), Mr. Hoogenboom (22%), Mr. Knoop (21%) and Mr. Matejka (10%). For fiscal 2009, salaries paid to our current named executive officers accounted for the following percentages of their total compensation reported in the Total column of the Summary Compensation Table: Mr. Sullivan (31%), Mr. Rice (35%), Mr. Hoogenboom (41%), Mr. Knoop (41%) and Mr. Matejka (0%). For fiscal 2008, salaries paid to our

current named executive officers accounted for the following percentages of their total compensation reported in the Total column of the Summary Compensation Table: Mr. Sullivan (11%), Mr. Rice (15%), Mr. Hoogenboom (18%) and Mr. Matejka (17%).

**Bonus.** No bonuses were awarded to our named executive officers during fiscal 2010, fiscal 2009 or fiscal 2008, although the named executive officers did receive cash awards under our Incentive Plan, as further described under the caption Non-Equity Incentive Plan Compensation below.

**Stock Awards.** The amounts in the Stock Awards column of the Grants of Plan-Based Awards for Fiscal 2010 table consist of restricted stock and performance earned restricted stock grants.

*Restricted Stock.* We granted restricted stock under our 2007 Restricted Stock Plan. These grants are described in further detail under the heading Compensation Discussion and Analysis Equity Compensation Supplemental Executive Retirement Plan (SERP) Restricted Stock. The SERP restricted stock awards granted to our named executive officers are set forth in the table Grants of Plan-Based Awards for Fiscal 2010. The vesting of SERP restricted stock upon either the death or disability of the named executive officer or upon a change in control of our Company is described under the heading Other Potential Post-Employment Compensation.

*PERS.* Pursuant to our Omnibus Plan, we awarded performance earned restricted stock grants, or PERS, to our named executive officers. The PERS granted to our named executive officers are set forth in the table Grants of Plan-Based Awards for Fiscal 2010. These grants are described in further detail under the headings Compensation Discussion and Analysis Equity Compensation Performance Earned Restricted Stock (PERS) and Other Potential Post-Employment Compensation.

The amounts included in the Stock Awards column of the Summary Compensation Table include the compensation cost recognized during fiscal 2010 for financial statement purposes with respect to these 2010 grants in accordance with ASC 718, as well as the compensation cost recognized during fiscal 2010, fiscal 2009 and fiscal 2008 for financial statement purposes with respect to prior years grants of SERP restricted stock and PERS awards.

**Option Awards.** Pursuant to our Omnibus Plan, we awarded stock appreciation rights, or SARs, to our named executive officers. The SARs granted to our named executive officers are set forth in the table Grants of Plan-Based Awards for Fiscal 2010. These grants are described in further detail under the heading Compensation Discussion and Analysis Equity Compensation Stock Appreciation Rights (SARs). The amounts included in the Option Awards column of the Summary Compensation Table include the compensation cost recognized during fiscal 2010 for financial statement purposes with respect to these 2010 grants in accordance with ASC 718, as well as the compensation cost recognized during fiscal 2010, fiscal 2009 and fiscal 2008 for financial statement purposes with respect to prior years grants of SARs.

**Non-Equity Incentive Plan Compensation.** The non-equity incentive plan compensation set forth in the Summary Compensation Table reflects annual cash incentive compensation under our Incentive Plan. Annual cash incentive compensation is earned based upon the achievement of performance objectives as described under the heading Compensation Discussion and Analysis Annual Cash Incentive Compensation.

**Change in Pension Value and Nonqualified Deferred Compensation Earnings.** The change in the present value from May 31, 2009 to May 31, 2010, from May 31, 2008 to May 31, 2009 and from May 31, 2007 to May 31, 2008 of each of our named executive officer's accrued pension benefits under our Retirement Plan was based upon the RP2000 generational mortality table for males and females. The interest rate used to determine the present values was 6.5% as of May 31, 2008, 6.9% as of May 31, 2009 and 5.75% as of May 31, 2010. The present values were determined

assuming that such amounts were payable to each of our named executive officers at their earliest unreduced retirement age in our Retirement Plan 65 years with five years of participation in our Retirement Plan. The present values also assumed that 25% of our named executive officers will be paid a life annuity and 75% will be paid a

lump sum. The lump sums were determined using a 6.25% interest rate for May 31, 2008 and May 31, 2009, a 5.75% interest rate for May 31, 2010, and the applicable mortality table outlined in IRC Section 417(e) projected to 2019. No pre-retirement decrements, including mortality, were assumed in these calculations.

**All Other Compensation.** All other compensation of our named executive officers is set forth in the Summary Compensation Table and described in detail in footnote (6) of the table. These benefits are discussed in further detail under the heading Compensation Discussion and Analysis Perks and Other Benefits.

**Employment Agreements and Related Arrangements.** Each named executive officer, with the exception of Mr. Matejka, is employed under an employment agreement. Mr. Matejka has entered into a change in control agreement with the Company. The terms of the employment agreements and the change in control agreement are described under the headings Compensation Discussion and Analysis Employment Agreements and Related Arrangements and Other Potential Post-Employment Compensation.

**Additional Information.** We have provided additional information regarding the compensation we pay to our named executive officers under the headings Compensation Discussion and Analysis and Other Potential Post-Employment Compensation.

### Outstanding Equity Awards at Fiscal Year-End for 2010

The following table provides information on the current holdings of stock options, SARs and restricted stock by the named executive officers at May 31, 2010.

Name (a)	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (b)	Number of Securities Underlying Unexercised Options Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (1) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (2) (i)	Equity Incentive Plan Awards: Market Payout of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j)
<u>C. Sullivan</u>									
Restricted Stock						150,054(4) 120,000(5)	2,972,570 2,377,200		
(forfeited)								100,000(6) 90,000(7)	1,981, 1,782,
	125,000	0		17.6500	10/05/2015				
	93,750	31,250(8)		18.8000	10/05/2016				
	150,000	150,000(9)		22.8800	10/04/2017				
	50,000	150,000(10)		14.0500	10/10/2018				
	0	200,000(11)		18.9600	10/08/2019				
	14,946	0		14.0800	10/11/2012				
	7,092	0		14.1000	10/10/2013				
	5,672	0		17.6300	10/29/2014				
	85,054	0		14.0800	10/11/2012				
	92,908	0		14.1000	10/10/2013				
	119,328	0		17.6300	10/29/2014				
<u>A. Rice</u>									
Restricted Stock						58,969(12) 65,000(13)	1,168,176 1,287,650		
(forfeited)								50,000(6) 40,000(7)	990, 792,

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30,000	0	17.6500	10/05/2015
22,500	7,500(8)	18.8000	10/05/2016
20,000	20,000(9)	22.8800	10/04/2017
17,500	52,500(10)	14.0500	10/10/2018
0	100,000(11)	18.9600	10/08/2019
15,360	0	14.0800	10/11/2012
7,092	0	14.1000	10/10/2013
5,672	0	17.6300	10/29/2014
24,640	0	14.0800	10/11/2012
42,908	0	14.1000	10/10/2013
24,328	0	17.6300	10/29/2014

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Exercise Price (\$)(e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2) (i)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(3) (j)
<u>ul G. P.</u>									
<u>ogenboom</u>									
RP									
stricted Stock						35,809(14)	709,376		
RS						27,000(15)	534,870		
RS								25,000(6)	495,250(6)
RS (forfeited)								24,000(7)	475,440(7)
Rs	25,000	0		17.6500	10/05/2015				
	18,750	6,250(8)		18.8000	10/05/2016				
	12,500	12,500(9)		22.8800	10/04/2017				
	6,250	18,750(10)		14.0500	10/10/2018				
	0	30,000(11)		18.9600	10/08/2019				
D	2,875	0		9.2600	2/01/2011				
	14,978	0		14.0800	10/11/2012				
	7,092	0		14.1000	10/10/2013				
	5,672	0		17.6300	10/29/2014				
Q	3,375	0		9.2600	2/01/2011				
	25,022	0		14.0800	10/11/2012				
	32,908	0		14.1000	10/10/2013				
	19,328	0		17.6300	10/29/2014				
<u>phen J. Knoop</u>									
RP									
stricted Stock						34,069(16)	674,907		
RS						27,000(17)	534,870		
RS								25,000(6)	495,250(6)
RS (forfeited)								24,000(7)	475,440(7)

