

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

FORM 10-Q

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

For the quarterly period ended June 30, 2023

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

For the transition period from _____ to _____

Commission file number 001-14124

MILLER INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Tennessee

(State or other jurisdiction of incorporation or organization)

62-1566286

(I.R.S. Employer Identification No.)

8503 Hilltop Drive
Ooltewah, Tennessee

(Address of principal executive offices)

37363

(Zip Code)

(423) 238-4171

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	MLR	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

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

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☒

Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, par value \$.01 per share, as of July 31, 2023 was 11,445,640.



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FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q, including but not limited to statements made in Part I, Item 2—"Management's Discussion and Analysis of Financial Condition and Results of Operations," statements made with respect to future operating results, expectations of future customer orders and the availability of resources necessary for our business are forward-looking statements. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "could," "continue," "future," "potential," "believe," "project," "plan," "intend," "seek," "estimate," "predict," "expect," "anticipate" and similar expressions, or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Such forward-looking statements are made based on our management's beliefs as well as assumptions made by, and information currently available to, our management. Our actual results may differ materially from the results anticipated in these forward-looking statements due to, among other things:

- changes in price, delivery delays and decreased availability of component parts, chassis and raw materials, including aluminum, steel, and petroleum-related products, resulting from changes in demand and market conditions, the general inflationary environment, the war in Ukraine, and the lingering effects of the COVID-19 pandemic on supply chains;
- economic and market conditions, including the negative impacts on the Company's customers, suppliers and employees from inflationary pressures, higher interest rates, and economic and geopolitical uncertainties (including the war in Ukraine);
- our dependence upon outside suppliers for purchased component parts, chassis and raw materials, including aluminum, steel, and petroleum-related products;
- future impacts resulting from the war in Ukraine, which include or could include (among other effects) disruption in global commodity and other markets, increased prices for energy, supply shortages and supplier financial risk;
- increased labor costs and the ability to attract and retain skilled labor to manufacture our products;
- the potential negative impacts of higher interest rates and other actions taken by the federal government in response to economic volatility and inflationary pressures, including the impact on our customers' and end users' access to capital and credit to fund purchases;
- our ability to raise capital, including to grow our business, pursue strategic investments, and take advantage of financing or other opportunities that we believe to be in the best interests of the Company and our shareholders due to the significant additional indebtedness we incurred during 2022 and 2023;
- the cyclical nature of our industry and changes in consumer confidence;
- special risks from our sales to U.S. and other governmental entities through prime contractors;
- changes in fuel and other transportation costs, insurance costs and weather conditions;
- changes in government regulations, including environmental and health and safety regulations;
- failure to comply with domestic and foreign anti-corruption laws;
- competition in our industry and our ability to attract or retain customers;
- our ability to develop or acquire proprietary products and technology;
- assertions against us relating to intellectual property rights;
- changes in foreign currency exchange rates and interest rates;
- changes in the tax regimes and related government policies and regulations in the countries in which we operate;
- the effects of regulations relating to conflict minerals;
- the catastrophic loss of one of our manufacturing facilities;
- environmental and health and safety liabilities and requirements;

- loss of the services of our key executives;
- product warranty or product liability claims in excess of our insurance coverage;
- potential recalls of components or parts manufactured for us by suppliers or potential recalls of defective products;
- an inability to acquire insurance at commercially reasonable rates;
- a disruption in, or breach in security of, our information technology systems or any violation of data protection laws; and
- those other risks discussed in our other filings with the Securities and Exchange Commission, including those risks discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, which discussion is incorporated herein by this reference.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. You should read this Quarterly Report and the documents that we reference in this report and have filed as exhibits to the report completely and with the understanding that our actual future results may be materially different from what we expect. Also, forward-looking statements represent our management’s beliefs and assumptions only as of the date of this report. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MILLER INDUSTRIES, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	June 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and temporary investments	\$ 30,502	\$ 40,153
Accounts receivable, net of allowance for credit losses of \$1,412 and \$1,319 at June 30, 2023 and December 31, 2022, respectively	264,542	177,663
Inventories, net	167,458	153,656
Prepaid expenses	6,393	4,576
Total current assets	468,895	376,048
NONCURRENT ASSETS:		
Property, plant and equipment, net	116,055	112,145
Right-of-use assets - operating leases	770	909
Goodwill	20,594	11,619
Other assets	681	708
TOTAL ASSETS	\$ 606,995	\$ 501,429
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 188,869	\$ 125,500
Accrued liabilities	34,537	27,904
Income taxes payable	882	2,430
Current portion of operating lease obligation	311	311
Total current liabilities	224,599	156,145
NONCURRENT LIABILITIES:		
Long-term obligations	60,000	45,000
Noncurrent portion of operating lease obligation	496	597
Deferred income tax liabilities	6,182	6,230
Total liabilities	291,277	207,972
COMMITMENTS AND CONTINGENCIES (Note 8)		
SHAREHOLDERS' EQUITY:		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$0.01 par value; 100,000,000 shares authorized, 11,445,640 and 11,416,716 outstanding at June 30, 2023 and December 31, 2022, respectively	114	114
Additional paid-in capital	152,746	152,392
Accumulated surplus	170,141	150,124
Accumulated other comprehensive loss	(7,283)	(9,173)
Total shareholders' equity	315,718	293,457
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 606,995	\$ 501,429

The accompanying notes are an integral part of these financial statements.

MILLER INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
NET SALES	\$ 300,264	\$ 201,500	\$ 582,539	\$ 417,045
COSTS OF OPERATIONS	260,335	183,126	512,194	383,331
GROSS PROFIT	<u>39,929</u>	<u>18,374</u>	<u>70,345</u>	<u>33,714</u>
OPERATING EXPENSES:				
Selling, general and administrative expenses	19,480	12,651	37,403	25,037
NON-OPERATING (INCOME) EXPENSES:				
Interest expense, net	1,700	628	2,713	1,046
Other (income) expense, net	(229)	275	(548)	327
Total expense, net	<u>20,951</u>	<u>13,554</u>	<u>39,568</u>	<u>26,410</u>
INCOME BEFORE INCOME TAXES	18,978	4,820	30,777	7,304
INCOME TAX PROVISION	4,063	1,063	6,642	1,482
NET INCOME	<u>\$ 14,915</u>	<u>\$ 3,757</u>	<u>\$ 24,135</u>	<u>\$ 5,822</u>
BASIC INCOME PER COMMON SHARE	<u>\$ 1.30</u>	<u>\$ 0.33</u>	<u>\$ 2.11</u>	<u>\$ 0.51</u>
DILUTED INCOME PER COMMON SHARE	<u>\$ 1.29</u>	<u>\$ 0.33</u>	<u>\$ 2.10</u>	<u>\$ 0.51</u>
CASH DIVIDENDS DECLARED PER COMMON SHARE	<u>\$ 0.18</u>	<u>\$ 0.18</u>	<u>\$ 0.36</u>	<u>\$ 0.36</u>
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	<u>11,466</u>	<u>11,417</u>	<u>11,425</u>	<u>11,417</u>
Diluted	<u>11,526</u>	<u>11,417</u>	<u>11,477</u>	<u>11,421</u>

The accompanying notes are an integral part of these financial statements.

MILLER INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
NET INCOME	\$ 14,915	\$ 3,757	\$ 24,135	\$ 5,822
OTHER COMPREHENSIVE INCOME (LOSS):				
Foreign currency translation adjustment	911	(2,305)	1,890	(2,280)
Total other comprehensive income (loss)	911	(2,305)	1,890	(2,280)
COMPREHENSIVE INCOME	<u>\$ 15,826</u>	<u>\$ 1,452</u>	<u>\$ 26,025</u>	<u>\$ 3,542</u>

The accompanying notes are an integral part of these financial statements.

MILLER INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except share data and per share data)
(Unaudited)

	Common Stock	Additional Paid-In Capital	Accumulated Surplus	Accumulated Other Comprehensive Loss	Total
BALANCE, December 31, 2021 (Revised)	\$ 114	\$ 151,449	\$ 137,998	\$ (4,945)	\$ 284,616
Components of comprehensive income:					
Net income	—	—	2,065	—	2,065
Foreign currency translation adjustment	—	—	—	25	25
Total comprehensive income	—	—	2,065	25	2,090
Issuance of common stock to non-employee directors (5,988)	—	200	—	—	200
Stock-based compensation on nonvested restricted stock units	—	75	—	—	75
Dividends paid, \$0.18 per share	—	—	(2,055)	—	(2,055)
BALANCE, March 31, 2022 (Revised)	\$ 114	\$ 151,724	\$ 138,008	\$ (4,920)	\$ 284,926
Components of comprehensive income:					
Net income	—	—	3,757	—	3,757
Foreign currency translation adjustment	—	—	—	(2,305)	(2,305)
Total comprehensive income	—	—	3,757	(2,305)	1,452
Stock-based compensation on nonvested restricted stock units	—	222	—	—	222
Dividends paid, \$0.18 per share	—	—	(2,054)	—	(2,054)
BALANCE, June 30, 2022 (Revised)	114	151,946	139,711	(7,225)	284,546
BALANCE, December 31, 2022	\$ 114	\$ 152,392	\$ 150,124	\$ (9,173)	\$ 293,457
Components of comprehensive income:					
Net income	—	—	9,220	—	9,220
Foreign currency translation adjustment	—	—	—	979	979
Total comprehensive income	—	—	9,220	979	10,199
Provision for restricted stock units to non-employee directors (2,302)	—	61	—	—	61
Stock-based compensation on nonvested restricted stock units	—	223	—	—	223
Vesting of executive restricted stock units	—	(214)	—	—	(214)
Dividends paid, \$0.18 per share	—	—	(2,059)	—	(2,059)
BALANCE, March 31, 2023	\$ 114	\$ 152,462	\$ 157,285	\$ (8,194)	\$ 301,667
Components of comprehensive income:					
Net income	—	—	14,915	—	14,915
Foreign currency translation adjustment	—	—	—	911	911
Total comprehensive income	—	—	14,915	911	15,826
Stock-based compensation on nonvested restricted stock units	—	223	—	—	223
Issuance of restricted stock units to non-employee directors (4,604)	—	61	—	—	61
Dividends paid, \$0.18 per share	—	—	(2,059)	—	(2,059)
BALANCE, June 30, 2023	\$ 114	\$ 152,746	\$ 170,141	\$ (7,283)	\$ 315,718

The accompanying notes are an integral part of these financial statements.

MILLER INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Six Months Ended June 30	
	2023	2022
OPERATING ACTIVITIES:		
Net income	\$ 24,135	\$ 5,822
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	6,361	5,623
(Gain) Loss on disposal of property, plant and equipment	1	(36)
Provision for credit losses	90	81
Issuance of non-employee director shares	123	200
Stock-based compensation on nonvested restricted stock units	231	297
Deferred tax provision	(44)	56
Changes in operating assets and liabilities:		
Accounts receivable	(84,227)	(37,708)
Inventories	(9,407)	(27,482)
Prepaid expenses	(1,714)	(1,716)
Other assets	198	34
Accounts payable	62,508	19,194
Accrued liabilities	4,655	808
Net cash flows from operating activities	<u>2,910</u>	<u>(34,827)</u>
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(6,610)	(22,840)
Proceeds from sale of property, plant and equipment	239	8
Acquisition of business	(17,802)	—
Net cash flows from investing activities	<u>(24,173)</u>	<u>(22,832)</u>
FINANCING ACTIVITIES:		
Net borrowings under credit facility	15,000	40,000
Payments of cash dividends	(4,119)	(4,109)
Finance lease obligation payments	—	(11)
Net cash flows from financing activities	<u>10,881</u>	<u>35,880</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND TEMPORARY INVESTMENTS	731	(1,424)
NET CHANGE IN CASH AND TEMPORARY INVESTMENTS	<u>(9,651)</u>	<u>(23,203)</u>
CASH AND TEMPORARY INVESTMENTS, beginning of period	40,153	54,332
CASH AND TEMPORARY INVESTMENTS, end of period	<u>\$ 30,502</u>	<u>\$ 31,129</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest	\$ 3,473	\$ 1,022
Cash payments for income taxes, net of refunds	<u>\$ 8,268</u>	<u>\$ 1,496</u>

The accompanying notes are an integral part of these financial statements.

MILLER INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except as otherwise noted)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of Miller Industries, Inc. and subsidiaries (the “Company”) included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. Nevertheless, the Company believes that the disclosures are adequate to make the financial information presented not misleading. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, to present fairly the Company’s financial position, results of operations and cash flows at the dates and for the periods presented. Interim results of operations are not necessarily indicative of results to be expected for the fiscal year.

These condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2022. The condensed consolidated financial statements include accounts of certain subsidiaries whose fiscal closing dates differ from December 31st by 31 days (or less) to facilitate timely reporting.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Standards

During the first quarter of 2023, the Company adopted ASU 2021-08, Business Combinations (Topic 805) which requires the Company to measure and recognize contract assets and contract liabilities when purchased as part of a business combination. According to the guidance, the acquirer must follow ASC Topic 606 in accounting for the contract asset or contract liability being purchased. The amendments in the update were effective for financial statements beginning after December 15, 2022, including interim periods within those fiscal years. The Company has applied the amendments prospectively. The adoption of this update did not have a material impact on the Company’s condensed consolidated financial statements and related disclosures.

Also during the first quarter of 2023, the Company adopted ASU 2022-02, Financial Instruments – Credit Losses (Topic 326). The update requires entities with financing receivables to disclose gross write-offs by year of origination of the receivable. The amendments in the update were effective for financial statements beginning after December 15, 2022, including interim periods within those fiscal years, and has been applied prospectively. The adoption of this update did not have a material impact on the condensed Company’s consolidated financial statements and related disclosures.

3. BUSINESS COMBINATIONS

On May 31, 2023, the Company acquired substantially all of the assets and assumed certain liabilities of Southern Hydraulic Cylinder, Inc., (“SHC”), a Tennessee corporation. SHC manufactures, sells and services hydraulic cylinders and related components. The operations of SHC align with those of the Company, which management believes will bolster its efforts to enhance the stability of the Company’s supply chain.

The purchase price totaling approximately \$17.8 million was comprised of cash on hand and by drawing on the existing revolving credit facility.

The preliminary allocation of the consideration for the net assets acquired from the acquisition of SHC were as follows:

Sources of financing		
Cash	\$	17,802
Fair value of consideration transferred		17,802
Fair value of assets and liabilities		
Accounts receivable		2,244
Fixed assets		3,735
Inventory		3,385
Prepaid insurance		93
Total identifiable assets acquired		9,457
Assumed liabilities		630
Goodwill	\$	8,975

The acquired business contributed revenues of \$919 and earnings of \$33 to the Company for the period from June 1, 2023 to June 30, 2023. Earnings for the period include adjustments made for the elimination of intercompany sales and profits, as well as sales of finished goods recorded at market value as part of the acquisition. The following unaudited pro forma summary presents consolidated information of the Company as if the business combination had occurred on January 1, 2022.

	Pro forma for six months ended (unaudited) June 30,	
	2023	2022
Revenue	\$ 588,469	\$ 423,251
Earnings	\$ 25,742	\$ 6,272

The Company did not have any material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings.

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Company’s acquisition of Southern Hydraulic Cylinder, Inc.

The goodwill is not deductible for tax purposes.

The fair value of the assets acquired includes trade receivables of \$2,244 that are not purchased financial assets with credit deterioration. The Company does not anticipate any markdowns of trade receivables or corresponding credit losses.

The initial accounting is incomplete due to the timing of the closing in relation to this quarterly filing. The Company is still evaluating the value of certain assets acquired and will be obtaining a third-party valuation. Any adjustments to the value of assets, such as intangible assets, fixed assets or inventory, will be disclosed in future filings.

Transaction costs incurred in the acquisition were not material and were primarily related to legal, accounting and consulting services and were expensed as incurred through June 30, 2023 and are included in Selling, General and Administrative expenses in the condensed consolidated statements of operations.

The allocations of the fair value of the acquired business were based on preliminary valuations of the estimated net fair value of the assets acquired and liabilities assumed. The fair value estimates are subject to adjustment during the measurement period (up to one year from the acquisition date). The fair values of the net assets acquired are based on management's estimates and assumptions, as well as other information compiled by management. During the measurement period, we will adjust preliminary valuations assigned to assets and liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date, if any, that, if known, would have resulted in revised values for these items as of that date. The net working capital adjustment related to the acquisitions are estimated as of the closing date and will be adjusted based on that estimate. Net working capital adjustments, if any, will be recorded in other assets on the condensed consolidated balance sheet. The impact of all changes, if any, that do not qualify as measurement period adjustments are included in current period earnings.