Rs	25,000	0	17.6500	10/05/2015
	18,750	6,250(8)	18.8000	10/05/2016
	12,500	12,500(9)	22.8800	10/04/2017
	6,250	18,750(10)	14.0500	10/10/2018
	0	30,000(11)	18.9600	10/08/2019
D	18,823	0	14.0800	10/11/2012
	7,092	0	14.1000	10/10/2013
	5,672	0	17.6300	10/29/2014
Q	21,177	0	14.0800	10/11/2012
	32,908	0	14.1000	10/10/2013
	19,328	0	17.6300	10/29/2014

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) (b)	Number of Securities Underlying Exercised Options (#) (c)	Equity Incentive Plan Awards: Number of Securities Underlying (#) (d)	Exercise Price (\$)(e)	Option Expiration Date (f)	Market Value of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(3) (j)
<u>Robert L. Matejka</u>									
PERS SARs	25,000	0		17.6500	10/05/2015			15,000(6)	297,150(6)
	25,000	0		18.8000	10/05/2016				
ISO	10,000	0		8.8125	10/12/2010				
	10,000	0		9.2600	2/01/2011				
	10,000	0		10.2600	10/03/2011				
	14,880	0		14.0800	10/11/2012				
	7,092	0		14.1000	10/10/2013				
	5,672	0		17.6300	10/29/2014				
NQ	25,120	0		14.0800	10/11/2012				
	32,908	0		14.1000	10/10/2013				
	19,328	0		17.6300	10/29/2014				

(1) Market value of Common Stock reported in column (h) was calculated by multiplying \$19.81, the closing market price of the Company's Common Stock on May 28, 2010, the last business day of fiscal 2010, by the number of shares.

(2) Represents the maximum number of shares that could be paid out.

(3) Market value of equity incentive awards of stock reported in column (j) was calculated by multiplying the closing market price of the Company's Common Stock on May 28, 2010, the last business day of fiscal 2010, by the maximum number of shares that could be paid out.

- (4) These shares of SERP restricted stock vest on December 15, 2015, or earlier upon the death or disability of Mr. Sullivan or upon a change in control of the Company prior to that date.
- (5) These PERS vest according to the following schedule: 60,000 shares on October 4, 2010, and 60,000 shares on October 10, 2011.
- (6) In July 2009, the Compensation Committee determined the maximum number of and performance goals for the award of PERS with respect to fiscal 2010. The amounts set forth in columns (i) and (j) assume that the maximum number of PERS are awarded. Market value reported in column (j) was calculated by multiplying the closing market price of the Company's Common Stock on May 28, 2010 by the estimated number of shares in column (i). The performance goals for such PERS were achieved in fiscal 2010, and therefore these PERS were awarded.
- (7) The PCRS awards were made pursuant to the Omnibus Plan and were contingent upon the level of attainment of performance goals for the three-year period from June 1, 2007 ending May 31, 2010. The determination of whether the PCRS awards were achieved was made following the close of fiscal 2010. The amounts set forth in columns (i) and (j) assume that the maximum number of PCRS are awarded. Market value reported in column (j) was calculated by multiplying the closing market price of the Company's Common Stock on May 28, 2010, the last business day of fiscal 2010, by the maximum number of shares in column (i). On July 19, 2010, the Compensation Committee determined that the requisite performance goals for the PCRS awards had not been achieved for the three-year period ended May 31, 2010, and as a result the PCRS awards were forfeited back to the Company as of such date.
- (8) These SARs become exercisable on October 5, 2010.
- (9) These SARs become exercisable in two equal installments on October 4, 2010 and October 4, 2011.
- (10) These SARs become exercisable in three equal installments on October 10, 2010, October 10, 2011 and October 10, 2012.
- (11) These SARs become exercisable in four equal installments on October 8, 2010, October 8, 2011, October 8, 2012 and October 8, 2013.
- (12) These shares of SERP restricted stock vest on November 7, 2017, or earlier upon the death or disability of Mr. Rice or upon a change in control of the Company prior to that date.
- (13) These PERS vest according to the following schedule: 30,000 shares on October 4, 2010, and 35,000 shares on October 10, 2011.
- (14) These shares of SERP restricted stock vest on March 17, 2015. The shares could vest earlier upon the death or disability of Mr. Hoogenboom or upon a change in control of the Company prior to those dates.

- (15) These PERS vest according to the following schedule: 12,000 shares vest on October 4, 2010, and 15,000 shares vest on October 10, 2011.
- (16) These shares of SERP restricted stock vest on September 15, 2019. These shares could vest earlier upon the death or disability of Mr. Knoop or upon a change in control of the Company prior to those dates.
- (17) These PERS vest according to the following schedule: 12,000 shares vest on October 4, 2010, and 15,000 shares vest on October 10, 2011.

### Option Exercises and Stock Vested During Fiscal 2010

This table provides information for the named executive officers on stock option and SAR exercises and restricted stock vesting during fiscal 2010, including the number of shares acquired upon exercise and the value realized, before payment of any applicable withholding tax and broker commissions.

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)(b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Frank C. Sullivan	190,300	1,274,971	45,000	810,000
Ronald A. Rice	24,700	188,904	15,000	270,000
Paul G. P. Hoogenboom	10,000	9,790	8,000	144,000
Stephen J. Knoop	20,000	20,100	8,000	144,000
Robert L. Matejka	0	0	0	0
P. Kelly Tompkins	164,884	1,139,495	60,000	1,263,600

### Pension Benefits for Fiscal 2010

Name (a)	Plan Name (b)	Number of Years Credited Service at 5/31/10 (c)	Present Value of Accumulated Benefit (\$) (d)	Payments During Last Fiscal Year (\$) (e)
Frank C. Sullivan	RPM International Inc. Retirement Plan	21.3	223,912	0
Ronald A. Rice	RPM International Inc. Retirement Plan	15.3	157,896	0
Paul G. P. Hoogenboom	RPM International Inc. Retirement Plan	11.0	140,363	0

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Stephen J. Knoop	RPM International Inc. Retirement Plan	14.0	128,089	0
Robert L. Matejka(1)	RPM International Inc. Retirement Plan	0.1	2,273	0
P. Kelly Tompkins(2)	RPM International Inc. Retirement Plan	13.8	224,678	0

(1) Mr. Matejka received his pension benefit as a lump sum in conjunction with his former retirement. The amount in the table reflects the benefit earned from April 30, 2010 through May 31, 2010.

(2) Mr. Tompkins left the Company on April 30, 2010. The service shown on the table is as of that date. The lump sum value of Mr. Tompkins benefit was paid to him in June 2010.

The preceding table shows the present value of accumulated benefits payable to the each named executive officer, including each such named executive officer s number of years of credited service, under our Retirement Plan determined using interest rate and mortality rate assumptions consistent with those used in our financial statements.

The Retirement Plan is a funded and tax qualified retirement plan. The monthly benefit provided by the Retirement Plan s formula on a single life annuity basis is equal to the sum of 22.5% of a participant s average monthly compensation, reduced pro rata for years of benefit service (as defined in the Retirement Plan) less than 30 years, plus 22.5% of a participant s average monthly compensation in excess of his monthly Social Security covered compensation, reduced pro rata for years of benefit service less than

35 years. Average monthly compensation is the average monthly compensation earned during the 60 consecutive months providing the highest such average during the last 120 months preceding the applicable determination date. The compensation used to determine benefits under the Retirement Plan is generally a participant's W-2 compensation, adjusted for certain amounts, but may not exceed the limit under the Internal Revenue Code which is applicable to tax qualified plans (\$245,000 for 2009). Compensation for each of the named executive officers during 2009 only includes \$245,000 of the amount shown for 2009 in column (c) of the Summary Compensation Table. A participant's Social Security covered compensation is based on the average of the Social Security taxable wage bases in effect during the 35-year period ending with his attainment of the Social Security retirement age assuming his compensation is and has always been at least equal to the taxable wage base.

Benefits are payable as an annuity or in a single lump sum payment and are actuarially adjusted to reflect payment in a form other than a life annuity. Life annuity benefits are unreduced if paid on account of normal retirement or completion of 40 years of vesting service (as defined in the Retirement Plan). Normal retirement age is when a participant attains age 65 and, in general, has completed 5 years of service. Benefits are reduced for early commencement by multiplying the accrued benefit by an early retirement factor. Participants vest in the Retirement Plan after 5 years of vesting service. All named executive officers are vested and eligible to receive their benefits upon termination of employment.

#### Nonqualified Deferred Compensation for Fiscal 2010

Name	Executive Contributions in Last FY (\$) (a)	Registrant Contributions in Last FY (\$) (c)	Aggregate Earnings in Last FY (\$)(1) (d)	Aggregate Withdrawals/ Distributions (\$) (e)	Aggregate Balance at Last FYE (\$) (f)
Frank C. Sullivan	0	0	21,254		81,725
Ronald A. Rice	0	0			
Paul G. P. Hoogenboom	0	0	2,959		11,379
Stephen J. Knoop	0	0	3,907		15,023
Robert L. Matejka(2)	0	0	61,651	(81,285)	223,627
P. Kelly Tompkins	0	0	8,883	(26,426)	

(1) None of the earnings in this column is included in the Summary Compensation Table because they were not preferential or above market.

(2) Mr. Matejka's distributions are taking place in conjunction with his former retirement and are based on his pre-retirement distribution elections.

The preceding table provides information on the non-qualified deferred compensation of the named executive officers in 2010. Participants in the RPM International Inc. Deferred Compensation Plan ( Deferred Compensation Plan ), including the named executive officers, may defer up to 90% of their base salary and non-equity incentive plan compensation.

A participant's deferrals and any matching contributions are credited to a bookkeeping account under the Deferred Compensation Plan. A participant may direct that his or her account be deemed to be invested in Company stock or in mutual funds that are selected by the administrative committee of the Deferred Compensation Plan. The participant's

account is credited with phantom earnings or losses based on the investment performance of the deemed investment. A participant may change the investment funds used to calculate the investment performance of his or her account on a daily basis. Deferrals of equity awards that would have been paid in Company stock before the deferral are not subject to investment direction by participants and are deemed to be invested in Company stock.

Deferrals of base salary, annual bonus amounts and deferred equity grants, earnings on such amounts and stock dividends credited to a participant's account are 100% vested.

Distribution from a participant's account is payable in a lump sum at a specified time, or upon retirement, death, termination of employment or disability prior to retirement. In the case of retirement, a

participant may also elect annual installments for up to 10 years. Upon approval of the Compensation Committee, amounts can also be distributed as a result of an unforeseeable financial emergency. Earlier withdrawal of deferred compensation earned and vested as of December 31, 2004 is available but is subject to a 10% penalty.

### **Other Potential Post-Employment Compensation**

The following table reflects the amount of compensation payable to each of the named executive officers, with the exception of Mr. Tompkins, (a) in the event of termination of the executive's employment due to retirement, death, disability, voluntary termination and termination for cause, involuntary termination without cause and not within two years of a change in control and involuntary termination without cause or resignation with good reason within two years of a change in control, and (b) upon a change in control. The amounts shown assume that the termination was effective as of May 28, 2010 (the last business day of fiscal 2010). Consequently, the table reflects amounts earned as of May 28, 2010 (the last business day of fiscal 2010) and includes estimates of amounts that would be paid to the named executive officer upon the occurrence of the event. The estimates are considered forward-looking information that falls within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may differ materially. Factors that could affect these amounts include the timing during the year of such event and the amount of future non-equity incentive compensation. Please see Forward-Looking Statements below.

### Estimated Payments on Termination or Change in Control

Event	Frank C. Sullivan	Ronald A. Rice	Paul G. P. Hoogenboom	Stephen J Knoop	Robert L. Matejka
<b>Retirement</b>					
Accelerated SARs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated PERS	0	0	0	0	0
Accelerated SERP restricted stock	0	0	0	0	0
Accelerated stock options	0	0	0	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Death</b>					
Earned incentive compensation	\$ 675,000	\$ 485,000	\$ 300,000	\$ 335,000	\$ 0
Accelerated SARs	1,065,563	394,975	139,813	139,813	0
Accelerated PERS	1,188,600	693,350	297,150	297,150	0
Accelerated SERP restricted stock	2,972,570	1,168,176	709,376	674,907	0
Accelerated stock options	0	0	0	0	0
<b>Total</b>	<b>\$ 5,901,733</b>	<b>\$ 2,741,501</b>	<b>\$ 1,446,339</b>	<b>\$ 1,446,870</b>	<b>\$ 0</b>
<b>Disability</b>					
Earned incentive compensation	\$ 675,000	\$ 485,000	\$ 300,000	\$ 335,000	\$ 0
Accelerated SARs	1,065,563	394,975	139,813	139,813	0
Accelerated PERS	1,188,600	693,350	297,150	297,150	0
Accelerated SERP restricted stock	2,972,570	1,168,176	709,376	674,907	0
<b>Total</b>	<b>\$ 5,901,733</b>	<b>\$ 2,741,501</b>	<b>\$ 1,446,339</b>	<b>\$ 1,446,870</b>	<b>\$ 0</b>
<b>Voluntary Termination and Termination for Cause</b>					
No payments	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Involuntary Termination Without Cause and not within Two Years of a Change in Control</b>					
Lump sum	\$ 5,565,000	\$ 2,400,000	\$ 1,582,000	\$ 1,530,000	\$ 680,000
Health and welfare benefits	41,256	27,504	26,040	27,504	0
Estate and financial planning	4,250	4,250	4,250	4,250	0
Executive life insurance coverage	192,966	94,589	46,523	32,113	0
Cash value of benefits under restricted stock plan	4,733,421	1,384,283	784,080	763,121	0
Accelerated SERP restricted stock	2,972,570	1,168,176	709,376	674,907	0