4. BASIC AND DILUTED INCOME PER COMMON SHARE

Basic and diluted income per common share were calculated using the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Net Income	\$ 14,915	\$ 3,757	\$ 24,135	\$ 5,822
Basic and Diluted Common Shares				
Weighted Average Shares Outstanding - Basic	11,466	11,417	11,425	11,417
Dilution for Assumed Exercises of Nonvested Restricted Stock Units	60	—	52	4
Weighted Average Common Shares Outstanding - Diluted	11,526	11,417	11,477	11,421

Basic income per common share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted income per common share is calculated by dividing net income by the weighted average number of common and potential dilutive common shares outstanding. The Company uses the treasury stock method to account for the effect of nonvested restricted stock units on the computation of diluted income per share. For the three months ended June 30, 2023, 128 thousand nonvested restricted stock units would have been anti-dilutive. There were 5 thousand restricted stock units that vested in June 2023, with 29 thousand shares being issued and no shares being forfeited. For the six months ended June 30, 2023, 128 thousand of the nonvested restricted stock units would have been anti-dilutive. For the three months ended June 30, 2022, 160 thousand nonvested restricted stock units would have been anti-dilutive. For the six months ended June 30, 2022, none of the nonvested restricted stock units would have been anti-dilutive.

5. REVENUE

Substantially all of our revenue is generated from sales of towing and recovery equipment. As such, disaggregation of revenue by product line would not provide useful information because all product lines have substantially similar characteristics. However, revenue streams are tracked by the geographic location of customers. This disaggregated information is presented in the table below.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Net Sales:				
North America	\$ 272,320	\$ 185,635	\$ 530,487	\$ 379,986
Foreign	27,944	15,865	52,052	37,059
	<u>\$ 300,264</u>	<u>\$ 201,500</u>	<u>\$ 582,539</u>	<u>\$ 417,045</u>

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied. Except for certain extended service contracts on a small percentage of units sold, the Company's performance obligations are satisfied, and sales revenue is recognized when products are shipped from the Company's facilities. From time to time, revenue is recognized under a bill and hold arrangement. Recognition of revenue on bill and hold arrangements occurs when control transfers to the customer. The bill and hold arrangement must be substantive, and the product must be separately identified as belonging to the customer, ready for physical transfer, and unavailable to be used or directed to another customer.

Revenue is measured as the amount of consideration expected to be received in exchange for the transfer of products. Sales and other taxes collected concurrent with revenue-producing activities are excluded from revenue. Warranty related costs are recognized as an expense at the time products are sold and a reserve is established. Depending on the terms of the arrangement, for certain contracts the Company may defer the recognition of a portion of the consideration received because a future obligation has not yet been satisfied, such as an extended service contract. An observable price is used to determine the stand-alone selling price for separate performance obligations or a cost plus margin approach is utilized when one is not available.

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Contract liabilities primarily relate to performance obligations to be satisfied in the future. For both June 30, 2023 and December 31, 2022, contract liability balances were \$242, and are included in accrued liabilities on the condensed consolidated balance sheets. No revenue related to contract liability balances was recognized during the three and six months ended June 30, 2023, or during the three and six months ended June 30, 2022. The Company did not have any contract assets at June 30, 2023 or December 31, 2022.

The Company extends credit to customers in the normal course of business. Collections from customers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and forecasts capturing country and industry-specific economic factors. The Company also considers any specific customer collection issues. Since the Company's trade receivables are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. At origination, the Company evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On an ongoing basis, data by each major customer is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses and actual write-offs are charged against the allowance. Terms on accounts receivable vary and are based on specific terms agreed upon with each customer. Write-offs of accounts receivable were de minimis during the three and six months ended June 30, 2023 and during the three and six months ended June 30, 2022.

Trade accounts receivable are generally diversified due to the number of entities comprising the Company's customer base and their dispersion across many geographic regions. The Company also frequently monitors the creditworthiness of the customers to whom the credit is granted in the normal course of business. No one customer made up more than 10% of total Company sales during the three and six months ended June 30, 2023. Sales from one customer made up approximately 10.0% of total Company sales during the three and six months ended June 30, 2022. There were no customers with accounts receivable greater than 10% of total accounts receivable at June 30, 2023. Accounts receivable from one customer made up approximately 10% of total Company trade accounts receivable at June 30, 2023 and December 31, 2022.

6. INVENTORIES

Inventory costs include materials, labor and factory overhead. Inventories are stated at the lower of cost or net realizable value, determined on a moving average unit cost basis. Appropriate consideration is given to obsolescence, valuation and other factors in determining net realizable value. Revisions of these estimates could result in the need for adjustments. Inventories, net of reserves, at June 30, 2023 and December 31, 2022 consisted of the following:

	June 30, 2023	December 31, 2022
Chassis	\$ 14,888	\$ 18,604
Raw materials	84,729	75,934
Work in process	43,129	40,655
Finished goods	24,712	18,463
	<u>\$ 167,458</u>	<u>\$ 153,656</u>

7. LONG-TERM OBLIGATIONS

Credit Facility

The Company's current loan agreement with First Horizon Bank, which governs its existing \$100.0 million unsecured revolving credit facility with a maturity date of May 31, 2027, contains customary representations and warranties, events of default, and financial, affirmative and negative covenants for loan agreements of this kind. The credit facility restricts the payment of cash dividends if the payment would cause the Company to be in violation of the minimum tangible net worth test or the leverage ratio test in the loan agreement, among various other customary covenants. The Company has been in compliance with these covenants throughout 2022 and during the first six months of 2023, and it is anticipated that the Company will continue to be in compliance for the foreseeable future.

In absence of a default, all borrowings under the credit facility bear interest at the one month Term SOFR Rate plus 1.00% or 1.25% per annum, depending on the leverage ratio. The Company pays a non-usage fee under the current loan agreement at a rate per annum equal to between 0.15% and 0.35% of the unused amount of the credit facility, which fee is paid quarterly.

The Company retained \$60.0 million in outstanding borrowings under its credit facility at June 30, 2023. At June 30, 2023 and December 31, 2022, the Company had cash and temporary investments of \$30,502 and \$40,153, respectively.

8. COMMITMENTS AND CONTINGENCIES

Leasing Activities

The Company leases certain equipment and facilities under long-term non-cancellable operating and finance lease agreements. The leases expire at various dates through 2027. Certain of the lease agreements contain renewal options. For those leases that have renewal options, the Company included these renewal periods in the lease term if the Company determined it was reasonably certain to exercise the renewal option. Lease payments during such renewal periods were also considered in the calculation of right-of-use assets and lease obligations.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. Lease obligations are recognized at the commencement date based on the present value of lease payments over the lease term. Right-of-use assets are recognized at the commencement date as the initial measurement of the lease liability, plus payments made prior to lease commencement and any initial direct costs. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Expense is recognized on a straight-line basis over the lease term for operating leases. For finance leases, expense is recognized as the expense from straight-line amortization of the right-of-use asset plus the periodic interest expense from the lease obligation. Short-term leases have a lease term of twelve months or less. The Company recognizes short-term leases on a straight-line basis and does not record a related right-of-use asset or lease obligation for such contracts.

Right-of-use assets related to finance leases are included as a component of property, plant and equipment, net on the condensed consolidated balance sheets.

A maturity analysis of the undiscounted cash flows of operating lease obligations is as follows:

	Operating Lease Obligation
Remaining lease payments to be paid during the year ended December 31,	
2023	\$ 173
2024	310
2025	256
2026	98
2027	2
Thereafter	—
Total lease payments	839
Less imputed interest	(32)
Lease obligation at June 30, 2023	\$ 807

The lease cost and certain other information during the three and six months ended June 30, 2023 and 2022 were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Lease Cost				
Finance lease cost:				
Amortization of right-of-use assets	\$ 6	\$ 5	\$ 15	\$ 10
Interest on lease obligation	2	—	3	1
Total finance lease cost	8	5	18	11
Total long-term operating lease cost	92	99	180	205
Total short-term operating lease cost	83	117	169	283
Total lease cost	\$ 183	\$ 221	\$ 367	\$ 499
Other Information				
Cash paid for amounts included in the measurement of lease obligation:				
Operating cash flows from operating leases	\$ 92	\$ 99	\$ 180	\$ 206
Financing cash flows from finance leases	—	5	—	11
Right-of-use assets obtained in exchange for new operating lease obligations	—	37	—	68

The weighted average remaining lease term for operating leases at June 30, 2023 was 2.6 years. The weighted average remaining lease term for operating leases at December 31, 2022 was 3.7 years. The weighted average discount rate for operating leases at June 30, 2023 was 3.2%. The weighted average discount rate for operating leases at December 31, 2022 was 3.9%. The Company's subsidiary in the United Kingdom leased facilities used for manufacturing and office space from a related party with related lease costs during the three months ended June 30, 2023 and 2022 of \$51 and \$53, respectively, and related lease costs during the six months ended June 30, 2023 and 2022 of \$101 and \$108, respectively. The Company's French subsidiary leased a fleet of vehicles from a related party with related lease costs of \$54 and \$38 during the three months ended June 30, 2023 and 2022, respectively, and related lease costs of \$111 and \$71 during the six months ended June 30, 2023 and 2022.

Other Commitments

At June 30, 2023 and December 31, 2022, the Company had commitments of approximately \$10,062 and \$6,351, respectively, for construction and acquisition of property, plant and equipment. The Company migrated its enterprise resource planning (ERP) system to a multi-tenant cloud environment in 2021 and is continuing to implement additional modules such as enterprise performance management, human capital management, data analytics and the use of artificial intelligence. Related to the continuing implementation project, at June 30, 2023 and December 31, 2022, the Company had commitments of approximately \$1,378 and \$2,565, respectively, in software license fees payable in installments through 2025.

Contingencies

The Company has entered into arrangements with third-party lenders where it has agreed, in the event of default by a distributor within the independent distributor network, to repurchase from the third-party lender Company products repossessed from the independent distributor customer. These arrangements are typically subject to a maximum repurchase amount. The maximum amount of collateral that the Company could be required to purchase was approximately \$118,042 at June 30, 2023, and \$74,122 at December 31, 2022. The increase during 2023 is due to increases in sales and supply chain issues that delay payment until all parts and components are received. The Company's risk under these arrangements is mitigated by the value of the products that would be repurchased as part of the transaction. The Company considered the fair value at inception of its commitment under these arrangements and concluded that there is no probable loss associated with these potential repurchase obligations and thus no associated liability was recognized at June 30, 2023 or December 31, 2022.

The Company is, from time to time, a party to litigation arising in the normal course of its business. Litigation is subject to various inherent uncertainties, and it is possible that some of such matters could be resolved unfavorably to the Company, which could result in substantial damages against the Company. The Company establishes accruals for matters that are probable and reasonably estimable and maintains product liability and other insurance that management believes to be adequate. Management believes that any liability that may ultimately result from the resolution of any such matters in excess of available insurance coverage and accruals will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

9. INCOME TAXES

As of June 30, 2023, the Company had no federal net operating loss carryforwards. State net operating loss carryforwards were \$1,366 at June 30, 2023.

10. CORRECTION OF PRIOR PERIOD ERRORS

As previously disclosed in Note 11 to the Company's consolidated financial statements as of and for the fiscal year ended December 31, 2022, the Company identified prior period accounting errors that the Company concluded were not material to the Company's previously reported consolidated financial statements and unaudited interim condensed consolidated financial statements. The financial reporting periods affected by these errors include the Company's previously reported consolidated financial statements for the fiscal years ended December 31, 2021, and the Company's previously reported unaudited interim condensed consolidated financial information for each of the quarterly and fiscal year-to-date periods in the fiscal year ended December 31, 2022 (collectively the "previously reported financial statements").

Based on management's evaluation of the accounting errors under the SEC Staff's Accounting Bulletins Nos. 99 ("SAB 99") and 108 ("SAB 208") and interpretations thereof, the Company concluded the errors were not material, on an individual or aggregate basis, to the Company's previously reported financial statements. The errors originated many years ago, were less than 3.6% of the impacted accounts, and did not materially impact ratios or amounts relied upon by users of the financial statements. However, the Company further concluded the accounting errors could not be corrected as an out-of-period adjustment in the Company's current period consolidated financial statements as of and for the year ended December 31, 2022, because to do so would cause a material misstatement in those financial statements. Accordingly, the Company proceeded according to the guidance prescribed by SAB 108 which specifies that the errors must be corrected the next time the previously reported financial statements are filed. Therefore, the Company corrected these accounting errors in all of the Company's previously reported annual and interim consolidated financial statements impacted by the errors, which includes the accompanying unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2023.

	June 30, 2022		
	As Reported	Adjustment	Revised
Property, plant and equipment, net	\$ 113,550	\$ (1,203)	\$ 112,347
Accounts payable	137,702	2,717	140,419
Accumulated surplus	143,631	(3,920)	139,711

	December 31, 2021		
	As Reported	Adjustment	Revised
Property, plant and equipment, net	\$ 96,496	\$ (1,203)	\$ 95,293
Accounts payable	119,029	2,717	121,746
Accumulated surplus	141,918	(3,920)	137,998

11. SUBSEQUENT EVENTS

Dividends

On August 7, 2023, the Board of Directors (the “Board”) of the Company declared a quarterly cash dividend of \$0.18 per share. The dividend is payable September 11, 2023, to shareholders of record as of September 1, 2023.

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

The following discussion of our results of operations and financial condition should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements and other information presented in our Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2022. Unless the context indicates otherwise, all dollar amounts in this Management’s Discussion and Analysis of Financial Condition and Results of Operations are in thousands.

Company Background

Miller Industries, Inc. is The World’s Largest Manufacturer of Towing and Recovery Equipment®, with domestic manufacturing subsidiaries in Tennessee and Pennsylvania, and foreign manufacturing subsidiaries in France and the United Kingdom. We offer a broad range of equipment to meet our customers’ design, capacity and cost requirements under our Century®, Vulcan®, Challenger®, Holmes®, Champion®, Chevron™, Eagle®, Titan®, Jige™ and Boniface™ brand names. In this Item 2 – “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the words “Miller Industries,” “the Company,” “we,” “our,” “ours” and “us” refer to Miller Industries, Inc. and its subsidiaries or any of them.

Our management focuses on a variety of key indicators to monitor our overall operating and financial performance. These indicators include measurements of revenue, operating income, gross margin, net income, earnings per share, capital expenditures and cash flow.

We derive revenues primarily from product sales made to our network of domestic and foreign independent distributors. Our revenues are sensitive to a variety of factors including general economic conditions as well as demand for, and price of, our products, our technological competitiveness, our reputation for providing quality products and reliable service, competition within our industry, and the cost and availability of purchased component parts, truck chassis and raw materials (including aluminum, steel and petroleum-related products).

Our history of innovation in the towing and recovery industry has been an important factor behind our growth over the last decade and we believe that our continued emphasis on research and development will be a key factor in our future growth. We opened a free-standing R&D facility in Chattanooga in 2019, where we pursue various innovations in our products and manufacturing processes, some of which are intended to enhance the safety of our employees and reduce our environmental impact. In addition, our recent domestic plant expansion and modernization projects have installed sophisticated robotics and implemented other advanced technologies to increase our production capacity and optimize our manufacturing processes. These projects were completed during the period from 2017 to 2021 at a cost of over \$82,000. We completed phase one of the implementation of an enterprise software solution during 2021, and we continued to implement additional functionality available in the solution in 2022 and 2023. We expect this software to substantially improve our administrative efficiency and customer service levels. As we retain our focus toward modernization, we expect to continue to invest in robotics and automated material handling equipment across all of our domestic manufacturing facilities.

During the second quarter of 2023, the Company drew \$20,000 for working capital needs from its primary credit facility and has since reduced the balance by \$5,000. As of July 31, 2023, the balance on its credit facility remains at \$60,000.

On May 31, 2023, the Company acquired substantially all of the assets and assumed certain liabilities of Southern Hydraulic Cylinder, Inc., (“SHC”), a Tennessee corporation. SHC manufactures, sells and services hydraulic cylinders and related components. The operations of SHC align with those of the Company, which management believes will bolster its efforts to enhance the stability of the Company’s supply chain. The purchase price totaling approximately \$17.8 million was comprised of cash on hand and by drawing on the existing revolving credit facility. See Note 3 to the Condensed Consolidated Financial Statements contained in this Report.

Key Factors Affecting Operating Results

Our industry is, and will continue to be, cyclical in nature, and the overall demand for our products and our resulting revenues are influenced by a variety of factors, including:

- levels of consumer confidence;
- domestic and international capital and credit markets and the availability and affordability of financing, including floor plan financing, for our customers and towing operators;
- fuel and insurance costs, and macro-economic conditions such as broad-based inflation, and their effect on the ability of our customers to purchase towing and related equipment; and

- the overall effects of global, political, economic and health conditions.

We remain concerned about the continuing effects of these factors on the towing and recovery industry, and we continue to monitor our overall cost structure to see that it remains in line with business conditions.

We have been and will continue to be affected by the availability of, and changes in the prices that we pay for component parts and raw materials, particularly aluminum, steel and petroleum-related products, which represent a substantial part of our total cost of operations.