<b>Total</b>	\$ 13,509,463	\$ 5,078,802	\$ 3,152,269	\$ 3,031,895	\$ 680,000
<b>Involuntary Termination Without Cause or Resignation for Good Reason within Two Years of a Change in Control</b>					
Lump sum	\$ 5,565,000	\$ 3,600,000	\$ 2,373,000	\$ 2,295,000	\$ 680,000
Health and welfare benefits	41,256	41,256	39,060	41,256	0
Estate and financial planning	8,500	8,500	8,500	8,500	0
Executive life insurance coverage	334,865	258,138	126,412	87,337	0
Cash value of benefits under restricted stock plan	4,733,421	2,076,425	1,176,120	1,144,681	0
Accelerated SERP restricted stock	2,972,570	1,168,176	709,376	674,907	0
Accelerated PCRS, PERS and SARs	5,225,663	2,475,025	1,150,123	1,150,123	0
Accelerated stock options	0	0	0	0	0
Outplacement assistance	20,700	20,700	20,700	20,700	0
Excise taxes	6,348,374	3,498,169	1,973,627	1,985,148	0
<b>Total</b>	\$ 25,250,349	\$ 13,146,389	\$ 7,576,918	\$ 7,407,652	\$ 680,000
<b>Change in Control Only</b>					
Accelerated SERP restricted stock	\$ 2,972,570	\$ 1,168,176	\$ 709,376	\$ 674,907	\$ 0
Accelerated PCRS, PERS and SARs	5,225,663	2,475,025	1,150,123	1,150,123	0
Accelerated stock options	0	0	0	0	0
Excise taxes	0	0	0	0	0
<b>Total</b>	\$ 8,198,233	\$ 3,643,201	\$ 1,859,499	\$ 1,825,030	\$ 0

## **Payments upon Retirement**

*Treatment of SARs.* Under the terms of the stock appreciation rights agreements under which SARs were granted, in the event of the executive's voluntary retirement after attaining age 55 and completing five years of consecutive service with the Company the executive will be entitled to immediately exercise all unvested SARs. None of the named executive officers were eligible for retirement as of May 28, 2010 except Mr. Matejka, who has no unvested SARs.

*Treatment of PERS Awards.* Under the terms of the Performance Earned Restricted Stock (PERS) and escrow agreements, in the event of the executive's voluntary retirement after attaining age 55 and completing at least five years of consecutive service with the Company, the restrictions on unvested PERS will lapse. None of the named executive officers were eligible for retirement as of May 28, 2010 except Mr. Matejka, who has no unvested PERS.

*Treatment of SERP Restricted Stock.* Under the terms of the 2007 Restricted Stock Plan and the 1997 Restricted Stock Plan, upon (a) the later of the executive's attainment of age 55 or the fifth anniversary of the May 31 immediately before the date of the Supplemental Executive Retirement Plan (SERP) restricted stock grant or (b) the executive's retirement on or after the age of 65, the restrictions on restricted stock will lapse. None of the named executive officers were eligible for retirement as of May 28, 2010 except Mr. Matejka, who has no unvested SERP restricted stock.

*Treatment of Stock Options.* Under the terms of the stock option agreements under which stock options were awarded, in the event of the executive's voluntary retirement after attaining the age of 55 and completing at least five years of consecutive service with the Company, unvested stock options will become immediately exercisable. However, none of the named executive officers were eligible for retirement as of May 28, 2010 except Mr. Matejka. All options held by the named executive officers were vested as of October 29, 2008.

## **Payments upon Death**

*Non-Equity Incentive Compensation.* Under the terms of the employment agreements, in the event of the executive's death, the executive is entitled to receive any earned incentive compensation. Earned incentive compensation is calculated as the sum of (a) any incentive compensation payable but not yet paid for the fiscal year preceding the fiscal year in which the termination date occurs, and (b) the annual incentive compensation for the most recently completed fiscal year multiplied by a fraction, the numerator of which is the number of days in the current fiscal year of the Company that have expired prior to the termination date and the denominator of which is 365.

*Treatment of SARs.* Under the terms of the stock appreciation rights agreement under which SARs were granted, in the event of the executive's death all unvested SARs will become immediately exercisable. The amounts set forth in the table for SARs reflect the difference between the closing price of our Common Stock on May 28, 2010 and the exercise prices for the SARs for which vesting would be accelerated and for which the closing price exceeded the SAR exercise price.

*Treatment of PERS Awards.* Under the terms of the Performance Earned Restricted Stock (PERS) and escrow agreements, in the event of the executive's death, the Compensation Committee may provide in its sole and exclusive discretion that the executive shall have vested in all or a portion of the PERS awards granted prior to October 2008. Thus, should the Compensation Committee exercise its discretion and vest the executive's PERS awards granted prior to October 2008, actual amounts payable in the event of the executive's death could be significantly higher than the amounts set forth in the foregoing table. Since October 2008, PERS agreements provide that PERS awards vest automatically in the event of the executive's death, and vesting for such PERS is reflected in the foregoing table.

*Treatment of SERP Restricted Stock.* Under the terms of the 2007 Restricted Stock Plan and the 1997 Restricted Stock Plan, in the event of the executive's death, the restrictions on Supplemental Executive Retirement Plan (SERP) restricted stock will lapse. The amounts set forth in the table for

restricted stock reflect the number of shares of restricted stock for which vesting would be accelerated multiplied by the closing price of our Common Stock on May 28, 2010.

*Treatment of Stock Options.* Under the terms of the stock option agreements under which stock options were awarded, in the event of the executive's death unvested stock options will become immediately exercisable. As all options held by the named executive officers were already vested as of October 29, 2008, the table reflects no value to the named executive officers under this provision at the end of fiscal 2010.

### **Payments upon Disability**

*Non-Equity Incentive Compensation.* Under the terms of the employment agreements with Messrs. Frank C. Sullivan, Rice, Hoogenboom, and Knoop, in the event of the executive's disability, the executive is entitled to receive any earned incentive compensation. Earned incentive compensation is calculated as the sum of (a) any incentive compensation payable but not yet paid for the fiscal year preceding the fiscal year in which the termination date occurs, and (b) the annual incentive compensation for the most recently completed fiscal year multiplied by a fraction, the numerator of which is the number of days in the current fiscal year of the Company that have expired prior to the termination date and the denominator of which is 365.

*Treatment of SARs.* Under the terms of the stock appreciation rights agreements under which SARs were granted, in the event of the executive's disability, the executive will be entitled to immediately exercise all unvested SARs. The amounts set forth in the table for SARs reflect the difference between the closing price of our Common Stock on May 28, 2010 and the exercise prices for the SARs for which vesting would be accelerated and for which the closing price exceeded the SAR exercise price.

*Treatment of PERS Awards.* Under the terms of the Performance Earned Restricted Stock (PERS) and escrow agreements, in the event of the executive's total disability, the Compensation Committee may provide in its sole and exclusive discretion that the executive shall have vested in all or a portion of the PERS awards granted prior to October 2008. Thus, should the Compensation Committee exercise its discretion and vest the executive's PERS awards granted prior to October 2008, actual amounts payable in the event of the executive's total disability could be significantly higher than the amount set forth in the foregoing table. Since October 2008, PERS agreements provide that PERS awards vest automatically in the event of the executive's total disability, and vesting for such PERS is reflected in the foregoing table.

*Treatment of SERP Restricted Stock.* Under the terms of the 2007 Restricted Stock Plan and the 1997 Restricted Stock Plan, in the event of the executive's disability, the restrictions on Supplemental Executive Retirement Plan (SERP) restricted stock will lapse. The amounts set forth in the table for restricted stock reflect the number of shares of restricted stock for which vesting would be accelerated multiplied by the closing price of our Common Stock on May 28, 2010.

### **Payments upon Voluntary Termination and Termination for Cause**

A named executive officer is not entitled to receive any additional forms of severance payments or benefits upon his voluntary decision to terminate employment with RPM prior to being eligible for retirement or upon termination for cause.