Recent Trends and Outlook

The first half of 2022 was marked by continued challenges recovering from the global COVID-19 pandemic in the form of inflationary cost pressures in both raw materials and labor, as well as persistent supply chain disruptions that collectively had a materially adverse impact on our financial performance. We took pricing actions to offset these inflationary cost pressures, while continuing to execute against our strategic initiatives such as our ERP implementation, enterprise software upgrades, and other operational and productivity improvement initiatives aimed at reducing our expenses as a percentage of net sales. We also continued to invest in our inventory in the form of critical parts and in goods near completion, in order to fulfil orders of finished goods as soon as the necessary parts became available.

In the latter part of 2022 and continuing during 2023, our strong backlog allowed revenues to increase as parts became more available due to supply chain improvement and actions that we took to diversify and increase the flexibility of our supply chain. Gross margin also steadily improved due to our pricing actions, productivity improvements and the stabilizing of raw material costs. These trends accelerated in the first and second quarters of 2023, resulting in substantially increased revenues and net income for the period.

Based on our strong backlog, the price increases and productivity improvements we have implemented, lessening supply chain disruptions and easing inflationary pressures, we believe we are well positioned to continue enhancing our operating results. However, our performance will be heavily influenced by, among other things, whether supply chain constraints and inflationary pressures continue to lessen or worsen, the continuing impact of the war in Ukraine or other geopolitical factors, and the threat of recession and general economic factors. The impact of these factors remains largely out of our control, and we currently anticipate that these factors will continue to have an adverse impact on our production capabilities, financial results and cash flow over the remainder of 2023.

Critical Accounting Policies

Our condensed consolidated financial statements are prepared in accordance with GAAP, which require us to make estimates. Certain accounting policies are deemed “critical,” as they require management’s highest degree of judgment, estimations and assumptions. The accounting policies deemed to be most critical to our financial position and results of operations are those related to accounts receivable, inventory, long-lived assets, warranty reserves, revenues, and income taxes. There have been no significant changes in our critical accounting policies during the six months of fiscal 2023.

For additional information, refer to our summary of significant accounting policies in Note 2 of the "Notes to Consolidated Financial Statements" in Part IV, Item 15 and "Critical Accounting Policies" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022.

Results of Operations – Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

Net sales for the three months ended June 30, 2023 increased 49.0% to \$300,264 from \$201,500 for the comparable period in 2022. The increase in revenue is the result of the realization of price increases and increases in production volume across all our product categories due to supply chain improvements and continued strong customer demand. Net domestic sales increased during the three months ended June 30, 2023 to \$272,320 from \$185,635 for the comparable period in 2022, while net foreign sales increased to \$27,944 from \$15,865 during the same three-month period.

Costs of operations for the three months ended June 30, 2023 increased 42.2% to \$260,335 from \$183,126 for the comparable period in 2022, due to increased deliveries. Costs of operations decreased as a percentage of sales to 86.7%, compared to 90.9% for the comparable period in 2022, primarily due to the recognition of price increases on sales to customers that offset higher input costs.

Selling, general and administrative expenses for the three months ended June 30, 2023 increased to \$19,480 from \$12,651 for the comparable period in 2022 due to increased expenses associated with increased sales volumes, as well as additional executive compensation expense as discussed in the 8-K filed in April 2023 and approximately \$1,010 in increased professional and legal fees associated with recent investor activity discussed in the 8-K filed in March 2023. As a percentage of sales, selling, general and administrative expenses for the three months ended June 30, 2023 increased to 6.5% from 6.3% in the comparable period in 2022.

Interest expense, net increased to \$1,700 from \$628 for the three months ended June 30, 2023 as compared to the prior year period. Increases in interest expense, net was primarily due to increases in floor plan interest payments, increased borrowings on our credit facility and increased interest rates.

For the three months ended June 30, 2023 the Company recognized a net foreign currency exchange gain of \$273, compared to a net loss of \$311 for the three months ended June 30, 2022, reflecting foreign currency gains and loss on transactions denominated in a currency other than the local entity's functional currency.

The provision for income taxes for the three months ended June 30, 2023 and 2022 reflects a combined effective U.S. federal, state and foreign tax rate of 21.4% and 22.1%, respectively. The principal differences between the federal statutory tax rate and the effective tax rate consist primarily of state taxes, domestic tax credits, and tax differences on foreign earnings.

Results of Operations – Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Net sales for the six months ended June 30, 2023 increased 39.7% to \$582,539 from \$417,045 for the comparable period in 2022. The increase in revenue is the result of the realization of price increases and increases in production volume across all our product categories due to supply chain improvements and continued strong customer demand. Net domestic sales increased during the six months ended June 30, 2023 to \$530,487 from \$379,986 for the comparable period in 2022, while net foreign sales increased to \$52,052 from \$37,059 during the same six-month period.

Costs of operations for the six months ended June 30, 2023 increased 33.6% to \$512,194 from \$383,331 for the comparable period in 2022, due to increased deliveries. Costs of operations decreased as a percentage of sales to 87.9%, compared to 91.9% for the comparable period in 2022, primarily due to the recognition of price increases on sales to customers that offset higher input costs.

Selling, general and administrative expenses for the six months ended June 30, 2023 increased to \$37,403 from \$25,037 for the comparable period in 2022 due to increased expenses associated with increased sales volumes, as well as additional executive compensation expense as discussed in the 8-K filed in April 2023 and approximately \$2,506 in increased professional and legal fees associated with recent investor activity discussed in the 8-K filed in March 2023. As a percentage of sales, selling, general and administrative expenses for the six months ended June 30, 2023 increased to 6.4% from 6.0% in the comparable period in 2022.

Interest expense, net increased to \$2,713 from \$1,046 for the six months ended June 30, 2023 as compared to the prior year period. Increases in interest expense, net were primarily due to increased borrowings on our credit facility, increased interest rates and increases in floor plan interest payments.

For the six months ended June 30, 2023 the Company recognized a net foreign currency exchange gain of \$611, compared to a net loss of \$363 for the six months ended June 30, 2022, reflecting foreign currency gains and loss on transactions denominated in a currency other than the local entity's functional currency.

The provision for income taxes for the six months ended June 30, 2023 and 2022 reflects a combined effective U.S. federal, state and foreign tax rate of 21.6% and 20.3%, respectively. The higher year over year rate was due to favorable tax adjustments in foreign tax jurisdictions in the prior year. The principal differences between the federal statutory tax rate and the effective tax rate consist primarily of state taxes, domestic tax credits, and tax differences on foreign earnings.

Liquidity and Capital Resources

Cash provided by operating activities was \$2,681 for the six months ended June 30, 2023, compared to cash used in operating activities of \$34,827 in the comparable period in 2022. Cash provided by or used in operating activities is generally attributable to the receipt of payments from our customers as settlement of their contractual obligation once we have fulfilled all performance obligations related to our contracts with them. These cash receipts are netted with payments for purchases of inventory, materials used in manufacturing, and other expenses that are necessary in the ordinary course of our operations, such as utilities and taxes. The change in net cash flows from operating activities during the six months ended June 30, 2023, in comparison to the six months ended June 30, 2022, is primarily due to increased net income and a stabilization of changes in operating assets and liabilities as a result of improved availability of purchased components.

Cash used in investing activities was \$24,173 for the six months ended June 30, 2023 compared to \$22,832 for the comparable period in 2022. The cash used in investing activities for the six months ended June 30, 2023 was primarily for the purchase of SHC. (See Note 3 to the Condensed Consolidated Financial Statements contained in this Report).

Cash provided by financing activities was \$10,881 for the six months ended June 30, 2023, compared to cash provided by financing activities of \$35,880 for the comparable period in 2022. Net cash flows provided by financing activities for the six months ended June 30, 2023 resulted from advances under the Company's primary credit facility, offset by the payment of cash dividends.

As of June 30, 2023, we had cash and temporary investments of \$30,502, and an additional \$40,000 in available borrowings under our existing credit facility. Our primary cash requirements include working capital, capital expenditures, the funding of any declared cash dividends and principal and interest payments on indebtedness. At June 30, 2023, the Company had commitments of approximately \$10,062 for the acquisition of property, plant and equipment. At June 30, 2023, we also had a commitment of approximately \$1,378 in software license fees related to the implementation of our enterprise software solution.

We expect our primary sources of cash to be cash flows from operations, cash and temporary investments on hand at June 30, 2023 and borrowings under our credit facility as needed. We expect these sources to be sufficient to satisfy our cash needs for at least the next year. However, our ability to satisfy our cash needs will substantially depend upon several factors, including our future operating performance, taking into account the supply chain, economic and other factors discussed above and elsewhere in this Quarterly Report on Form 10-Q, as well as financial, business and other factors, many of which are beyond our control.

As of June 30, 2023 and December 31, 2022, \$19,930 and \$18,254, respectively, of the Company's cash and temporary investments were held by foreign subsidiaries and their holdings are generally based in the local currency.

Credit Facilities and Other Obligations

Credit Facility

The Company's current loan agreement with First Horizon Bank, which governs its existing \$100.0 million unsecured revolving credit facility with a maturity date of May 31, 2027, contains customary representations and warranties, events of default, and financial, affirmative and negative covenants for loan agreements of this kind. The credit facility restricts the payment of cash dividends if the payment would cause the Company to be in violation of the minimum tangible net worth test or the leverage ratio test in the loan agreement, among various other customary covenants. The Company has been in compliance with these covenants throughout 2022 and during the first half of 2023, and it is anticipated that the Company will continue to be in compliance for the foreseeable future.

In absence of a default, all borrowings under the credit facility bear interest at the one month Term SOFR Rate plus 1.00% or 1.25% per annum, depending on the leverage ratio. The Company pays a non-usage fee under the current loan agreement at a rate per annum equal to between 0.15% and 0.35% of the unused amount of the credit facility, which fee is paid quarterly.

The Company had \$60,000 and \$45,000 in outstanding borrowings under its credit facility at June 30, 2023 and December 31, 2022, respectively. During the second quarter of 2023, the Company drew \$20,000 for working capital needs from its primary credit facility and has since reduced the balance by \$5,000. As of July 31, 2023, the balance on its primary credit facility remains at \$60,000.

Other Long-Term Obligations

Prior to applying a discount rate to our lease liabilities, at June 30, 2023 and December 31, 2022, we had approximately \$838 and \$926 in non-cancelable operating lease obligations, respectively. We had no non-cancelable finance lease obligations as of June 30, 2023 and \$10 as of December 31, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk from changes in interest rates and foreign currency exchange rates that could impact our results of operations and financial position.

Interest Rate Risk

Changes in interest rates affect the interest paid on indebtedness under the credit facility because outstanding amounts of indebtedness under the credit facility are subject to variable interest rates. Under the credit facility, the non-default rate of interest is equal to the one month Term SOFR plus 1.00% or 1.25% per annum, depending on the leverage ratio, for a rate of interest of 6.3% at June 30, 2023. A one percent change in the interest rate on our variable-rate debt would not have materially impacted our financial position, results of operations or cash flows as of and for the six months ended June 30, 2023.

Foreign Currency Exchange Rate Risk

We are subject to risk arising from changes in foreign currency exchange rates related to our international operations in Europe. We manage our exposure to our foreign currency exchange rate risk through our regular operating and financing activities. Additionally, from time to time, we enter into certain forward foreign currency exchange contracts.

Because we report in U.S. dollars on a consolidated basis, foreign currency exchange fluctuations have a translation impact on our financial position and results of operations. During the three and six months ended June 30, 2023, we recognized unrealized gains of \$837 and \$1,816, respectively in our foreign currency translation equity adjustment account because of the fluctuations in valuation of the U.S. dollar against the Euro and British pound. During the three and six months ended June 30, 2022, we recognized unrealized losses of \$2,305 and \$2,280, respectively. These amounts were recognized in accumulated other comprehensive loss on the condensed consolidated balance sheets.

For the three months ended June 30, 2023 and 2022, the impacts of foreign currency exchange rate changes on our results of operations and cash flows were net foreign currency exchange gains of \$273 and losses of \$311, respectively. For the six months ended June 30, 2023 and 2022, the impacts of foreign currency exchange rate changes on our results of operations and cash flows were net foreign currency exchange gains of \$611 and losses of \$363, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q, under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-14(c) under the Securities Exchange Act of 1934. Based upon this evaluation, our CEO and CFO have concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Changes in Internal Control over Financial Reporting

There were no significant changes in our internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are, from time to time, a party to litigation arising in the normal course of our business. Litigation is subject to various inherent uncertainties, and it is possible that some of such matters could be resolved unfavorably to us, which could result in substantial damages against us. We establish accruals for matters that are probable and reasonably estimable and maintain product liability and other insurance that management believes to be adequate. Management believes that any liability that may ultimately result from the resolution of any such matters in excess of available insurance coverage and accruals will not have a material adverse effect on our consolidated financial position or results of operations.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Fourth Amended & Restated Bylaws

On August 7, 2023, the Board, upon the recommendation of the Nominating and Governance Committee, adopted and approved, effective immediately, the Fourth Amended and Restated Bylaws of the Company (the “Bylaws”), which amended (i) Section 1.1 (Annual Meeting) to expressly authorize virtual and hybrid annual meetings; (ii) Section 1.2 (Notice of Nominations) to include more detailed requirements for shareholder nominations of director candidates; (iii) Sections 1.7 and 2.6 (Conduct of Meetings) to align with current practices; and (iv) Section 2.10 (Resignation; Removal of Directors) to clarify when a Form 8-K is triggered. The foregoing description is not intended to be a complete description of all changes to the Bylaws and is qualified in its entirety by the Bylaws, which are attached hereto as Exhibit 3.1 and incorporated herein by reference.

Lead Independent Director

On August 7, 2023, the Board, upon the recommendation of the Nominating & Governance Committee, amended the Company’s Corporate Governance Guidelines to provide for a lead independent director and elected Theodore H. Ashford to such position, effective immediately. Mr. Ashford has been a director of the Company since 2010. He does not currently serve as chair of any committee of the Board.

The Lead Independent Director’s primary responsibilities will include, among others, (a) acting as a liaison between the independent directors, the Chairperson and the Chief Executive Officer, (b) presiding over meetings of the non-management directors, (c) providing input to the Chairperson and the CEO on the frequency of Board meetings, the content of Board meeting agendas, and the quality, quantity, appropriateness and timeliness of information provided to the Board, and (d) performing such other functions as may be requested by the Board, the Chairperson or the CEO. The establishment of a Lead Independent Director with robust function, authority and responsibilities reflects the Board’s commitment to strong corporate governance. The complete responsibilities of the Lead Independent Director are specified in the Company’s Corporate Governance Guidelines, which are available on the investor relations portion of the Company’s website.

Change in Control Plan

On April 11, 2023, the Compensation Committee of the Board, as part of its comprehensive review of executive compensation and with the assistance of its independent compensation consultant, adopted and approved the Company's Change in Control Severance Plan (the "Plan"), effective April 11, 2023, as disclosed in the Current Report on Form 8-K filed with the SEC on April 17, 2023.

The foregoing description is qualified in its entirety by the Plan, which is attached hereto as Exhibit 10.1.

ITEM 6. EXHIBITS

	Description	Incorporated by Reference to Registration File Number	Form or Report	Date of Report	Exhibit Number in Report
3.1	Fourth Amended and Restated Bylaws of the Registrant*				
10.1	Change in Control Severance Plan of the Registrant*				
31.1	Certification Pursuant to Rules 13a-14(a)/15d-14(a) by Chief Executive Officer*				
31.2	Certification Pursuant to Rules 13a-14(a)/15d-14(a) by Chief Financial Officer*				
32.1	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of United States Code by Chief Executive Officer±				
32.2	Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of United States Code by Chief Financial Officer±				
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, has been formatted in Inline XBRL.

* Filed herewith

± Exhibit is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subjected to the liabilities of that Section. This exhibit shall not be incorporated by reference into any given registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Miller Industries, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MILLER INDUSTRIES, INC.

By: /s/ Deborah L. Whitmire

Deborah L. Whitmire

Executive Vice President, Chief Financial Officer and
Treasurer

Date: August 9, 2023

CERTIFICATIONS

I, William G. Miller II, certify that:

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

Date: August 9, 2023

/s/ William G. Miller II

William G. Miller II

President and Chief Executive Officer

CERTIFICATIONS

I, Deborah L. Whitmire, certify that:

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

Date: August 9, 2023

/s/ Deborah L. Whitmire

Deborah L. Whitmire

Executive Vice President, Chief Financial Officer and Treasurer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, William G. Miller II, President and Chief Executive Officer of Miller Industries, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350 as adopted by § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2023

/s/ William G. Miller II

William G. Miller II

President and Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Deborah L. Whitmire, Executive Vice President, Chief Financial Officer and Treasurer of Miller Industries, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350 as adopted by § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2023

/s/ Deborah L. Whitmire

Deborah L. Whitmire

Executive Vice President, Chief Financial Officer and Treasurer

**FOURTH AMENDED AND RESTATED BYLAWS
OF
MILLER INDUSTRIES, INC.**

(as amended and restated August 7, 2023)

ARTICLE I

SHAREHOLDERS

Section 1.1 Annual Meeting. The annual meeting of the shareholders of Miller Industries, Inc. (the “Corporation”) shall be held at the principal office of the Corporation in the State of Tennessee or at such other place, if any, within or without the State of Tennessee as may be determined by the board of directors of the Corporation (the “Board of Directors” or the “Board”) and as shall be designated in the notice of said meeting, on such date and at such time as may be determined by the Board of Directors. The purpose of said annual meeting shall be to elect directors and transact such other business as may properly be brought before the meeting. The Board may, in its sole discretion, determine that any annual meeting of shareholders may be held solely by means of remote communication or held both at a designated physical place and by means of remote communication so long as shareholders participating may simultaneously hear each other during the meeting.