### **Payments upon Involuntary Termination Without Cause and not within Two Years of a Change in Control**

Under the terms of each named executive officer's employment agreement or, with respect to Mr. Matejka, his change in control agreement, in the event that the executive is terminated without cause and the termination does not occur

during a two-year period following a change in control, the executive would be entitled to the following:

a lump sum amount equal to the executive's incentive compensation for the preceding fiscal year (if not yet paid) plus, for Frank C. Sullivan, three times the sum of, and for the other named executive

officers, two times the sum of: (i) the greater of the executive's annual base salary in effect on the date of termination or the highest base salary in effect at any time during the three years (two years for Mr. Matejka) immediately preceding the termination date, and (ii) the highest annual incentive compensation received by the executive in the five years (two years for Mr. Matejka) prior to the termination date;

continuation of health and welfare benefits for three years for Frank C. Sullivan, and for two years for the other named executive officers;

estate and financial planning services for a period of six months;

a lump sum payment equal to three times, for Frank C. Sullivan, and two times, for the other named executive officers, the most recent annual premium or other cost for the executive life insurance coverage in effect on the date of termination;

a lump sum amount equal to the cash value of three years for Frank C. Sullivan, and two years for the other named executive officers, of benefits that the executive would have received under the Restricted Stock Plan (as determined in accordance with the Restricted Stock Plan and the Company's past practice and to be paid under the Restricted Stock Plan); and

the lapse of all transfer restrictions and forfeiture provisions on restricted stock awarded under the 1997 and 2007 Restricted Stock Plans.

The employment agreements or, with respect to Mr. Matejka, his change in control agreement, provide that the Company will not be obligated to make the lump sum payments or provide the additional benefits described above unless the executive signs a release and waiver of claims and refrains from revoking, rescinding or otherwise repudiating the release of claims during certain time periods.

#### **Payments upon Involuntary Termination Without Cause or Resignation for Good Reason within Two Years of a Change in Control**

Under the terms of each named executive officer's employment agreement or, with respect to Mr. Matejka, his change in control agreement, in the event that the executive is terminated without cause or resigns for good reason within two years following a change in control the executive would be entitled to the following:

a lump sum amount equal to the executive's incentive compensation for the preceding fiscal year (if not yet paid) plus three times the sum of (i) the greater of the executive's annual base salary in effect on the date of termination or the highest base salary in effect at any time during the three years immediately preceding the termination date, and (ii) the highest annual incentive compensation received by the executive in the five years prior to the termination date;

continuation for a period of three years of health and welfare benefits;

estate and financial planning services for a period of one year;

a lump sum payment equal to three times the most recent annual premium or other cost for the executive life insurance coverage in effect on the date of termination, grossed up to compensate for the tax impact of the payment;

a lump sum amount equal to the cash value of three years of benefits that the executive would have received under the Restricted Stock Plan (as determined in accordance with the Restricted Stock Plan and the Company's past practice and to be paid under the Restricted Stock Plan);

the lapse of all transfer restrictions and forfeiture provisions on restricted stock awarded under the 1997 and 2007 Restricted Stock Plans;

the lapse of transfer restrictions on any awards under the Omnibus Plan;

outplacement assistance for two years following the change in control;

a lump sum payment, or gross-up, equal to the amount of any excise tax imposed on the executive under Section 4999 of the Internal Revenue Code, or any similar state or local tax law, and any taxes, interest or penalties incurred with respect thereto;

interest on certain of the above payments if not made in a timely manner in accordance with the employment agreement or change in control agreement; and

up to an amount of \$250,000 in legal fees incurred by the executive in each of the two calendar years following termination of employment in the event that, following a change in control, he may be caused to institute or defend legal proceedings to enforce his rights under the employment agreement or change in control agreement.

The employment agreements or, with respect to Mr. Matejka, his change in control agreement, provide that the Company will not be obligated to make the lump sum payments or provide the additional benefits described above unless the executive signs a release and waiver of claims and refrains from revoking, rescinding or otherwise repudiating the release of claims during certain time periods. In the table above, we have assumed that the Company timely made all payments and the executive did not incur legal fees. Mr. Matejka currently has no unvested awards under the Omnibus Plan.

#### **Restrictive Covenants that Apply During and After Termination of Employment**

Pursuant to the terms of the employment agreements and, with respect to Mr. Matejka, his change in control agreement, each of our named executive officers is subject to certain restrictive covenants that apply during and after their termination of employment. Each named executive officer is subject to a covenant not to disclose our confidential information during their term of employment with us and at all times thereafter. During their employment with us and for a period of two years thereafter our named executive officers are also subject to covenants not to (i) compete with us (or any of our subsidiaries) or (ii) solicit our employees or customers.

#### **Payments upon a Change in Control Only**

*Treatment of SARs.* Under the terms of the stock appreciation rights agreements under which SARs were granted, in the event of a change in control, the executive will be entitled to immediately exercise all unvested SARs. The amounts set forth in the table for SARs reflect the difference between the closing price of our Common Stock on May 28, 2010 and the exercise prices for the SARs for which vesting would be accelerated and for which the closing price exceeded the SAR exercise price.

*Treatment of PERS Awards.* Under the terms of the Performance Earned Restricted Stock (PERS) and escrow agreements under which PERS were granted, in the event of a change in control, the restrictions on unvested PERS will lapse. The amounts set forth in the table for PERS reflect the number of PERS for which vesting would be accelerated multiplied by the closing price of our Common Stock on May 28, 2010. Mr. Matejka has no unvested PERS as of May 28, 2010.

*Treatment of PCRS Awards.* Under the terms of the Performance Contingent Restricted Stock (PCRS) and escrow agreements under which PCRS were granted, in the event of a change in control, the restrictions on unvested PCRS will lapse. The amounts set forth in the table for PCRS reflect the number of PCRS for which vesting would be accelerated multiplied by the closing price of our Common Stock on May 28, 2010. However, all PCRS was forfeited back to the Company on July 19, 2010, and as a result no payment will be made thereafter to the executive with respect to such PCRS upon a change in control.

*Treatment of SERP Restricted Stock.* Under the terms of the 2007 Restricted Stock Plan and the 1997 Restricted Stock Plan, in the event of a change in control, the restrictions on Supplemental Executive Retirement Plan (SERP) restricted stock will lapse. The amounts set forth in the table for restricted stock reflect the number of shares of restricted stock for which vesting would be accelerated multiplied by the closing price of our Common Stock on May 28, 2010.

*Treatment of Stock Options.* Under the terms of the stock option agreements under which stock options were awarded, in the event of a change in control, unvested stock options will become immediately exercisable. As options held by the named executive officers were already vested as of October 29, 2008, the table reflects no value to the named executive officers under this provision at the end of fiscal 2010.

*Excise Taxes.* The employment agreements and, with respect to Mr. Matejka, his change in control agreement, provide that to the extent that any payment or distribution by the Company for the benefit of the executive would be subject to any excise tax imposed on the executive under Section 4999 of the Internal Revenue Code, the executive will be entitled to a lump sum payment, or gross-up, equal to the amount of any excise tax imposed on the executive under Section 4999 of the Internal Revenue Code, or any similar state or local tax law, and any taxes, interest or penalties incurred with respect thereto.

## DIRECTOR COMPENSATION

### Director Compensation for Fiscal 2010

The following table sets forth information regarding the compensation of our non-employee Directors for fiscal 2010. Frank C. Sullivan, our Chairman and Chief Executive Officer, does not receive any additional compensation for his service as a Director.