Section 1.2 Notice of Nominations. Nominations for the election of directors may be made by the Board of Directors or a committee thereof authorized to make such nominations or by any shareholder entitled to vote in the election of directors generally. Any such shareholder nomination may be made only if written notice of such nomination has been given, either by personal delivery or by United States mail, postage prepaid, to, and received by, the Secretary of the Corporation (the “Secretary”) at the principal executive offices of the Corporation not later than with respect to an election to be held at an annual meeting of shareholders, not less than ninety (90) nor more than one hundred twenty (120) days in advance of such meeting, and with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to shareholders. In no event shall any adjournment or postponement of an annual or special meeting of shareholders, or the public disclosure thereof, commence a new time period for the giving of a shareholder’s notice for a director nomination as described above. In the case of any nomination by the Board of Directors or a committee thereof authorized to make such nominations, compliance with the proxy rules of the Securities and Exchange Commission (the “Commission”) shall constitute compliance with the notice provisions of the preceding sentence.

In the case of any nomination by a shareholder, each such notice shall set forth: as to each person whom the shareholder proposes to nominate for election or re-election as a director, the name, age, business address and residence address of such person, the principal occupation or employment of such person, the class and number of shares of the Corporation which are beneficially owned by such person, any other information relating to such person that is required to be disclosed in solicitations of proxies with respect to nominees for election as directors, pursuant to applicable Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (including without limitation such person’s written consent to being named in the proxy statement as a nominee and to serving as a director, if elected), and a written questionnaire (in the form provided by the Secretary upon written request of the shareholder giving such notice by registered mail at least ten (10) days prior to

the submission of such shareholder's notice in compliance with this Section 1.2) with respect to the background and qualification of each such person whom such shareholder proposes to nominate for election or re-election as a director and the background of any other person or entity on whose behalf the nomination is being made; as to the shareholder giving the notice, the name and address, as they appear on the Corporation's books, of such shareholder, the class and number of shares of the Corporation which are beneficially owned by such shareholder, a representation that the shareholder is a record or beneficial holder of at least one percent (1%) or \$1,000 in market value of stock of the Corporation entitled to vote at such meeting, has held such stock for at least one year and shall continue to own such stock through the date of such meeting, and intends to appear in person or by proxy at the meeting to present the nomination; and a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder. The Chairperson of the meeting (as defined in Section 1.7) may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Any shareholder or beneficial owner, if any, or any of their respective affiliates, associates, or others acting in concert therewith, directly or indirectly soliciting proxies for the election of directors must use a proxy card color other than white, which color shall be reserved for exclusive use by the Corporation. If a shareholder or beneficial owner, if any, or any of their respective affiliates, associates, or others acting in concert therewith intend to solicit proxies in support of any director nominee other than the Corporation's nominees, such person shall, in addition to the requirements of this Section 1.2: deliver to the Corporation, no later than the earlier of the time provided in this Section 1.2 or the time provided in Rule 14a-19 of the Exchange Act, the notice and other information required in Rule 14a-19 of the Exchange Act; and deliver to the Corporation, no later than five (5) business days prior to the applicable meeting of shareholders, reasonable evidence that it (including any others acting in concert with it) has met the requirements of Rule 14a-19 of the Exchange Act with respect to such nominees. Unless otherwise required by law, if any shareholder provides notice in compliance with Rule 14a-19(b) of the Exchange Act and subsequently fails to comply with any requirement of Rule 14a-19 of the Exchange Act, or any other rules or regulations thereunder, or fails to timely provide the evidence described in the preceding clause (b), then the Corporation shall disregard any proxies or votes solicited for such nominees, and such nominations shall be disregarded.

Section 1.3 Notice of New Business. At an annual meeting of the shareholders only such new business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before the meeting. To be properly brought before the annual meeting such new business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, otherwise properly brought before the meeting by or at the direction of the Board of Directors, or otherwise properly brought before the meeting by a shareholder who is a shareholder of record at the time of giving of notice provided for in this Section 1.3 and at the time of the meeting, is entitled to vote at such meeting and complies with the procedures set forth in this Section 1.3. For a proposal to be properly brought before an annual meeting by a shareholder, the shareholder must have given prior written notice thereof that must be received by the Secretary of the Corporation at the principal offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the such annual meeting of shareholders of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation.

A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting a reasonably detailed description of the proposal desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; the text of the proposal (including the text of any resolutions proposed for consideration), which is not to exceed 500 words, and in the event that such proposal is to amend these Bylaws of the Corporation, as amended (these "Bylaws") or the Charter of the Corporation, as amended (the "Charter"), the language of the proposed amendment; the name and address, as they appear on the Corporation's books, of the shareholder proposing such business; the class and number of shares of the Corporation which are beneficially owned by the shareholder; a representation that the shareholder is a holder of at least one percent (1%) or \$1,000 in market value of stock of the Corporation entitled to vote at such meeting, has held such stock for at least one year and shall continue to own such stock through the date of such meeting, and intends to appear in person or by proxy at the meeting to present the proposal specified in the notice; a reasonably detailed description of any financial or other material interest, direct or indirect, of the shareholder in such proposal, including any anticipated benefit therefrom to be received by the shareholder; and any other information relating to the proposed business that is required to be disclosed under applicable law.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 1.3. The Chairperson of the meeting shall, if the facts warrant, determine and declare to the meeting that new business or any shareholder proposal was not properly brought before the meeting in accordance with the provisions of this Section 1.3, and if the Chairperson should so determine, the Chairperson shall so declare to the meeting and any such business or proposal not properly brought before the meeting shall not be acted upon at the meeting. This provision shall not prevent the consideration and approval or disapproval at the annual meeting of reports of officers, directors and committees, but in connection with such reports no new business shall be acted upon at such annual meeting unless stated and filed as herein provided.

Notwithstanding the foregoing provisions of this Section 1.3, the shareholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.3. Nothing in these Bylaws shall be deemed to affect any rights of a shareholder to request inclusion of proposals in the Corporation's proxy statement in compliance with Rule 14a-8 under the Exchange Act.

Section 1.4 Special Meetings. Special meetings of the shareholders shall be held at the principal office of the Corporation in the State of Tennessee or at such other place, if any, within or without the State of Tennessee as may be designated from time to time by the Board of Directors. Whenever the Board of Directors shall fail to fix such place, or, whenever shareholders entitled to call a special meeting shall call the same, the meeting shall be held at the principal office of the Corporation in the State of Tennessee. The Board may, in its sole discretion, determine that any special meeting of shareholders may be held solely by means of remote communication or held both at a designated physical place and by means of remote communication so long as shareholders participating may simultaneously hear each other during the meeting.

Special meetings of the shareholders shall be held only upon call of the Chairperson of the Board of Directors (the "Chairperson of the Board"), a majority of the Board of Directors, or, unless the Charter otherwise provides, upon written demand(s), signed, dated and delivered to the Secretary of the Corporation at the principal executive offices of the Corporation by shareholders holding at least fifteen percent (15%) of the shares of capital stock of the

Corporation issued and outstanding and entitled to vote on any issue proposed to be considered at such special meeting; provided, however, that each such shareholder must have continuously owned all such shares of capital stock throughout the one-year period preceding, and including, the date of submission of such written demand; provided, further, that such shareholder demand or demands shall have been submitted in accordance with and in the form required by these Bylaws, at such time as may be fixed by the Secretary, and as shall be stated in the call and notice of said meeting, except when the Tennessee Business Corporation Act, as amended (the “Business Corporation Act”), confers upon the shareholders the right to demand the call of such meeting and fix the date thereof. Any written demand for a special meeting by a shareholder shall state with specificity the purpose or purposes of such meeting, including all statements necessary to make any statement of such purpose not incomplete, false or misleading, and shall include any other information required in applicable Exchange Act Rules and Regulations. The Corporation shall cause notice to be given of any special meeting demanded by a shareholder in accordance with Section 1.5 below within sixty (60) days after the Board of Directors has received such written demand and has determined that the demand complies with this Section 1.4. Business transacted at any special meeting shall be confined to the purposes stated in the notice of meeting and matters germane thereto.

Section 1.5 Notice of Meetings; Adjournment and Notice of Adjourned Meetings. The notice of all meetings of shareholders shall be in writing, shall state the date, time and place, if any, of the meeting, the means of remote communications, if any, by which shareholders may be deemed present and in person and vote at the meeting (as authorized by the Board of Directors in its sole discretion pursuant to the Business Corporation Act) and, unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. The notice of an annual meeting should state that the meeting is called for the election of directors and for the transaction of such other business as may properly come before the meeting and shall state the purpose or purposes of the meeting if any other action is to be taken at such annual meeting which could be taken at a special meeting. The notice of a special meeting shall, in all instances, indicate that it is being issued by or at the direction of the person or persons calling the meeting and state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be delivered personally, by mail, by electronic transmission or by any method of delivery permitted by the Business Corporation Act in accordance with the Business Corporation Act, not less than ten (10) days nor more than two (2) months before the date of the meeting, to each shareholder entitled to vote at such meeting (or otherwise entitled to receive notice of such meeting). Notice of any meeting of shareholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the shareholder at such shareholder’s address as it appears on the records of the Corporation and otherwise is given when delivered.

Any meeting of shareholders, whether annual or special, may be adjourned from time to time by the Chairperson of the meeting, for any reason or without reason, without notice other than announcement at the meeting. If a meeting is adjourned to another date, time or place, if any, and if any announcement of the adjourned date, time or place, if any, and the means of remote communication, if any, is made at the meeting, it shall not be necessary to give notice of the adjourned meeting unless the Board of Directors, after adjournment, fixes a new record date for the adjourned meeting, which it must do if the meeting is adjourned to a date more than four (4) months after the date fixed for the original meeting. At the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. Notice of a meeting need not be given to any shareholder who submits to the Corporation for inclusion in the minutes or filing with the corporate records a signed waiver of

notice, in person or by proxy, before or after the meeting. The attendance of a shareholder at a meeting without objection at the beginning of the meeting (or promptly upon the shareholder's arrival) to the lack of notice or defective notice of such meeting shall constitute a waiver of notice by such shareholder.

Section 1.6 Quorum. The holders of record of a majority of the outstanding shares of the Corporation entitled to vote at the meeting, present in person or by proxy, shall, except as otherwise provided by law or the Charter, constitute a quorum at a meeting of shareholders, provided that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such specified item of business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholder or for adjournment of the meeting unless a new record date is or must be set for the meeting.

Section 1.7 Conduct of Meetings. Meetings of the shareholders shall be presided over by the Chairperson of the Board, if any, and in the Chairperson's absence or inability to act, by the Chief Executive Officer, and in the Chief Executive Officer's absence or inability to act, by the President, and in the President's absence or inability to act, by such person as may be chosen by the majority of the Board (the "Chairperson of the meeting"). The Secretary of the Corporation, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the meeting shall choose any person present to act as secretary of the meeting. The officer presiding over the meeting may ask that anyone not a shareholder on the stock records of the Corporation or serving as proxy for such leave the meeting.

The Board of Directors of the Corporation may adopt such rules or regulations for the conduct of meetings of shareholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the Chairperson of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such Chairperson of the meeting, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting; rules and procedures for maintaining order at the meeting and the safety of those present; limitations on participation in such meeting to shareholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the Chairperson of the meeting shall permit; restrictions on entry to the meeting after the time fixed for the commencement thereof; limitations on the time allotted to questions or comments by participants; convening the meeting and recessing the meeting (whether or not a quorum is present); regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot; establishing rules and procedures with respect to the recess and adjournment of the meeting; and restrictions on the use of any audio or video recording devices at the meeting (including cellular phones). Unless and to the extent determined by the Board of Directors or the Chairperson of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

Section 1.8 Voting. For each share of the capital stock of the Corporation registered in the holder's name on the books of the Corporation the holder thereof shall have the number of votes per share specified in the Charter. Whenever under the provisions of the Charter any shareholder is entitled to more or less than one (1) vote for any share of capital stock of the Corporation held by such shareholder, every reference in these Bylaws to a plurality or other proportion of stock shall refer to such plurality or other proportion of the votes of such stock.

At each meeting of the shareholders, each shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such shareholder, or by such shareholder's duly authorized attorney, and bearing a date not more than eleven (11) months prior to said meeting, unless said instrument provides for a longer period. Every shareholder entitled to vote at any meeting may so vote by proxy and shall be entitled to such number of votes for each share entitled to vote and held by such shareholder as stated in the Charter. Elections of directors need not be by written ballot. Except as otherwise required by law, or the Charter, at all elections of directors, directors shall be elected by a plurality of the votes cast by those shares entitled to vote in the election. Except as otherwise required by law, or the Charter, any other action shall be authorized by a majority of the votes cast.

Section 1.9 Record Date. For the purpose of determining the shareholders entitled to notice of, to demand a special meeting, to vote or take any other action at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining the shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than seventy (70) days nor less than ten (10) days before the date of such meeting, nor more than seventy (70) days prior to any other action. If no record date is fixed, the record date for the determination of shareholders entitled to notice of, to demand a special meeting, to vote or take any other action at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if no notice is given, the day on which the meeting is held.

The record date for determining shareholders for any purpose other than that specified in the preceding clause shall be at the close of business on the day on which the resolution of the Board of Directors relating thereto is adopted. When a determination of shareholders of record entitled to notice of, to demand a special meeting, to vote or take any other action at any meeting of shareholders has been made as provided in this Section 1.9, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date under this Section 1.9 for the adjourned meeting; provided, however, if the meeting is adjourned to a date more than four (4) months after the date fixed for the original meeting, the Board of Directors shall fix a new record date.

Section 1.10 Shareholder Lists. An alphabetical list by voting group, and within each voting group by class or series of shares, of each shareholder's name, address and share ownership entitled to notice of a shareholders' meeting as of the record date, certified by the Secretary or other officer responsible for its preparation, or by the transfer agent, if any, shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors of election, if any, or the person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

Section 1.11 Proxy Representation. Every shareholder may authorize another person or persons to act for such shareholder by proxy in all matters in which a shareholder is entitled to participate, whether by waiving notice of any meeting, voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the

shareholder or such shareholder's attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by the Business Corporation Act.

Section 1.12 Inspectors. At all meetings of shareholders, the proxies and ballots shall be received, taken in charge and examined, and all questions concerning the qualification of voters, the validity of proxies and the acceptance or rejection of proxies and of votes shall be decided by two (2) inspectors of election. Such inspectors of election together with one alternate to serve in the event of death, inability or refusal by any of said inspectors of election to serve at the meeting, shall be appointed by the Board of Directors, or, if no such appointment or appointments shall have been made, then by the presiding officer at the meeting. If for any reason the inspectors of election so appointed shall fail to attend, or refuse or be unable to serve, a substitute or substitutes shall be appointed to serve as inspector or inspectors of election, in their place or stead, by the presiding officer at the meeting. No director or candidate for the office of director shall be appointed as an inspector. Each inspector shall take and subscribe an oath or affirmation faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of the inspector's ability. The inspectors, if any, shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate as to any fact found by them. Each inspector shall be entitled to reasonable compensation for such inspector's services, to be paid by the Corporation.

Section 1.13 No Written Consent of Shareholders in Lieu of Meeting. Whenever shareholders are required or permitted to take any action by vote, shareholders shall not be entitled to act by written consent in lieu of obtaining the necessary vote at a meeting, and all shareholder action must be taken by vote at a duly called meeting.

Section 1.14 Meaning of Certain Terms. As used herein in respect of the right to notice of a meeting of shareholders or a waiver thereof or to participate or vote thereat or to consent or dissent in writing in lieu of a meeting, as the case may be, the term "share" or "shareholder" or "shareholders" refers to an outstanding share or shares and to a holder or holders of record of outstanding shares, when the Corporation is authorized to issue only one (1) class of shares, and said reference is also intended to include any outstanding share or shares and any holder or holders of record of outstanding shares of any class upon which or upon whom the Charter confers such rights, where there are two (2) or more classes or series of shares, or upon which or upon whom the Business Corporation Act confers such rights, notwithstanding that the Charter may provide for more than one (1) class or series of shares, one (1) or more of which are limited or denied such rights thereunder. For purposes of these Bylaws, the term "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed or furnished by the Corporation with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

ARTICLE II

DIRECTORS

Section 2.1 Functions and Definition. The business of the Corporation shall be managed under the direction of its Board of Directors. The use of the phrase “entire Board of Directors” herein refers to the total number of directors which the Corporation would have if there were no vacancies.