Name (a)	Fees Earned or Paid in Cash (\$)(1) (b)	Stock Awards (\$)(2) (c)	Option Award (\$)(d) (d)	Change in Pension Value and Non-Equity Nonqualified			Total (\$) (h)
				Incentive Plan Compensation (\$)(e) (e)	Deferred Compensation Earnings (\$)(f) (f)	All Other Compensation (\$)(g) (g)	
John P. Abizaid	61,000	51,192	0	0	0	0	112,192
Bruce A. Carbonari	59,000	51,192	0	0	0	1,250(4)	111,442
David A. Daberko	61,000	51,192	0	0	0	2,500(4)	114,692
James A. Karman	61,000	51,192	0	0	0	0	112,192
Donald K. Miller	61,000	51,192	0	0	0	0	112,192
Frederick R. Nance	58,000	51,192	0	0	0	0	109,192
William A. Papenbrock	65,000	51,192	0	0	0	2,500(4)	118,692
Charles A. Ratner(3)	68,500	51,192	0	0	0	0	119,692
Thomas C. Sullivan	58,000	51,192	0	0	0	0	109,192
William B. Summers, Jr.	77,000	51,192	0	0	0	0	128,192
Dr. Jerry Sue Thornton(3)	61,000	51,192	0	0	0	0	112,192
Joseph P. Viviano(3)	68,500	51,192	0	0	0	2,500(4)	122,192

- (1) Cash fees include fees for attending Board and Committee meetings in fiscal 2010 as well as the quarterly retainer amount for serving on the Board of Directors and as the chair for a committee during fiscal 2010. These cash fee amounts have not been reduced to reflect a Director's election to defer receipt of cash fees pursuant to the Deferred Compensation Plan. These deferrals are indicated in note (3) below.
- (2) The amounts set forth in this column reflect the fair market value of shares of restricted stock granted during fiscal 2010 under the 2003 Restricted Stock Plan for Directors.

The unvested number of shares of restricted stock held by Directors under the 2003 Restricted Stock Plan for Directors at May 31, 2010 was as follows: Mr. Abizaïd (5,700), Mr. Carbonari (7,900), Mr. Daberko (7,900), Mr. Karman (7,900), Mr. Miller (7,900), Mr. Nance (7,900), Mr. Papenbrock (7,900), Mr. Ratner (7,900), Thomas C. Sullivan (5,700), Mr. Summers (7,900), Dr. Thornton (7,900) and Mr. Viviano (7,900). Dividends are paid on shares of restricted stock at the same rate as paid on our Common Stock that is not restricted. On October 31, 2009, shares of restricted stock awarded in 2006 vested and were delivered to the Directors.

- (3) During fiscal 2010, Dr. Thornton and Mr. Viviano elected to defer specified payments of their Director fees paid under our Deferred Compensation Plan. Cash amounts deferred related to fiscal 2010 were as follows: Dr. Thornton (\$61,000) and Mr. Viviano (\$50,125). These amounts were credited to equivalent unit accounts under the Deferred Compensation Plan. The number of RPM stock equivalent units (which includes accrued dividends thereon) held by Directors under the Deferred Compensation Plan at May 31, 2010 were as follows: Mr. Ratner (6,780), Dr. Thornton (23,869) and Mr. Viviano (17,689). The cash value of these stock equivalent units that are related to fiscal 2010 is included within the "Fees Earned or Paid in Cash" column and is excluded from the calculations in the Stock Awards column.

- (4) These amounts represent the dollar value that RPM matches of the Director's charitable contributions made in accordance with our employee charitable contributions matching program. RPM matches a Director's charitable contributions by up to \$2,500 per year under this program, which is also available to RPM International Inc. employees.

For fiscal 2010, Directors who are not employees of or consultants to the Company received a quarterly fee of \$12,500. In addition, the Audit Committee Chair received a quarterly fee of \$3,750, and the Chair of each of the Compensation and Governance and Nominating Committees received a quarterly fee of \$1,875. A non-employee or non-consultant Director who is not a member of a particular Committee but who attends a Committee meeting at the invitation or request of the Chief Executive Officer or the Chairman of the Committee receives \$1,000 for attending the meeting in its entirety. With respect to equity compensation, Directors eligible to participate in the 2003 Restricted Stock Plan were granted a number of shares of restricted stock under the 2003 Restricted Stock Plan in an amount approximately equal to the annual director fee of \$50,000.

For fiscal 2011, Directors who are not employees of or consultants to the Company will receive a quarterly fee of \$15,000. In addition, the Audit Committee Chair will receive a quarterly fee of \$3,750, and the Chair of each of the Compensation and Governance and Nominating Committees will receive a quarterly fee of \$2,500. With respect to equity compensation, Directors eligible to participate in the 2003 Restricted Stock Plan will be granted a number of shares of restricted stock under the 2003 Restricted Stock Plan in an amount approximately equal to \$75,000.

In order to create an appropriate compensation program for Directors and to bring total Board compensation to a competitive level, as well as to enhance the ability of the Company to recruit and retain Directors and further align interests of Directors with interests of stockholders, in October 2003 the Company's stockholders adopted the 2003 Restricted Stock Plan for Directors that provides for the granting of shares of Common Stock to Directors who are not employees of or consultants to the Company. These grants are made annually on the date of the Annual Meeting of Stockholders.

### **RELATED PERSON TRANSACTIONS**

The Related Person Transaction Policy of the Board of Directors ensures that the Company's transactions with certain persons are not inconsistent with the best interests of the Company. A Related Person Transaction is a transaction with the Company in an amount exceeding \$120,000 in which a Related Person has a direct or indirect material interest. A Related Person includes the executive officers, Directors, and five percent stockholders of the Company, and any immediate family member of such a person. Under the Related Person Transaction Policy, Company management screens for any potential Related Person Transactions, primarily through the annual circulation of a Directors and Officers Questionnaire to each member of the Board of Directors and each officer of the Company that is a reporting person under Section 16 of the Exchange Act. If Company management identifies a Related Person Transaction, such transaction is brought to the attention of the Audit Committee for its approval, ratification, revision, or rejection in consideration of all of the relevant facts and circumstances.

Thomas C. Sullivan, Jr., the brother of Frank C. Sullivan and son of Thomas C. Sullivan, is Vice President - Corporate Development for the Company and earned \$307,000 in salary and annual bonus in fiscal 2010. His compensation is commensurate with his peers. He has also received equity awards in the past. On July 20, 2010, in recognition of his many years of service to the Company and the role he plays in the Company's corporate development efforts, Thomas C. Sullivan, Jr. was awarded a grant of 100,000 SARs with an exercise price of \$18.24, which was the closing price of the Company's Common Stock on the date of grant. These SARs will vest five years from the date of the grant. Thomas C. Sullivan, Jr., has been employed by the Company or its subsidiaries for more than 21 years.

Terry Tabler, the brother-in-law of Ronald A. Rice, is President General Manager of Chemical Specialties Manufacturing Corp., an indirect, wholly owned subsidiary of the Company, and earned \$187,070 in salary and annual bonus for fiscal 2010. His compensation is commensurate with his peers. He is also eligible to receive equity awards. Mr. Tabler has been employed by Chemical Specialties Manufacturing Corp. since March 2009.

## FORWARD-LOOKING STATEMENTS

Some of the amounts set forth in this proxy statement in the disclosure regarding executive and director compensation are forward-looking statements within the meaning of the federal securities laws. These amounts include estimates of future amounts payable under awards, plans and agreements or the present value of such future amounts, as well as the estimated value at May 28, 2010 of awards, the vesting of which will depend on performance over future periods. Estimating future payments of this nature is necessarily subject to contingencies and uncertainties, many of which are difficult to predict. In order to estimate amounts that may be paid in the future, we had to make assumptions as to a number of variables, which may, and in many cases will, differ from future actual conditions. These variables include the price of our Common Stock, the date of termination of employment, applicable tax rates and other assumptions. In estimating the year-end values of unvested awards, we were required to make certain assumptions about the extent to which the performance or other conditions will be satisfied and, accordingly, the rate at which those awards will ultimately vest and/or payout. Accordingly, amounts and awards paid out in future periods may vary from the related estimates and values set forth in this Proxy Statement.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information concerning shares of Common Stock authorized or available for issuance under the Company's equity compensation plans as of May 31, 2010.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)(1)
Equity compensation plans approved by stockholders	1,924,775(2)	\$ 14.34	7,891,707
Equity compensation plans not approved by stockholders(3)			
<b>Total</b>	<b>1,924,775</b>	<b>\$ 14.34</b>	<b>7,891,707</b>

(1) Includes 7,075,655 shares available for future issuance under the Omnibus Plan of which 3,535,655 shares may be subject to full value awards such as restricted stock, and 321,000 shares available for future issuance under the Company's 2003 Restricted Stock Plan for Directors.