Section 2.2 Qualification and Number. Each director shall be at least eighteen (18) years of age. A director need not be a shareholder, a citizen of the United States, nor a resident of the State of Tennessee. The number of directors constituting the entire Board of Directors shall be not less than nor more than the number specified in the Corporation’s Charter, such number may be fixed from time to time by action of the Board of Directors. The number of directors may be increased or decreased by action of the Board of Directors, provided that any action of the Board of Directors to effect such increase or decrease shall require the vote of a majority of the entire Board of Directors. No decrease in the number of directors shall shorten the term of any incumbent director.

Section 2.3 Election and Term. Directors shall be elected by the shareholders in the manner, and for the specific terms, as stated in the Charter.

Section 2.4 Quorum. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Except as provided otherwise herein or in the Charter, the vote of a majority of the directors present at the time of the vote, at a meeting duly assembled, a quorum being present at such time, shall be the act of the Board of Directors.

Section 2.5 Meetings: Notice. Meetings of the Board of Directors shall be held at such place within or without the State of Tennessee as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors. Special meetings of the Board may be held at any time upon the call of the Chairperson of the Board, or a majority of the entire Board of Directors, by giving notice to each director in person or by telephone, facsimile, electronic transmission, mail or other form of recorded communication not less than twenty-four (24) hours before such meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of shareholders at the same place, if any, at which such meeting is held. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. Any requirement of furnishing a notice shall be waived by any director who signs and delivers to the Corporation a waiver of notice before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. The notice of any meeting need not specify the purpose of the meeting, and any and all business may be transacted at such meeting.

Section 2.6 Conduct of Meetings. The Chairperson of the Board, if any, shall preside at all meetings of the Board of Directors, and in the Chairperson’s absence or inability to act, the Chief Executive Officer shall preside, and in the Chief Executive Officer’s absence or inability to act, the President shall preside, and in the President’s absence or inability to act,

the Lead Independent Director, if one has been appointed, and in the Lead Independent Director's absence or inability to act, such person as may be chosen by a majority of the directors present shall preside.

Section 2.7 Committees. By resolution adopted by a majority of the entire Board of Directors, the directors may designate from their number two (2) or more directors to constitute an executive committee (the "Executive Committee") and other committees, each of which, to the extent provided in the resolution designating it, shall have the authority of the Board of Directors with the exception of any authority the delegation of which is prohibited by law. A majority of any such committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, to designate alternate members of, or to discharge any such committee. All actions of the Executive Committee shall be recorded in the minutes of the Executive Committee and reported to the Board of Directors at its meeting next succeeding such action. All actions of other committees shall be recorded in the minutes of each such committee and reported to the Board of Directors (or in the case of committees appointed by the Executive Committee, to the Executive Committee) at its meeting next succeeding such action. The Board of Directors may allow members of the Executive Committee or any other committee designated by the Board of Directors or the Executive Committee a fixed fee and expenses of attendance for attendance at meetings of such committee. Members of such committees may also receive stated fees for their services as committee members as determined by the Board of Directors. Nothing herein contained shall be construed to preclude any committee member from serving the Corporation in any other capacity as officer, agent or otherwise, and receiving compensation therefor.

Section 2.8 Compensation of Directors. The Board of Directors may, by resolution, provide for payment to directors of a fixed fee for their services as directors, without regard for attendance at meetings of the Board, and for payment of expenses for attendance at such meetings. Nothing herein contained shall be construed as precluding any director from serving the Corporation in any other capacity as member of a committee, officer, agent or otherwise and receiving compensation therefor.

Section 2.9 Dividends. Subject always to the provisions of law and the Charter, the Board of Directors shall have full power to determine whether any, and if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to shareholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the shareholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall deem conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Section 2.10 Resignation; Removal of Directors. A director may resign at any time solely upon delivery of written notice to the Board of Directors, Chairperson of the Board, President or the Corporation. Such resignation shall be effective upon delivery unless it is specified to be effective at some other time or upon the happening of some other event. No

formal action shall be required of the Board or the shareholders to make any such resignation effective. Any director or directors may be removed from office as provided in the Charter.

Section 2.11 Actions Without Meetings. Any action required or permitted to be taken by the Board of Directors or by any committee thereof may be taken without a meeting if all of the members of the Board of Directors or of any such committee consent in writing to taking such action without a meeting, and the affirmative vote of the members of the Board of Directors or of any such committee that would be necessary to authorize or take such action at a meeting for the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors or of any such committee shall be filed with the minutes of the proceedings of the Board of Directors or of any such committee.

Section 2.12 Electronic Communication. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or any such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 2.13 Chairperson of the Board. The members of the Board may appoint one of their members as Chairperson of the Board, which position shall be a Board position only and not an officer position unless the Board also determines such position shall also be an officer position. The Chairperson of the Board shall preside at all meetings of the shareholders and the Board of Directors at which the Chairperson of the Board is present and shall furnish advice and counsel to the Board of Directors. The Chairperson of the Board shall exercise the powers and perform the duties usual to a chairperson of the board of a corporation, and shall have such other powers and duties as may be assigned to the Chairperson of the Board by the Board of Directors.

ARTICLE III

OFFICERS

Section 3.1 Election. The Board of Directors promptly after the election thereof held in each year, shall elect the officers of the Corporation, which shall include a President and a Secretary, and which may include a Chairperson of the Board, a Chief Executive Officer, one (1) or more Vice Presidents, a Treasurer, and a Controller, and may also include Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers, agents and employees as the Board may from time to time deem proper, who shall hold their offices for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The Board of Directors shall fix the salaries of the Chairperson of the Board, the Chief Executive Officer, the President, and Vice Presidents, the Treasurer, the Controller and the Secretary. Unless fixed by the Board of Directors or a committee thereof, the salaries of all other officers, agents and employees shall be fixed by the Chairperson of the Board, if serving, otherwise the President. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

Section 3.2 Term. The term of office of all officers shall be until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the affirmative vote of a majority of the whole Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 3.3 Duties. The officers of the Corporation shall each have such powers and duties as are set forth in these Bylaws and such additional powers and duties as from time to time may be conferred upon them by the Board of Directors, and, subject thereto, such powers and duties as generally pertain to their respective offices, and the Board of Directors may from time to time impose and confer any or all of the powers and duties hereinafter specifically prescribed for any officer upon any other officer or officers.

Section 3.4 Resignation; Removal of Officers. An officer may resign at any time solely upon delivery of notice to the Corporation. Such resignation shall be effective upon delivery unless the notice specifies a later effective date. In the event that an officer specifies in such officer's notice a later effective date, and the Corporation accepts the future effective date, the Board may fill the pending vacancy prior to the effective date; provided, however, that the Board designates that the successor officer does not take office until such effective date. No formal action shall be required of the Board or the shareholders to make any such resignation effective. Any officer may be removed from office, either with or without cause, at any time by the affirmative vote of a majority of the whole Board of Directors. Further, any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

Section 3.5 Chairperson of the Board. The Board may designate the position of Chairperson of the Board as an officer of the Corporation. The Chairperson of the Board shall exercise the powers and perform the duties usual to a chairperson of the board of a corporation, and shall have such other powers and duties as may be assigned to the Chairperson of the Board by the Board of Directors.

Section 3.6 Chief Executive Officer. The Chief Executive Officer, in the absence of the Chairperson of the Board, shall perform all duties of the Chairperson of the Board and preside at all meetings of the shareholders and the Board of Directors at which the Chief Executive Officer is present. In the absence of a Chairperson of the Board, the Chief Executive Officer shall report directly to the Board of Directors. The Chief Executive Officer shall have such other powers and duties as may be assigned to the Chief Executive Officer from time to time by the Board of Directors.

Section 3.7 President. Unless otherwise determined by the Board, the President shall be the Chief Operating Officer and shall direct the operations of the business of the Corporation, and, in the event the offices of Chief Executive Officer and President are held by different persons, shall report to the Chief Executive Officer. In the absence of a Chief Executive Officer or the Chairperson of the Board, the President shall report directly to the Board of Directors. In the absence of a Chief Executive Officer, and in the event the Board of Directors has not vested such powers in a Chairperson of the Board, the President shall be designated the Chief Executive Officer. The President shall have such other powers and duties as may be assigned to the President from time to time by the Board of Directors.

Section 3.8 Vice Presidents. The Vice Presidents shall be of such number and shall have such titles of designation as may be determined from time to time by the Board of Directors. They shall perform such duties as may be assigned to them, respectively, from time to time by the Board of Directors.

Section 3.9 Secretary. The Secretary shall give, or cause to be given, notice of all meetings of shareholders and directors, and all other notices required by law or by these Bylaws, and in the case of the Secretary's absence or refusal or neglect so to do, any such

notice may be given by any person thereunto directed by the Chairperson of the Board, or by the directors or shareholders upon whose request the meeting is called as provided in these Bylaws. The Secretary shall record all the proceedings of the meetings of shareholders, the Board of Directors and Executive Committee in a book to be kept for that purpose, and shall perform such other duties as may be assigned to the Secretary by the Board of Directors or the Chief Executive Officer. The Secretary shall have the custody of the records and the seal, if any, of the Corporation. The Secretary shall affix the seal, if any, to any instrument requiring it, when signed by a duly authorized officer or when specifically authorized by the Board of Directors or the Chairperson of the Board, and attest the same. In the absence or incapacity of the Secretary, any Assistant Secretary may affix the seal, if any, to any such instrument and attest the same.

Section 3.10 Assistant Secretaries. The Assistant Secretaries shall have such powers and shall perform such duties as may be assigned to them from time to time by the Board of Directors, the Chief Executive Officer or the Secretary.

Section 3.11 Treasurer. The Treasurer shall be responsible for establishing and executing programs providing for long- and short-term financing needs of the Corporation. The Treasurer shall establish policies for the receipt, custody and disbursement of the Corporation's monies and securities, and for investment of the Corporation's funds. The Treasurer shall perform such other duties as may be assigned to the Treasurer from time to time by the Board of Directors or the Chief Executive Officer.

Section 3.12 Assistant Treasurers. The Assistant Treasurers shall have such powers and shall perform such duties as may be assigned to them from time to time by the Board of Directors, the Chief Executive Officer or the Treasurer.

Section 3.13 Controller. The Controller shall be responsible for the development and maintenance of accounting policies and systems properly to record, report and interpret the financial position and the results of operations of the Corporation. The Controller shall be responsible for development and maintenance of adequate plans for the financial control of operations and the protection of the assets of the Corporation. The Controller shall perform such other duties as may be assigned to the Controller from time to time by the Board of Directors or the Chief Executive Officer.

Section 3.14 Assistant Controllers. The Assistant Controllers shall have such powers and shall perform such duties as may be assigned to them from time to time by the Board of Directors, the Chief Executive Officer or the Controller.

Section 3.15 Corporation as Security Holder. Unless otherwise ordered by the Board of Directors, the President, or, in the event of the President's inability to act, the Vice President designated by the Board of Directors to act in the absence of the President or, in the absence of such designation, in the order of such Vice President's seniority, shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meetings of security holders of corporations in which the Corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the Corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE IV

SHARES

Section 4.1 Shares of Stock. The shares of stock of the Corporation may be certificated or uncertificated, and may be evidenced by registration in the holder's name in uncertificated, book-entry form on the books of the Corporation in accordance with a direct registration system; provided, that the Board may authorize the issuance of some or all of any or all classes or series of the stock of the Corporation without certificates. Any authorization of the Board providing for shares without certificates shall not affect shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding any such authorization by the Board, every holder of fully-paid stock represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate, which shall be in such form not inconsistent with the Charter as the Board of Directors may from time to time prescribe. Certificates representing shares shall have set forth thereon the statements prescribed by law and shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary or Treasurer or an Assistant Treasurer and may be sealed with the corporate seal or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if such officer were an officer at the date of its issue. Within a reasonable time after the issue or transfer of shares without certificates, if required by Section 48-16-207 of the Business Corporation Act (or any successor provision), the Corporation shall (or shall direct its transfer agent, if any) to send to the shareholder a written statement of the information required on certificates by Sections 48-16-206(b) and (c), and, if applicable, Section 48-16-208, of the Business Corporation Act. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares without certificates and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 4.2 Transfer of Shares. Upon compliance with provisions restricting the transferability of shares, if any, transfers of shares of the Corporation shall be made only on the share record of the Corporation by the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer agent or a registrar, if any, the payment of all taxes due thereon, and, if such shares are represented by a certificate or certificates, upon the surrender of the certificate or certificates for such shares properly endorsed, or for shares without certificates, upon the presentation of proper evidence of authority to transfer by the record holder thereof. A certificate representing shares (or, in lieu of a certificate, shares without certificates) shall not be issued until the full amount of consideration therefor has been paid, except as the Business Corporation Act may otherwise permit.

Section 4.3 Fractional Shares. The Corporation may issue fractions of a share, in either certificated form or without certificates, where necessary to effect transactions authorized by the Business Corporation Act which shall entitle the holder, in proportion to such holder's fractional holdings, to exercise voting rights, receive dividends and participate in liquidating distributions; or the Corporation may pay in cash the value of fractions of a share as of the time when those entitled to receive such fractions is determined; or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the

Corporation or of its agent, exchangeable as therein, provided for full shares, but such scrip shall not entitle the holder to any rights of a shareholder except as therein provided. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of the Corporation.

Section 4.4 Replacement Certificates. No certificates representing shares (or, in lieu of new certificates, shares without certificates) shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft as the Board of Directors may require, and on delivery to the Corporation, if the Board of Directors shall so require, of a bond of indemnity in such amount, upon such terms and secured by such surety as the Board of Directors may in its discretion require.

Section 4.5 Registered Shareholders. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Tennessee.

ARTICLE V

FISCAL YEAR

The fiscal year of the Corporation shall be fixed from time to time by resolution of the Board of Directors.

ARTICLE VI

CORPORATE SEAL

The Corporation may, but shall not be required to, adopt a corporate seal. The corporate seal shall have inscribed thereon the name of the Corporation and the year of its incorporation, and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The corporate seal may be used by printing, engraving, lithographing, stamping or otherwise making, placing or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed upon any paper or document, by any process whatsoever, an impression, facsimile or other reproduction of said corporate seal.

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify to the full extent permitted by law any person made or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation or serves or served at the request of the Corporation for any other enterprise as a director, officer or employee. Expenses incurred by any such person in defending any such action, suit or proceeding shall be paid or reimbursed by the Corporation promptly upon receipt by it of an undertaking of such person to repay such expenses if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation. The rights provided to any person by this bylaw

shall be enforceable against the Corporation by such person who shall be presumed to have relied upon it in serving or continuing to serve as a director, officer or employee as provided above. No amendment of this bylaw shall impair the rights of any person arising at any time with respect to events occurring prior to such amendment. For purposes of this article, the term "Corporation" shall include any predecessor of the Corporation and any constituent corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger; the term "other enterprise" shall include any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; service "at the request of the Corporation" shall include service as a director, officer or employee of the Corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants or beneficiaries; any excise taxes assessed on a person with respect to an employee benefit plan shall be deemed to be indemnifiable expenses; and action taken or omitted by a person with respect to an employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation.

ARTICLE VIII

CONTROL SHARE ACQUISITIONS

Section 8.1 Applicability of Control Share Acquisition Act. The Tennessee Control Share Acquisition Act shall be applicable with respect to shares of the Corporation.

Section 8.2 Redemption of Control Shares in Certain Events. In accordance with Section 15 of the Tennessee Control Share Acquisition Act, the Corporation may redeem, at its option, all but not less than all control shares acquired in a control share acquisition at any time during the period ending sixty (60) days after the last acquisition of control shares by an acquiring person, from the acquiring person for the fair value (as defined in such Section 15) of such shares if: no control acquisition statement has been filed; or a control acquisition statement has been filed and the shares are not accorded voting rights by the shareholders pursuant to Section 14 of the Tennessee Control Share Acquisition Act.

ARTICLE IX

GENERAL

Section 9.1 Financial Reports. The directors may appoint the Treasurer or other fiscal officer and/or the Secretary or any other officer to cause to be prepared and furnished to shareholders entitled thereto any special financial notice and/or financial statement, as the case may be, which may be required by any provision of law.

Section 9.2 Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the shareholders, of the Board of Directors, and/or any committee which the directors may appoint, and shall keep at the office of the Corporation in the State of Tennessee or at the office of the transfer agent or registrar, if any, in said state, a record containing the names and addresses of all shareholders, the number and class of shares held by each, and the dates when such shareholders respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time.

ARTICLE X

AMENDMENTS

An affirmative vote of the holders of not less than sixty-six and two-thirds percent (66-2/3%) in voting power of the then-outstanding shares entitled to vote, voting together as a single class, may make, alter, amend or repeal the Bylaws and may adopt new Bylaws.

**MILLER INDUSTRIES, INC.
CHANGE IN CONTROL SEVERANCE PLAN**

Effective April 11, 2023

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ARTICLE ONE

FOREWORD

1.01 Purpose of the Plan. The Company considers it essential and in the best interests of its shareholders to provide appropriate protection that facilitates executives acting in the interest of shareholders in the event of a potential or actual change in control of the Company. Accordingly, pursuant to the terms of this Plan, effective April 11, 2023, the Company will provide Severance Benefits to an eligible executive in the event of a Qualifying Termination of the eligible executive's employment in connection with a Change in Control. No benefits will be provided pursuant to this Plan except upon the occurrence of a Qualifying Termination.

Capitalized terms used throughout the Plan have the meanings set forth in Article Two, except as they are otherwise defined in the Plan or where the context clearly requires otherwise.

1.02 Plan Status. The Plan is intended to be a top hat plan for a select group of management or highly compensated executives for purposes of ERISA, so that it is subject only to the administration and enforcement provisions of ERISA.

ARTICLE TWO

DEFINITIONS

Where the following words and phrases appear in this Plan with initial capital letters, they shall have the meaning set forth below, unless a different meaning is plainly required by the context.

"Accounting Firm" means a nationally recognized accounting firm, or actuarial, benefits or compensation consulting firm, in each case with experience in performing calculations regarding the applicability of Code Section 280G and of the tax imposed by Code Section 4999, as selected by the Company prior to a Change in Control.

"Accrued Obligations" means any accrued and unpaid Base Salary, any unused vacation or paid time off that is payable under the Company's policy upon a termination of employment, and other accrued benefits through the date of termination, paid on the same basis as paid upon any voluntary termination of employment.

"Administrator" means the Committee. The Committee may delegate its duties and authority as Administrator to officers and employees of the Company.

"Annual Incentive Plan" means, with respect to a Participant, the Company's annual incentive plan in which the Participant participates at the time of the Participant's Qualifying Termination.

"Base Salary" means, with respect to a Participant, the Participant's annual base salary in effect on the date of the Participant's Qualifying Termination; provided, however, that if the Participant's Separation from Service is for Good Reason due to a reduction in the Participant's annual base salary, the Participant's Base Salary will be the Participant's annual base salary in effect immediately before such reduction.

"Board" means the Board of Directors of the Company.

“Cause” means the following with respect to a Participant:

- (a) conviction or plea of guilty or nolo contendere to a felony or other serious crime involving moral turpitude;
- (b) willful misconduct that is materially injurious to the Company or any of its Subsidiaries (whether financially, reputationally or otherwise);
- (c) willful and continued failure of a Participant to perform his or her duties and responsibilities (other than as a result of physical or mental illness or injury) after receipt of written notice from the Committee of such failure, provided that the Participant shall have 30 days after the date of receipt of such notice in which to cure such failure (to the extent cure is possible);
- (d) material breach of any material agreement with the Company after receipt of written notice from the Committee of such breach, provided that the Participant shall have 30 days after the date of receipt of such notice in which to cure such breach (to the extent cure is possible); or
- (e) material violations of law or the Company’s code of conduct or insider trading policy, any of which results or, if known to the public, would be likely to result in material financial or reputational harm to the Company.

For purposes of this Plan, no act or failure to act by the Participant shall be deemed to be “willful” unless done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant’s action or omission was in the best interest of the Company.

“Change in Control” means the occurrence of any of the following events:

- (f) any Person, other than an Exempt Person, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing greater than 50% of the combined voting power of the Company’s then-outstanding securities, whether or not the Board shall have first given its approval to such acquisition; or
- (g) the date a majority of members of the Company’s Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board before the date of the appointment or election; or
- (h) the consummation of a merger or consolidation of the Company with any other corporation; provided, however, a Change in Control shall not be deemed to have occurred: (i) if such merger or consolidation would result in all or a portion of the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) either directly or indirectly more than 50% of the combined voting power of the securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (ii) the directors of the Company prior to such merger or consolidation constitute at least a majority of the Board of the Company or the entity that directly or indirectly controls the Company after such merger or consolidation; or

(i) the sale or disposition by the Company of all or substantially all the Company's assets, other than a sale to an Exempt Person.

For purposes of this Section 2.08, "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 under the Exchange Act, and "Stock" means the Common Stock of the Company.

Notwithstanding anything in this Plan to the contrary, to the extent any provision of this Plan would cause a payment of an amount subject to Section 409A (and not otherwise exempt from Section 409A) to be made because of the occurrence of a Change in Control, then such payment shall not be made unless such Change in Control also constitutes a "change in ownership," "change in effective control" or "change in ownership of a substantial portion of the Company's assets" within the meaning of Code Section 409A. Other Participant rights that are tied to a Change in Control, such as vesting, shall not be affected by this paragraph.

"Chief Executive Officer" means the Chief Executive Officer of the Company.

"CIC Period" means the time period commencing on the effective date of a Change in Control and ending on the second anniversary of the effective date of the Change in Control.

"Code" means the Internal Revenue Code of 1986, as amended and the proposed, temporary and final regulations promulgated thereunder. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

"Committee" means the Compensation Committee of the Board.

"Company" means Miller Industries, Inc., a Tennessee corporation, or its successor or assignee.

"Director" means a member of the Board.

"Disability" shall mean, with respect to a Participant, the date on which the insurer or administrator under the Employer's program of long-term disability insurance determines that the Participant is eligible to commence benefits under such insurance.

"Effective Date" means the date on which this Plan is effective, April 11, 2023.

"Employer" means the Company and each Subsidiary.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of ERISA includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of the Exchange Act includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

"Excise Tax" shall mean, collectively (i) the tax imposed by Code Section 4999 by reason of being "contingent on a change in ownership or control" of the Company, within the meaning of Code Section 280G, (ii) any similar tax imposed by state or local law, and (iii) any interest or penalties with respect to any tax described in clause (i) or (ii).

"Exempt Person" means an employee benefit plan of the Employer or a trustee or other administrator or fiduciary holding securities under an employee benefit plan of the Employer.

"Good Reason" means the occurrence of any of the following events without the Participant's written consent:

- (j) a material adverse change in the Participant's duties, authority, or responsibilities;
- (k) a material reduction in Participant's Base Salary (which for purposes of the Plan shall mean a reduction of 10% or more) except for across-the-board reductions affecting similarly situated executives of the Employer;
- (l) a relocation of Participant's primary work location by more than 50 miles; or
- (m) the material breach by the Company of the terms of the Plan including the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform the Plan;

provided that, a Participant will only have Good Reason if, within 90 days following the first occurrence of any of the events set forth in this Section 2.22 the Participant (i) delivers Notice of Termination to the Company of his or her intention to terminate his or her employment for Good Reason, which notice specifies in reasonable detail the circumstances claimed to give rise to Participant's right to terminate employment for Good Reason, (ii) provides the Company with at least 30 days to cure the circumstances, and (iii) if the Company is not successful in curing the circumstances, Participant terminates employment within 60 days of Company's failure to cure such circumstances. A Participant's failure to timely give Notice of Termination of the occurrence of a specific event that would otherwise constitute Good Reason will not constitute a waiver of the Participant's right to give notice of any new subsequent event that would constitute Good Reason that occurs after such prior event (regardless of whether the new subsequent event is of the same or different nature as the preceding event).

"Notification Letter" means a letter notifying an executive of his or her eligibility for participation in the Plan that meets the requirements of the following sentence. An offer-of-employment or promotion letter or other letter from the Employer shall constitute a "Notification Letter" if it requires the executive to sign and return the letter to agree to the terms and conditions of the Plan.

"Notice of Termination" means a written notice of termination of employment for Cause or Disability given by the Employer to a Participant or a written notice of termination of employment for Good Reason given by a Participant to the Company, in either case in the manner specified in Section 6.10, which states the specific termination provision in the Plan

relied upon for the termination, sets forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision so indicated, and specifies the Participant's date of termination.

"Participant" means each individual who has become a Participant pursuant to Section 3.01, and who has not ceased to be a Participant under Section 3.03.

"Payment" means any payment or benefit in the nature of compensation (within the meaning of Code Section 280G(b)(2)) received or to be received by a Participant or for the benefit of a Participant, whether payable under the terms of this Plan or any other plan, arrangement or agreement with the Employer or an affiliate of the Employer.

"Person" means any "person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act.

"Plan" means this Miller Industries, Inc. Change in Control Severance Plan, as set forth herein and as it may be amended from time to time, or any successor plan, program or arrangement thereto.

"Qualifying Termination" means, with respect to a Participant, the Participant's Separation from Service within the CIC Period (i) initiated by the Employer without Cause and other than due to Disability or death, or (ii) initiated by the Participant for Good Reason.

"Release" means an agreement in which the Participant releases claims in connection with a termination of the Participant's employment with the Employer. The specific terms of the Release for a Participant shall be based upon the form of release used by the Employer at the time of the termination of employment, which shall be substantially similar to the form of Release attached hereto as Exhibit A.

"Release Consideration Period" means the period of time specified by the Release, not to exceed forty-five (45) days (or such longer period as may be required by applicable law), during which the affected Participant is permitted to consider whether or not to sign the Release.

"Release Revocation Period" means the period of time specified by the Release, not to exceed seven (7) days (or such longer period as may be required by applicable law), during which the Participant is permitted to revoke the signed Release.

"Section 409A" means Section 409A of the Code and the Department of Treasury and Internal Revenue Service guidance thereunder.

"Separation from Service" means "separation from service" from the Employer and all affiliated companies as described under Section 409A(a)(2)(A)(i). A Participant who is both an employee and a Director will not have a Separation from Service until he or she has a Separation from Service with respect to both his or her employment and his or her Board membership. For this purpose, the term "affiliated companies" means the Employer and any affiliate with which any entity comprising the Employer is treated as a single employer under Code Section 414(b) or 414(c).

"Severance Benefits" means the severance pay and the other benefits payable to a Participant pursuant to Article Four of the Plan.

“Subsidiary” means any entity in which the Company, directly or indirectly, beneficially owns more than fifty percent (50%) of such entity’s equity interest by vote and value.

“Target Bonus” means, with respect to a Participant, the Participant’s target annual cash incentive under the Annual Incentive Plan for the performance period containing the date of the Participant’s Qualifying Termination, provided, however, if the Participant does not have a target incentive under the Annual Incentive Plan, Target Bonus means the average of the two most recent annual bonuses earned by the Participant under the Annual Bonus Plan.

“Tier Level Multiplier” means the multiple of Base Salary and Target Bonus payable under Section 4.02 that is established by the Committee for a Participant. Participants shall generally be placed at a level of 1X, 1.5X or 2X by the Committee.

ARTICLE THREE ELIGIBILITY AND PARTICIPATION

3.01 Eligibility. The Committee may select senior executives of the Company as Participants from time to time and designate the Participant’s Tier Level Multiplier. The Chief Executive Officer will provide notice on behalf of the Administrator to each such executive of his or her selection for Plan participation by means of a Notification Letter in the manner provided by Sections 2.24 and 6.10. Each such executive will become a Participant on the date the executive signs and properly returns the Notification Letter. The Chief Executive Officer may provide an Appendix to this Plan to indicate the executives eligible to participate from time to time (or to reflect the removal of executives as Participants in a manner consistent with the terms of the Plan).

3.02 Exclusive Benefits. Any Severance Benefits payable to a Participant under this Plan will be paid solely in lieu of, and not in addition to, any severance benefits payable under any offer letter, severance arrangement or other program or agreement on account of the Participant’s termination of employment with the Employer under the circumstances covered by this Plan. A Participant’s acceptance of participation in this Plan pursuant to Section 3.01 above shall constitute a waiver by such Participant of all other rights to severance benefits (or any similar separation benefits) in connection with a Change in Control that the Participant may have or claim with respect to the Employer.

3.03 End of Participation. An individual shall cease to be a Participant on the date on which the individual ceases to be an employee of the Employer other than by a Qualifying Termination. Except as provided in this and the next sentence, the Committee may discontinue an individual’s status as a Participant; provided, however, that no such discontinuance shall become effective (i) during the one-year period following the date on which advance written notice of such discontinuance is provided to the affected Participant in the manner specified in Section 6.10, or (ii) during the CIC Period. In the event that an individual incurs a Qualifying Termination while still a Participant, such individual shall remain a Participant until all Severance Benefits required to be provided to the Participant under the terms of the Plan on account of such Qualifying Termination have been paid or provided.

ARTICLE FOUR
SEVERANCE BENEFITS

4.01 Release Requirement. A Participant will be eligible for the Severance Benefits described in Section 4.02 below, subject to the Release requirement specified in this Section 4.01. Within seven (7) days following the date of the Participant's Separation from Service, the Company shall provide the Participant with a Release. As a condition of receiving the Severance Benefits described in Section 4.02, the Participant must execute and deliver the Release to the Company within the Release Consideration Period, the Release Revocation Period must expire without revocation of the Release by the Participant.

4.02 Qualifying Termination. If a Participant incurs a Qualifying Termination, the Company shall pay or provide to the Participant the Accrued Obligations and the following Severance Benefits, subject to the Release requirement specified in Section 4.01 above.

(a) Severance Pay. The Company shall pay to the Participant an amount equal to the Participant's Tier Level Multiplier times the sum of (i) the Participant's Base Salary, and (ii) the Participant's Target Bonus. This amount shall be paid to the Participant in a lump sum within sixty (60) days following the date of the Participant's Separation from Service (except as provided in Section 4.03(f) and subject to the requirements of Section 4.03(e)).

(b) Equity and Long-Term Incentives. Any equity or long-term compensation grant or award outstanding to the Participant shall be treated as specified by the terms of the applicable equity or long-term incentive compensation plan under which the grant or award was made and the applicable award agreement.

(c) Prorated Bonus. The Company shall pay the Participant a prorated annual bonus for the year of termination equal to the amount, if any, accrued on the Company's financials for such Participant as of the date of the Participant's Separation from Service. Such bonus shall be paid to the Participant in a lump sum within sixty (60) days following the date of the Participant's Separation from Service (except as provided in Section 4.03(f) and subject to the requirements of Section 4.03(e)).

(d) COBRA. The Company shall pay to the Participant an amount equal to eighteen (18) times the monthly COBRA premium in effect on the date of the Participant's Separation from Service for the type of Employer-provided group health plan coverage in effect for the Participant and his or her dependents (e.g., employee only, family coverage) on the date of the Participant's Separation from Service and will permit Participant to elect to be covered by the Employer's group health plan for such 18-month period or the lesser period permitted by the Company's benefits plans and applicable law (which period will run concurrently with any eligibility for COBRA coverage and assumes the Participant timely elects such COBRA coverage). This amount shall be paid to the Participant in a lump sum within sixty (60) days following the date of the Participant's Separation from Service (except as provided in Section 4.03(f) and subject to the requirements of Section 4.03(e)).

4.03 Section 409A.

(a) To the extent necessary to ensure compliance with Section 409A, the provisions of this Section 4.03 shall govern in all cases over any contrary or conflicting

provision in the Plan. It is the intent of the Company that this Plan comply with the requirements of Section 409A with respect to any nonqualified deferred compensation subject to Section 409A. The Plan shall be interpreted and administered to maximize the exemptions from Section 409A and, to the extent the Plan provides for deferred compensation subject to Section 409A, to comply with Section 409A and to avoid the imposition of tax, interest and/or penalties upon any Participant under Section 409A.

(b) The Company does not, however, assume the liability for any taxes associated with Section 409A. The Company, the Subsidiaries, and their respective directors, officers, employees and advisers will not be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan. Neither the Company nor the Subsidiaries have any obligation to indemnify or otherwise protect any Participant from any obligation to pay taxes under Code Section 409A.

(c) The right to a series of payments under the Plan will be treated as a right to a series of separate payments. Each separate payment that is made within 2-½ months following the end of the year that contains the date of the Participant's Separation from Service is intended to be exempt from Section 409A as a short-term deferral within the meaning of the final regulations under Section 409A. Each separate payment that is made later than 2-½ months following the end of the year that contains the date of the Participant's Separation from Service is intended to be exempt under the two-times exception of Treasury Reg. § 1.409A-1(b)(9)(iii), up to the limitation on the availability of that exception specified in the regulation and subject to the conditions on the applicability of that exemption. Then, each separate payment that is made after the two-times exception ceases to be available shall be subject to delay, as necessary, in accordance with Section 4.03(f) below.

(d) It is intended that each lump sum payment made pursuant to Section 4.02(b), shall be exempt from Section 409A as a short-term deferral within the meaning of the final regulations under Section 409A.

(e) To the extent necessary to comply with Section 409A, in no event may a Participant, directly or indirectly, designate the taxable year of payment. In particular, to the extent necessary to comply with Section 409A, because any payment to a Participant under this Plan is conditioned upon the Participant's executing and not revoking a Release, if the designated payment period for such payment begins in one taxable year and ends in the next taxable year, the payment will be made in the later taxable year.