(2)

At May 31, 2010, 2,337,500 SARs were outstanding at a weighted-average grant price of \$18.61. The number of shares to be issued upon exercise will be determined at vesting based on the difference between the grant price and the market price at the date of exercise. No such shares have been included in this total.

- (3) The Company does not maintain equity compensation plans that have not been approved by its stockholders.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's officers and Directors and persons who own 10% or more of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Commission. Officers, Directors and 10% or greater stockholders are required by Commission regulations to furnish the Company with copies of all Forms 3, 4 and 5 they file.

Based solely on the Company's review of the copies of such forms it has received, the Company believes that all of its officers and Directors complied with all filing requirements applicable to them with respect to transactions during the fiscal year ended May 31, 2010.

## **REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's internal audit function and independent registered public accounting firm. The Audit Committee's activities are governed by a written charter adopted by the Board of Directors. Among other responsibilities specified in the charter, the Audit Committee has the sole authority to appoint, retain and where appropriate, terminate, the Company's independent registered public accounting firm. The Audit Committee is also directly responsible for, among other things, the evaluation, compensation and oversight of the work of the Company's independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work. In addition, the Audit Committee must pre-approve all audit and permitted non-audit services performed by the Company's independent registered public accounting firm. It is not the duty of the Audit Committee to plan or conduct audits or determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm.

In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited financial statements contained in the 2010 Annual Report on Commission Form 10-K with the Company's management and Ernst & Young LLP, the independent registered public accounting firm for fiscal 2010.

The Audit Committee discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 114, Auditor's Communication with those Charged with Governance. In addition, the Audit Committee has discussed with Ernst & Young LLP the auditor's independence from the Company and its management, including the matters in the written disclosures and the letter from Ernst & Young LLP pursuant to the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee regarding independence, which the Company has received.

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 Company's Annual Report on Commission Form 10-K for the fiscal year ended May 31, 2010, for filing with the Securities and Exchange Commission.

The Audit Committee has determined that the rendering of the non-audit services by Ernst & Young LLP was compatible with maintaining the auditor's independence.

As described below under the heading "Proposal Two - Ratification of Independent Registered Public Accounting Firm," the Audit Committee has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2011 and is seeking ratification of the appointment at the Annual Meeting.

Submitted by the Audit Committee of the Board of Directors as of July 19, 2010.

William B. Summers, Jr., Chairman  
James A. Karman  
Donald K. Miller  
William A. Papenbrock



## PROPOSAL TWO

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has reappointed Ernst & Young LLP as our independent registered public accounting firm to audit our financial statements for the current year. The Board of Directors recommends ratification of the Audit Committee's appointment of Ernst & Young LLP.

The selection of Ernst & Young LLP as our independent registered public accounting firm is not required to be submitted to a vote of our stockholders for ratification. The Sarbanes-Oxley Act of 2002 requires that the Audit Committee be directly responsible for the appointment, compensation and oversight of our independent auditors. If our stockholders fail to vote on an advisory basis in favor of the selection, the Audit Committee will reconsider whether to retain Ernst & Young LLP, and may retain that firm or another firm without re-submitting the matter to our stockholders. Even if our stockholders ratify the appointment, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the interests of our stockholders. The affirmative vote of a majority of the shares voting on this proposal is required for ratification.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting of Stockholders. The representative will be given an opportunity to make a statement if desired and to respond to questions regarding Ernst & Young LLP's examination of our consolidated financial statements and records for the year ended May 31, 2010.

Our Board of Directors unanimously recommends a vote **FOR** Proposal Two to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2011.

The decision to engage Ernst & Young LLP was made by the Company's Audit Committee.

#### **Independent Registered Public Accounting Firm Services and Related Fee Arrangements**

During the fiscal years ended May 31, 2010 and 2009, various audit services and non-audit services were provided to the Company by Ernst & Young LLP. Set forth below are the aggregate fees billed for these services, all of which were pre-approved by the Audit Committee, for the last two fiscal years:

	May 31,	
	2010	2009
Audit Fees	\$ 5,014,000	\$ 5,335,000
Audit-Related Fees	39,000	46,000
Tax Services	1,450,000	928,000
All Other Fees		
<b>Total Fees</b>	<b>\$ 6,503,000</b>	<b>\$ 6,309,000</b>

*Audit Fees:* The aggregate fees billed for professional services rendered for the audit of the Company's financial statements for the fiscal years ended May 31, 2010 and 2009 and for the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q for the fiscal years ended May 31, 2010 and 2009 were \$5,014,000 and \$5,335,000, respectively.

*Audit-Related Fees:* The aggregate fees relating primarily to employee benefit plan audits and other review services billed by Ernst & Young LLP were \$39,000 and \$46,000 for the fiscal years ended May 31, 2010 and 2009, respectively.

*Tax Fees:* The aggregate fees relating to tax compliance, advice and planning billed by Ernst & Young LLP were \$1,450,000 and \$928,000 for the fiscal years ended May 31, 2010 and 2009, respectively.

*All Other Fees:* No other fees were billed by Ernst & Young LLP for fiscal years 2010 and 2009.

## STOCKHOLDER PROPOSALS FOR 2011 ANNUAL MEETING

Any stockholder proposal intended to be presented at the 2011 Annual Meeting of Stockholders (the 2011 Annual Meeting ) must be received by the Company's Secretary at its principal executive offices no later than April 29, 2011 for inclusion in the Board of Directors' Proxy Statement and form of Proxy relating to the 2011 Annual Meeting. Each proposal submitted should be accompanied by the name and address of the stockholder submitting the proposal and the number of shares of Common Stock owned. If the proponent is not a stockholder of record, proof of beneficial ownership also should be submitted. All proposals must be a proper subject for action and comply with the Proxy Rules of the Commission.

In addition, in accordance with the By-Laws, if a stockholder intends to present a proposal (including with respect to Director nominations) at the 2011 Annual Meeting without the inclusion of that proposal in the Company's proxy materials for the 2011 Annual Meeting, that stockholder must deliver the proposal, along with all information relating to the proposal required by the By-Laws, to the Company's Secretary so that it is received no earlier than June 9, 2011 and no later than July 9, 2011. If not submitted within this timeframe and containing the required information in accordance with the By-Laws, the notice would be considered untimely.

If, however, the date of the 2011 Annual Meeting is more than 30 days before or more than 60 days after the first anniversary of this year's Annual Meeting, notice by the stockholder to be timely must be delivered no earlier than the close of business on the 120th day prior to the date of the 2011 Annual Meeting and no later than the close of business on the later of the 90th day prior to the date of the 2011 Annual Meeting or, if the first public announcement of the date of the 2011 Annual Meeting is less than 100 days prior to the date of the 2011 Annual Meeting, the 10th day following the day on which public announcement of the date of the 2011 Annual Meeting is first made by the Company.

## OTHER MATTERS

The Board of Directors is not aware of any matter to come before the Annual Meeting other than those mentioned in the accompanying Notice. However, if other matters shall properly come before the Annual Meeting, it is the intention of the persons named in the accompanying Proxy to vote in accordance with their best judgment on such matters.