(f) To the extent necessary to comply with Section 409A, references in this Plan to "termination of employment" or "terminates employment" (and similar references) shall have the same meaning as Separation from Service, and no payment subject to Section 409A that is payable upon a termination of employment shall be paid unless and until (and not later than applicable in compliance with Section 409A) the Participant incurs a Separation from Service. In addition, if the Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) at the time of his or her Separation from Service, any nonqualified deferred compensation subject to Section 409A that would otherwise have been payable on account of, and within the first six months following, the Participant's Separation from Service, and not by reason of another event under Section 409A(a)(2)(A), will become payable on the first business day after six months following

the date of the Participant's Separation from Service or, if earlier, the date of the Participant's death.

(g) To the extent that any reimbursement by the Employer to a Participant of eligible expenses under this Plan constitutes a "deferral of compensation" within the meaning of Section 409A (a "Reimbursement") (i) the Participant must request the Reimbursement (with substantiation of the expense incurred) no later than 30 days following the date on which the Participant incurs the corresponding eligible expense; (ii) subject to any shorter time period provided in any expense reimbursement policy of the Employer or specifically provided otherwise in this Plan, the Employer shall make the Reimbursement to the Participant on or before the last day of the calendar year following the calendar year in which the Participant incurred the eligible expense; (iii) the Participant's right to Reimbursement shall not be subject to liquidation or exchange for another benefit; and (iv) the amount eligible for Reimbursement in one calendar year shall not affect the amount eligible for Reimbursement in any other calendar year.

4.04 Enforcement Costs. Except as provided in Section 6.06(c), each party shall bear its own costs and expenses, including legal fees, that may be incurred in enforcing its respective rights under this Plan.

4.05 Code Section 280G.

(a) A Participant shall bear all expense of, and be solely responsible for, any Excise Tax; provided, however, that any Payment that would constitute a "parachute payment" within the meaning of Code Section 280G shall be reduced to the extent necessary so that no portion thereof shall be subject to the Excise Tax but only if, by reason of such reduction, the net after-tax benefit received by the Participant shall exceed by at least \$50,000, the net after-tax benefit that would be received by the Participant if no such reduction was made.

(b) The "net after-tax benefit" shall mean (i) the Payments which the Participant receives or is then entitled to receive from the Employer that would constitute "parachute payments" within the meaning of Code Section 280G, less (ii) the amount of all federal, state and local income and employment taxes payable by the Participant with respect to the foregoing calculated at the highest marginal income tax rate for each year in which the foregoing shall be paid to the Participant (based on the rate in effect for such year as set forth in the Code as in effect at the time of the first payment of the foregoing), less (iii) the amount of Excise Tax imposed with respect to the payments and benefits described in (b)(i) above.

(c) All determinations under this Section 4.05 will be made by an Accounting Firm. The Accounting Firm shall be required, in part, to evaluate the extent to which payments are exempt from Section 280G as reasonable compensation for services rendered before or after the Change in Control. All fees and expenses of the Accounting Firm shall be paid solely by the Company. The Company will direct the Accounting Firm to submit any determination it makes under this Section 4.05 and detailed supporting calculations to both the Participant and the Company as soon as reasonably practicable following the Change in Control or the Qualifying Termination, as applicable.

(d) If the Accounting Firm determines that one or more reductions are required under this Section 4.05, such Payments shall be reduced in the order that

would provide the Participant with the largest amount of after-tax proceeds (with such order determined by the Accounting Firm) to the extent necessary so that no portion thereof shall be subject to the Excise Tax, and the Company shall pay such reduced amount to the Participant. To the extent any order of reduction of Payments is required to be set forth herein, then such reduction shall be applied in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced next (if necessary, to zero), with amounts that are payable or deliverable last reduced first; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); (iv) payments due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and (v) all other non-cash benefits will be next reduced pro-rata.

(e) As a result of the uncertainty in the application of Code Section 280G at the time that the Accounting Firm makes its determinations under this Section 4.05, it is possible that amounts will have been paid or distributed to the Participant that should not have been paid or distributed (collectively, the “overpayments”), or that additional amounts should be paid or distributed to the Participant (collectively, the “underpayments”). If the Accounting Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against the Employer or the Participant, which assertion the Accounting Firm believes has a high probability of success or is otherwise based on controlling precedent or substantial authority, that an overpayment has been made, the Participant must repay the overpayment to the Company, without interest; provided, however, that no loan will be deemed to have been made and no amount will be payable by the Participant to the Company unless, and then only to the extent that, the deemed loan and payment would either reduce the amount on which the Participant is subject to tax under Code Section 4999 or generate a refund of tax imposed under Code Section 4999. If the Accounting Firm determines, based upon controlling precedent or substantial authority that an underpayment has occurred, the Accounting Firm will notify the Participant and the Company of that determination and the Company will promptly pay the amount of that underpayment to the Participant without interest.

(f) The parties will provide the Accounting Firm access to and copies of any books, records, and documents in their possession as reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 4.05. For purposes of making the calculations required by this Section 4.05, the Accounting Firm may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999.

4.06 Recoupment or Recovery of Severance Benefits. Severance Benefits under the Plan shall be subject to any policy of recoupment of compensation adopted or amended from time to time by the Board or the Committee, including, without limitation, any policy they deem necessary or desirable to comply with the requirements of Section 954 of the Dodd-Frank Wall

Street Reform and Consumer Protection Act (providing for recovery of erroneously awarded compensation), Section 304 of the Sarbanes-Oxley Act of 2002 (providing for forfeiture of certain bonuses and profits), and any implementing rules and regulations of the U.S. Securities and Exchange Commission and applicable listing standards of a national securities exchange adopted in accordance with either of these Acts which policy is incorporated into this Plan.

ARTICLE FIVE AMENDMENT AND TERMINATION

Subject to the next sentence, the Committee in all respects shall have the right at any time and from time to time, by instrument in writing, to amend, modify, alter, or terminate the Plan in whole or in part. Notwithstanding the foregoing or anything in this Plan to the contrary, the Committee may not amend, modify, alter or terminate this Plan so as to adversely affect payments or benefits then payable, or which could become payable, to a Participant under the Plan, except to the minimum extent required to comply with any applicable law, either (i) during the one-year period following the date on which advance written notice of such amendment, modification, alteration or termination is provided to the affected Participants in the manner specified in Section 6.10, or (ii) during the CIC Period.

ARTICLE SIX MISCELLANEOUS

6.01 Participant Rights. Except to the extent required or provided for by mandatorily imposed law as in effect and applicable hereto from time to time, neither the establishment of the Plan, nor any modification thereof, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer, or any officer or employee thereof, or the Board or the Administrator, except as herein provided; nor shall any Participant have any legal right, title or interest in the assets of the Employer. This Plan shall not constitute a contract of employment nor afford any individual any right to be retained or continued in the employ of the Employer or in any way limit the right of the Employer to discharge any of its employees, with or without cause. Participants have no right to receive any payments or benefits that the Employer is prohibited by applicable law from making.

6.02 Administrator Authority.

(a) The Administrator will administer the Plan and have the full authority and discretion to accomplish that purpose, including, without limitation, the authority and discretion to:

- (i) resolve all questions relating to the eligibility of Participants;
- (ii) determine the amount of benefits, if any, payable to Participants under the Plan and determine the time and manner in which such benefits are to be paid;
- (iii) engage any administrative, legal, tax, actuarial, accounting, clerical, or other services it deems appropriate in administering the Plan;
- (iv) construe and interpret the Plan, supply omissions from, correct deficiencies in and resolve inconsistencies or ambiguities in the language of the Plan, resolve inconsistencies or ambiguities between the provisions of this

document, and adopt rules for the administration of the Plan which are not inconsistent with the terms of the Plan document;

(v) compile and maintain all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan; and

(vi) resolve all questions of fact relating to any matter for which it has administrative responsibility.

(b) The Administrator shall perform all of the duties and may exercise all of the powers that the Administrator deems necessary or appropriate for the proper administration of the Plan, including, but not limited to, delegation of any of its duties to one or more authorized officers. All references to the authority of the Administrator in this Plan shall be read to include the authority of any party to which the Administrator delegates such authority.

(c) Any failure by the Administrator to apply any provisions of this Plan to any particular situation shall not represent a waiver of the Administrator's authority to apply such provisions thereafter. Every interpretation, choice, determination or other exercise of any power or discretion given either expressly or by implication to the Administrator shall be final, conclusive and binding upon all parties having or claiming to have an interest under the Plan or otherwise directly or indirectly affected by such action, without restriction, however, on the right of the Administrator to reconsider and re-determine such action.

(d) Any decision rendered by the Administrator and any review of such decision shall be limited to determining whether the decision was so arbitrary and capricious as to be an abuse of discretion. The Administrator may adopt such rules and procedures for the administration of the Plan as are consistent with the terms hereof.

6.03 Claims and Appeals Procedure.

(a) With respect to any claim for benefits which are provided exclusively under this Plan, the claim and any related appeal shall be administered pursuant to subsections (b) through (k) below. With respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan or program maintained by an Employer, the Administrator shall determine any claim and any related appeal regarding an individual's eligibility under the Plan pursuant to subsections (b) through (k) below but the administration of any other claim and any related appeal with respect to such benefits (including the amount of such benefits) shall be subject to the claims and appeals procedure specified in such other employee benefit plan or program.

(b) A Participant or his or her duly authorized representative (the "claimant") may make a claim for benefits under the Plan by filing a written claim with the Administrator. Determinations of each such claim shall be made as described below; provided, however, that the claimant and the Administrator may agree to extended periods of time for making determinations beyond those periods described below.

(c) The Administrator will notify a claimant of its decision regarding his or her claim within a reasonable period of time, but not later than ninety (90) days following the date on which the claim is filed, unless special circumstances require a longer period for

processing of the claim and the claimant is notified in writing of the reasons for an extension of time prior to the end of the initial ninety (90) day period and the date by which the Administrator expects to make the final decision. In no event will the Administrator be given an extension for processing the claim beyond one hundred eighty (180) days after the date on which the claim is first filed with the Administrator unless otherwise agreed in writing by the claimant and the Administrator.

(d) If a claim is denied, the Administrator will notify the claimant of its decision in writing. Such notification will be written in a manner calculated to be understood by the claimant and will contain the following information: the specific reason(s) for the denial; a specific reference to the Plan provision(s) on which the denial is based; a description of additional information necessary for the claimant to perfect his or her claim, if any, and an explanation of why such material is necessary; and an explanation of the Plan's claim review procedure and the applicable time limits under such procedure and a statement as to the claimant's right to arbitration under Section 6.06 after all of the Plan's review procedures have been satisfied.

(e) The claimant shall have sixty (60) days following receipt of the notice of denial to file a written request with the Administrator for a review of the denied claim. The decision by the Administrator with respect to the review must be given within sixty (60) days after receipt of the request, unless special circumstances require an extension and the claimant is notified in writing of the reasons for an extension of time prior to the end of the initial sixty (60) day period and the date by which the Administrator expects to make the final decision. In no event will the decision be delayed beyond one hundred twenty (120) days after receipt of the request for review unless otherwise agreed in writing by the claimant and the Administrator.

(f) Every claimant will be provided a reasonable opportunity for a full and fair review of an adverse determination. A full and fair review means the following: the claimant will be given the opportunity to submit written comments, documents, records, etc. with regard to the claim, and the review will take into account all information submitted by the claimant, regardless of whether it was reviewed as part of the initial determination; and the claimant will be provided, upon request and free of charge, with copies of all documents and information relevant to the claim for benefits.

(g) The Administrator will notify the claimant of its decision regarding an appeal of a denied claim in writing. The decision will be written in a manner calculated to be understood by the claimant, and will include: the specific reason(s) for the denial and adverse determination; a reference to the specific Plan provisions on which the denial is based; a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all information relevant to the claimant's claim for benefits; and a statement regarding the claimant's right to arbitration under Section 6.06.

(h) If the Administrator fails to follow these procedures consistent with the requirements of ERISA with respect to any claim, the claimant will be deemed to have exhausted all administrative remedies under the Plan and will have the right to arbitration under Section 6.06. This Article VI shall be interpreted such that the claims procedures applicable under the Plan conform to the claims review requirements of Part 5, Title I, of ERISA, and the applicable provisions set forth in Department of Labor regulation section 2560.503-1.

(i) Any claim that is filed in arbitration must be filed within two (2) years of the later of the date the Participant received the Severance Benefit (unless no Severance Benefit is determined by the Administrator to be payable) or the date of the relevant Participant's Separation from Service. Any claim filed in arbitration after the applicable time frame stated above will be void.

6.04 Reliance on Tables and Reports. In administering the Plan, the Administrator is entitled to the extent permitted by law to rely conclusively upon all tables, valuations, certificates, opinions and reports which are furnished by accountants, legal counsel or other experts employed or engaged by the Administrator. The Administrator will be fully protected in respect of any action taken or suffered by the Administrator in good faith reliance upon all such tables, valuations, certificates, reports, opinions or other advice. The Administrator is also entitled to rely upon any data or information furnished by the Employer or by a Participant as to any information pertinent to any calculation or determination to be made under the provisions of the Plan, and, as a condition to payment of any benefit under the Plan the Administrator may request a Participant to furnish such information as it deems necessary or desirable in administering the Plan.

6.05 Expenses. All Plan administration expenses shall be paid by the Company.

6.06 Arbitration of Disputes.

(a) Any dispute, claim or controversy arising under or in connection with this Plan and a Participant's right to Severance Benefits that is not resolved under Section 6.03, shall be settled exclusively by arbitration administered by the American Arbitration Association (the "AAA") and carried out in Chattanooga, Tennessee. The arbitration shall be conducted in accordance with the AAA rules governing commercial arbitration in effect at the time of the arbitration, except as modified herein. There shall be one arbitrator, mutually selected by the Company and Participant from a list of arbitrators provided by the AAA within 30 days of receipt by respondent of the demand for arbitration. If the Company and Participant cannot mutually agree on an arbitrator within 30 days, then the parties shall request that the AAA appoint the arbitrator and the arbitrator shall be appointed by the AAA within 15 days of receiving such request. The parties agree that the Federal Arbitration Act, 9 U.S.C. §1 *et seq.* and the AAA Employment Arbitration Rules shall apply to the interpretation and enforcement of this Plan. The place of arbitration shall be Chattanooga, Tennessee. The arbitrator shall have the right to review the dispute, claim or controversy on a de novo basis and shall not be limited to the record of appeal.

(b) The parties shall request, and use reasonable business efforts to insure that the arbitration commences within 60 days after the appointment of the arbitrator; that the arbitration shall be completed within 90 days of commencement; and that the arbitrator's award shall be made within 60 days following such completion. The parties may agree to extend the time limits specified in the foregoing sentence.

(c) The arbitrator may award any form of relief permitted under this Plan and applicable law, including damages and temporary or permanent injunctive relief, except that the arbitral tribunal is not empowered to award damages in excess of compensatory damages, and each party hereby irrevocably waives any right to recover punitive, exemplary or similar damages with respect to any dispute. The arbitrator may award reasonable attorneys' fees to Participant if the Participant prevails on at least one

material issue in the arbitration. The Company shall pay all expenses of any arbitration (other than the expenses of Participant's counsel, except to the extent provided in the preceding sentence). The award shall be in writing and shall state the reasons for the award.

(d) The decision rendered by the arbitral tribunal shall be final and binding on the parties to this Plan. Judgment may be entered in any court of competent jurisdiction. The parties hereto waive, to the fullest extent permitted by law, any rights to appeal to, or to seek review of such award by, any court. The parties hereto further agree to obtain the arbitral tribunal's agreement to preserve the confidentiality of the arbitration.

6.07 Successors.

(a) This Plan shall bind any successor of or to the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain the agreement provided for in the preceding sentence in connection with a Change in Control will constitute a material breach of the Plan by the Company, which will entitle the Participant to terminate employment for Good Reason and obtain the Severance Benefits provided in Section 4.02.

(b) The Plan shall inure to the benefit of and be binding upon and enforceable by the Company and the Participants and their personal and legal representatives, executors, administrators, successors, assigns, heirs, distributees, devisees and legatees. If a Participant should die after incurring a Qualifying Termination and prior to receiving all of the Severance Benefits, the Severance Benefits (or any remaining amounts) shall be paid to the beneficiary designated by the Participant in a beneficiary designation form for this Plan, and in the event no such form is provided or the Participant has not otherwise properly designated a beneficiary, the Severance Benefits shall be payable to the Participant's spouse and if the Participant has no living spouse, to the Participant's estate, provided that in all cases the Participant's beneficiary or estate signs a Release similar to the form to be signed by the Participant as a condition of payment of such Severance Benefits.

6.08 Construction. In determining the meaning of the Plan, words imparting the masculine gender shall include the feminine and the singular shall include the plural, unless the context requires otherwise. Unless otherwise stated, references to Sections are references to Sections of this Plan. Whenever an example is provided or the text uses the term "including" followed by a specific item or items, or there is a passage having similar effect, such passages of the Plan shall be construed as if the phrase "without limitation" followed such example or term (or otherwise applied to such passage in a manner that avoids limits on its breadth of application).