*Upon the receipt of a written request from any stockholder entitled to vote at the forthcoming Annual Meeting, the Company will mail, at no charge to the stockholder, a copy of the Company's Annual Report on Form 10-K, including the financial statements and schedules required to be filed with the Commission pursuant to Rule 13a-1 under the Exchange Act for the Company's most recent fiscal year. Requests from beneficial owners of the Company's voting securities must set forth a good-faith representation that as of the record date for the Annual Meeting, the person making the request was the beneficial owner of securities entitled to vote at such Annual Meeting. Written requests for the Annual Report on Form 10-K should be directed to:*

*Secretary  
RPM International Inc.  
P.O. Box 777  
Medina, Ohio 44258*

You are urged to sign and return your Proxy promptly in order to make certain your shares will be voted at the Annual Meeting. For your convenience a return envelope is enclosed requiring no additional postage if mailed in the United States. You may also vote by the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by phone at 1-800-690-6903. Please refer to the Proxy for more details about how you may vote.

By Order of the Board of Directors.

Edward W. Moore  
*Vice President, General Counsel  
and Secretary*

August 27, 2010

**PROXY VOTING ALERT!**

The Securities and Exchange Commission approved amendments to  
New York Stock Exchange Rule 452  
eliminating broker discretionary voting on the election of directors.

**Your broker can no longer vote on the election of directors without your specific instructions.**

**It is necessary for you to actually vote any proxies you receive in order for your vote to be counted.**

**Please sign, date and mail the enclosed voting form to give your broker specific instructions on how to vote your shares. Depending upon your broker, you may be able to vote electronically, either by toll-free telephone or by the Internet. Please refer to the enclosed voting form for instructions on how to vote electronically.**

**Regardless of how many shares you own, your vote is very important!**

**Thank you    The RPM Board of Directors**

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RPM INTERNATIONAL INC. C/O WELLS FARGO SHAREOWNER SERVICES P.O. BOX 64874  
ST. PAUL, MN 55164-0874 VOTE BY INTERNET [www.proxyvote.com](http://www.proxyvote.com) Use the Internet to transmit  
your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the  
day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site  
and follow the instructions to obtain your records and to create an electronic voting instruction form.  
ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs  
incurred by our company in mailing proxy materials, you can consent to receiving all future proxy  
statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for  
electronic delivery, please follow the instructions above to vote using the Internet and, when prompted,  
indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY  
PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until  
11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand  
when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card  
and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o  
Broadridge, 51 Mercedes Way, Edgewood, NY 11717. TO VOTE, MARK BLOCKS BELOW IN BLUE  
OR BLACK INK AS FOLLOWS: KEEP THIS PORTION M26560-P00508-Z53798-Z53797 FOR  
YOUR RECORDS DETACH AND RETURN THIS PORTION THIS PROXY CARD IS VALID  
ONLY WHEN SIGNED AND DATED. ONLY RPM INTERNATIONAL INC. THE RPM BOARD OF  
DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE FOLLOWING NOMINEES: 1.  
ELECTION OF DIRECTORS 01) David A. Daberko 02) William A. Papenbrock 03) Frank C. Sullivan  
04) Thomas C. Sullivan For Withhold For All To withhold authority to vote for any individual  
nominee(s), mark For All Except and write the All All Except number(s) of the nominee(s)  
on the line below. 0 0 0 For Against Abstain THE RPM BOARD OF DIRECTORS RECOMMENDS  
THAT YOU VOTE FOR THE FOLLOWING PROPOSAL: 2. RATIFY THE APPOINTMENT OF  
ERNST & YOUNG LLP AS RPM S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM 0  
0 0 In their discretion, to act on any other matter or matters which may properly come before the meeting.  
For address changes and/or comments, please check this box and 0 write them on the back where  
indicated. Please indicate if you plan to attend the Annual Meeting. 0 0 Yes No Note: Please sign exactly  
as name appears hereon. Joint owners should each sign. When signing as attorney, executor,  
administrator, trustee, or guardian, please give full title as such. Signature [PLEASE SIGN WITHIN  
BOX] Date Signature (Joint Owners) Date

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DIRECTIONS TO THE RPM ANNUAL MEETING THURSDAY, OCTOBER 7, 2010 AT 2:00 P.M. EDT THE HOLIDAY INN SELECT STRONGSVILLE 15471 Royalton Road, Strongsville, OH Phone: (440) 238-8800 FROM CLEVELAND AND POINTS NORTH (INCLUDING HOPKINS AIRPORT) I-71 South to the North Royalton exit (#231A). Cross over bridge and the hotel is on the right hand side. FROM THE OHIO TURNPIKE EAST AND WEST Ohio Turnpike (I-80) to I-71 South (exit 161). Exit at the North Royalton exit (#231A). Cross over bridge and the hotel is on the right hand side. FROM THE EAST I-480 West to I-71 South. Exit at the North Royalton exit (#231A). Cross over bridge and the hotel is on the right hand side. FROM THE SOUTH I-71 North to the Strongsville exit (#231). Turn right at end of ramp and hotel is on the right hand side. Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com). M26561-P00508-Z53798-Z53797 RPM INTERNATIONAL INC. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND WILL BE VOTED IN ACCORDANCE WITH THE DIRECTIONS ON THE REVERSE SIDE. The undersigned hereby appoints FRANK C. SULLIVAN and RONALD A. RICE, and each of them, as Proxy holders, with full power of substitution, to appear and vote as designated on the reverse side all the shares of Common Stock of RPM International Inc., which the undersigned shall be entitled to vote at the Annual Meeting of Stockholders of the Company to be held at the Holiday Inn Select, located at Interstate 71 and Route 82 East, Strongsville, Ohio, on Thursday, October 7, 2010 at 2:00 P.M. EDT, and at any adjournment or postponement thereof, hereby revoking any and all proxies heretofore given. IF A SIGNED PROXY CARD IS RETURNED WITH NO DIRECTIONS GIVEN ON THE REVERSE SIDE, SAID SHARES OF COMMON STOCK WILL BE VOTED FOR THE ELECTION OF THE FOUR DIRECTORS NOMINATED BY THE BOARD OF DIRECTORS AND FOR PROPOSAL TWO. YOU ARE ENCOURAGED TO SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES, SEE REVERSE SIDE. This Proxy Card also instructs Wachovia Bank, N.A. as Trustee of RPM International Inc. 401(k) Trust and Plan and Union 401(k) Trust and Plan, to vote in person or by Proxy at the Annual Meeting of Stockholders, all the shares of Common Stock of RPM International Inc. for which the undersigned shall be entitled to instruct in the manner appointed on the reverse side hereof. Wachovia Bank, N.A. will vote the shares represented by this Proxy Card that is properly completed, signed, and received by Wachovia Bank, N.A. before 5:00 p.m. EDT on October 4, 2010. Please note that if this Proxy Card is not properly completed and signed, or if it is not received by the Trustee as indicated above, shares allocated to a participant's account will not be voted. Wachovia Bank, N.A. will hold your voting instructions in complete confidence except as may be necessary to meet legal requirements. Wachovia Bank, N.A. makes no recommendation regarding any voting instruction. ELECTRONIC ACCESS TO FUTURE DOCUMENTS AVAILABLE The Company has the option of providing its Proxy Statements and Annual Reports over the Internet. If you have not done so in prior years, you may give your consent to receive these documents via the Internet and we will advise you when these documents become available. Once you give your consent, it will remain in effect until you notify the Company in writing by mail that you wish to resume mail delivery of the Proxy Statements and Annual Reports. Even if you give your consent, you will have the right to request copies of these documents at any time by mail. You will be responsible for costs associated with Internet usage, such as telephone charges and access fees. To give your consent, if you have not done so in prior years, please check the appropriate box located at the bottom of the reverse side of this card. Address Changes/Comments: (If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.) PLEASE DATE, SIGN AND RETURN PROMPTLY IN THE ACCOMPANYING ENVELOPE.