6.09 References to Other Plans and Programs. Each reference in the Plan to any plan, policy or program, the Plan or document of the Employer or affiliate of the Employer shall

include any amendments or successor provisions thereto without the necessity of amending the Plan for such changes.

6.10 Notices. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by email with a return receipt or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or when sent by express U.S. mail or overnight delivery through a national delivery service (or an international delivery service in the case of an address outside the U.S.) with signature required. Notice to the Company, the Board or the Administrator shall be directed to the attention of the Secretary of the Company at the address of the Company's headquarters, and notice to a Participant shall be directed to the Participant at the most recent personal residence on file with the Company.

6.11 Service of Legal Process. Service of legal process may be made upon the Administrator to the attention of the Secretary of the Company at the address of the Company's headquarters.

6.12 Plan Year. The records of the Plan shall be maintained on the basis of the Company's fiscal year, which, as of the Effective Date, is the calendar year.

6.13 No Duty to Mitigate. The Participant shall not be required to mitigate the amount of any payment provided pursuant to this Plan, nor shall the amount of any such payment be reduced by any compensation that the Participant receives from any other source, except as provided in this Plan.

6.14 Withholding of Taxes. The Employer may withhold from any amount payable or benefit provided under this Plan such Federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.

6.15 Governing Law. Except to the extent that the Plan may be subject to the provisions of ERISA and the Code, the Plan will be construed and enforced according to the laws of the State of Tennessee, without giving effect to the conflict of laws principles thereof.

6.16 Validity/Severability. If any provision of this Plan or the application of any provision to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Plan and the application of such provision to any other person or circumstances will not be affected, and the provision so held to be invalid or unenforceable will be reformed to the extent (and only to the extent) necessary to make it enforceable or valid. To the extent any provisions held to be invalid or unenforceable cannot be reformed, such provisions are to be stricken here from and the remainder of this Plan will be binding on the Parties and their successors and assigns as if such invalid or illegal provisions were never included in this Plan from the first instance.

6.17 Miscellaneous. No waiver by a Participant or the Employer at any time of any breach by the other party of, or compliance with, any condition or provision of this Plan to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not expressly set forth in this Plan.

6.18 Source of Payments. All payments provided under this Plan, other than payments made pursuant to any Employer employee benefit plan which provides otherwise, shall be paid in cash from the general funds of the Company, and no special or separate fund shall be required to be established, and no other segregation of assets required to be made, to assure payment. To the extent that any person acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of an unsecured creditor of the Company.

6.19 Survival of Provisions. Notwithstanding any other provision of this Plan, the rights and obligations of the Company and the Participants under Article Four and Sections 6.03 and 6.06 through 6.19 will survive any termination or expiration of this Plan or the termination of the Participant's employment for any reason whatsoever.

Exhibit A

Form of Release¹

SEPARATION AND RELEASE AGREEMENT

1. Separation Date. I, [Insert Employee's name], hereby acknowledge that my employment by Miller Industries, Inc. (together with its subsidiaries, the "**Company**") has ended as of [Insert Date] (the "**Termination Date**").

2. Severance Benefits. In exchange for the Company's receipt of this Separation and Release Agreement (the "**Release**") signed by me, and provided I do not revoke this Release in the manner specified in Paragraph 12 herein within seven (7) days after signing it, the Company will provide to me the severance benefits described in the Miller Industries, Inc. Change in Control Severance Plan (the "**Plan**") on the terms and conditions set forth therein (the "**Severance Benefits**"). I agree and acknowledge that the Severance Benefits constitute payments or benefits to which I would not be entitled if I did not sign or did revoke this Release. The Company acknowledges that I am entitled to the Accrued Obligations as defined in the Plan irrespective of whether I execute the Release. I understand that information will be provided to me about my right to continue health benefits through the Company through the federal law known as COBRA.

3. Release of Claims.

a. General Release. In consideration of the Severance Benefits, I, on behalf of myself, my heirs, assigns, legal representatives, successors in interest, and any person claiming through me or any of them, hereby completely release and forever discharge all Released Parties from any and all claims, demands or liabilities whatsoever, based on any act or omission occurring before my signing of this Release, arising out of my employment with any of the Released Parties or the ending of such employment. The matters released include any claim arising under Title VII of the Civil Rights Act of 1964; the Federal Civil Rights Act of 1991; the Fair Credit Reporting Act; the Civil Rights Acts of 1866, 1870, 1871, and 1991; Title II of the Genetic Information Nondiscrimination Act of 2008; the Worker Adjustment and Retraining Notification Act of 1988; the Occupational Safety and Health Act of 1970; the Vietnam Era Veterans Readjustment Assistance Act of 1974; the Americans with Disabilities Act of 1990; the Federal Family and Medical Leave Act of 1993; the Equal Pay Act; the Rehabilitation Act; the Employee Retirement Income Security Act of 1974; the Age Discrimination in Employment Act ("ADEA"); the Older Workers Benefit Protection Act; the National Labor Relations Act of 1935; the Uniformed Services Reemployment Rights Act of 1994; the Tennessee Human Rights Act, Tenn. Code Ann. § 4-21-101 et seq., the Tennessee Equal Pay Law, Tenn. Code Ann. § 50-2-201 et seq., the Tennessee Handicap Discrimination Law, Tenn. Code Ann. § 8-50-103 et seq., the Tennessee Occupational Safety and Health Act, Tenn. Code Ann. §§ 50-3-409 & 50-3-2012., and the Tennessee Whistleblower Protection Law, Tenn. Code Ann. § 50-1-304; [Insert any additional laws as appropriate

¹ NTD: The Parties agree that the Company may revise the release in light of additional statutes or claims so that the Company receives the benefit of the fullest legally permissible release of claims and may also change the timing, if required, to obtain such release. *This footnote and the other footnotes are part of the form of release and are to be removed only when the Company finalizes the letter agreement for execution.* If the release is due after the executive's death, the Company will revise and provide for a comparable release by his estate or beneficiaries.

at the Termination Date], all of the foregoing as amended; any other federal, state or local law, regulation or ordinance regulating employment discrimination, wages, hours and working conditions, or other worker protections; or any other federal, state or local statutory or common law where I was employed or resided pertaining to employment relations, my employment or the termination of my employment, including any action based on any alleged breach of contract, breach of the covenant of good faith and fair dealing, fraud, fraudulent inducement or any other tort; any violation of public policy or statutory or constitutional rights; severance pay, bonus or similar benefit; sick leave; pension or retirement; vacation pay (other than as due in the ordinary course in a final paycheck) or holiday pay; equity compensation; car allowance; life insurance, health or medical insurance, or any other fringe benefit; any claim for reimbursement of health or medical costs; and any claim for disability.

For purposes of this Release, the term “**Released Parties**” means the Company, and each of its respective parents, subsidiaries and affiliates, and all of the current and former employees, officers, directors, trustees, agents, representatives, shareholders, attorneys, accountants, partners, insurers, advisors, partnerships, joint venturers, successors and assigns, employee benefit programs (and the trustees, administrators, fiduciaries and insurers of such programs) of any of them, in their individual and official capacities, and the respective heirs and personal representatives of any of them, and any other persons acting by, through, under, or in concert with, any of them.

b. Unknown Claims. I understand and agree that the claims released in Paragraph 3.a include not only claims presently known to me, but also all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities and causes of action of every kind and character that would otherwise come within the scope of the released claims as described in Paragraph 3.a. I understand that I may hereafter discover facts different from what I now believe to be true that, if known, could have materially affected my willingness to execute and the terms of this Release, but I nevertheless waive and release any claims or rights based on different or additional facts.

c. Exclusions from Release.

1. Certain Exclusions. Notwithstanding the foregoing, the Release does not include and will not preclude: (a) rights or claims to vested benefits under any applicable retirement and/or pension plans or to the Accrued Obligations; (b) rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); (c) any claims not waivable by applicable law (including, where applicable, workers’ compensation claims and unemployment claims) or arising after the date I sign this Release; and/or (d) any actions to enforce this Release or to receive the Severance Benefits.

2. Indemnification. The Company agrees that I am not releasing any claims or rights I may have for indemnification under state or other law or the governing documents of the Company and any affiliated companies, or under any indemnification agreement with the Company or under any insurance policy providing directors’ and officers’ coverage for any lawsuit or claim relating to the period when I was a director, officer, employee or agent of the Company or any affiliated company; *provided, however*, that (i) the Company’s acknowledgement is not a concession, acknowledgment, or guaranty that I have any such rights to

indemnification or coverage in a particular matter, and (ii) the Company retains any defenses it may have to such indemnification or coverage.

4. No Claims. Except as permitted hereby, I agree that I will not file, nor encourage or knowingly permit another to file, any claim, charge, action, or complaint (collectively "**Claim**") concerning any matter released herein. If I have previously filed any such Claim, I agree to take all steps necessary to cause it to be withdrawn without delay; *provided, however*, that nothing in this Release: (i) prevents me from filing a Claim with, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission or a state fair employment practices agency (except that I acknowledge that I may not recover any monetary benefits in connection with any such Claim; I further waive any rights or claims to any payment, benefit, attorneys' fees or other remedial relief in connection with any such charge, investigation or proceeding; and I agree that if any such Claim is filed on my behalf, I shall take all reasonable steps necessary to refuse any damages or individualized relief in connection therewith), or (ii) shall limit or restrict my right to (a) challenge the validity of this Release under the ADEA, or (b) prosecute any ADEA claim if such claim arises after I sign this Release, and no such action on my part shall be deemed to violate this provision or any other provision of this Release. This Release does not prohibit or prevent me from engaging in activities that are not waivable and are protected by applicable federal or state laws. Further, nothing in this Release or other policies or contracts covering me prohibits me from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings, or from receiving an award for information provided to any government agency. I have been advised that I am not required to notify the Company of any such communications; *provided, however*, that nothing herein authorizes the disclosure of information I obtained through a communication that was subject to the attorney-client privilege.

5. Release Negotiations Confidential. I represent and agree that I will keep the details of negotiation with respect to this Release completely confidential, and that I will not disclose such information to anyone, except as follows: (a) to my immediate family and professional representatives (provided they are informed of this confidentiality provision); (b) to any governmental authority; and (c) in response to subpoena or other legal process, provided that before making such disclosure (other than in response to a subpoena or other process issued by a government agency), I shall give the Company as much prior notice thereof as practical to enable the Company to seek, at its sole discretion, an appropriate order preventing such disclosure. I am not required to maintain the confidentiality of the negotiations to the extent the Company publicly discloses the details of such negotiations.

6. Continuing Obligations. Except as otherwise permitted by Paragraph 4 above or in the Restrictive Covenants (as defined in the Plan), I acknowledge and reaffirm my obligation to keep confidential and not to use or disclose any and all non-public information concerning the Company that I acquired during the course of my employment with the Company, including any non-public information concerning the Company's business affairs, business prospects, and financial condition, provided that I may respond to subpoena or other legal process, provided that before making such disclosure (other than in response to a subpoena or other process issued by a government agency), I shall give the Company as much prior notice thereof as practical to enable the Company to seek, at its sole discretion, an appropriate order preventing such disclosure. I further acknowledge and reaffirm my continuing obligations with respect to the Restrictive Covenants, all of which remain in full force and effect.

7. Return of Company Property. I confirm that I have returned to the Company in good working order all Company-owned keys, files, records (and copies thereof), equipment (including computer hardware, software and printers, wireless handheld devices, cellular phones, tablets, smartphones, etc.), Company identification, Company proprietary and confidential information, and any other Company-owned property in my possession or control; that I will have left intact with, or delivered intact to (without deleting, wiping or destroying any information found thereon), the Company all electronic Company documents and internal and external websites including those that I developed or helped to develop during my employment; and that I have thereafter deleted, and destroyed any hard copies of, all electronic files relating to the Company that are in my possession or control, including any that are located on any of my personal computers or external or cloud storage. I further confirm that I have cancelled all accounts for my benefit, if any, in the Company's name, including credit cards, telephone charge cards, cellular phone accounts, and computer accounts. Notwithstanding the foregoing, I have been advised that I may retain my address book to the extent it contains only contact information and that the Company will reasonably cooperate with me as to the transfer of my cell phone number.

8. Acknowledgement. I acknowledge that I have received all wages owed to me by the Company and that I am not aware of any unreported workplace injuries that I suffered while an employee of the Company.

9. Entire Agreement. Except as referenced in Paragraph 6 above, this Release constitutes the entire agreement between the Company and me as to any matter referred to in this Release. This Release supersedes all other agreements between the Company and me, other than the general benefit plans under which I am a participant and any outstanding equity awards from the Company. In executing this Release, I am not relying upon any agreement, representation, written or oral statement, understanding, omission, or course of conduct that is not expressly set forth in this Release.

10. Governing Law; Arbitration. This Release shall be governed by and enforced in accordance with the laws of the State of Tennessee, without regard to its conflicts of law principles. I acknowledge that I previously agreed, pursuant to Section 6.06 of the Plan, to arbitrate any claim under or in connection with the Plan, and I acknowledge and affirm that such provision survives my termination from employment with the Company. For clarification, but not limitation, I further acknowledge and agree that any controversy or claim arising out of or in any way relating to this Release or the breach thereof shall also be settled by final and binding arbitration, consistent with the terms, procedures, and exceptions set forth in Section 6.06 of the Plan. I understand and agree that this arbitration provision shall not apply to claims brought in a court of competent jurisdiction by either me or any Released Party to compel arbitration under this provision, to enforce an arbitration award or to obtain preliminary injunctive and/or other equitable relief in support of claims that may be prosecuted in an arbitration by me or any Released Party.

11. Successors and Assigns. This Release will bind and inure to the benefit of the successors, assigns, heirs and personal representatives of the Released Parties and me.

12. Review Period; Revocation. Because this agreement affects important legal rights, I understand that the Company hereby advises me to consult with an attorney of my choice to review the Release, and I have taken such opportunity to the extent I wish to do so. I further acknowledge that the Company has given me at least [twenty-one (21)] days to decide whether I wish to execute this Release. I understand that I may revoke this Release at any time

during the seven (7) days after I sign it (the “**Revocation Period**”), and that the Release shall not become effective until the end of that Revocation Period. I understand and agree that by executing, timely returning, and not revoking this Release, I am waiving any and all rights or claims I might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, and that I have received consideration beyond that to which I was entitled without providing this Release. If I choose to revoke the Release, such revocation must be by means of a writing signed by me and delivered within the seven (7) day Revocation Period as follows: via email, facsimile or hand-delivery to [] at Miller Industries, Inc., [] or by facsimile number []. If I revoke this Release via facsimile or email, I agree that my facsimile or electronic signature will be valid and binding for all purposes.

13. Modification in Writing. No provision of this Release may be modified, amended or waived except by a writing signed by me and an authorized representative of the Company.

14. No Admission of Liability. This Release shall not at any time or for any purpose be deemed an admission of liability of any kind by any Released Party. This Release may not be used or introduced as evidence in any legal proceeding, except to enforce or challenge its terms.

15. Headings; Interpretation. The headings, titles and captions contained in this Release are inserted only for the convenience of the parties and for reference, and in no way define, limit, extend or describe the scope of this Release or the intent of any provision hereof. References in this Release to “**include**” or “**including**” should be read as though they said “without limitation” or equivalent forms.

16. Severability. If any provision of this Release shall, for any reason, be held by a court or other tribunal of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, such adjudication shall in no way affect any other provisions of this Release or the validity or enforcement of the remainder of this Release, and any provision thus affected shall itself be modified only to the extent necessary to bring the provision within the applicable requirements of the law.

17. Timely Execution. To receive the Severance Benefits, I must sign this Release on or after my Separation Date, and return it to the Company on or before the [twenty-first (21st) day] after my Separation Date, as follows: by email to _____, by hand delivery or first-class mail to [] or by facsimile number [].

Signatures on Following Page

EMPLOYEE'S ACCEPTANCE OF RELEASE

I have read this Release and I understand all of its terms. I acknowledge and agree that this Release is executed voluntarily, without coercion, and with full knowledge of its significance. I further acknowledge that I have been given [twenty-one (21)] days during which to decide whether to execute this Release, and have used that time to the extent I wish to do so and that I have been advised to consult with an attorney before signing it. I understand that my execution of this Release constitutes a full, unconditional general release of any and all known or unknown claims that I may have against any Released Party, despite the fact that I may become aware of claims in the future that I did not consider prior to signing this Release.

Date: _____

[Insert Employee's Name]

Accepted:

Miller Industries, Inc.

By: _____

Name:

Title:

APPENDIX A
PLAN PARTICIPANTS

(as of April 11, 2023)

Participant	Tier Level Multiplier
William Miller II	2.0
Jeff Badgley	1.5
Debbie Whitmire	1.5
Sias Reyneke	1.5
Jamison Linden	1.5
Vince Tiano	1.5
Frank Madonia	1.5
William Miller	1.5