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MEETING OF DIRECTORS
OF
THE SHERWIN-WILLIAMS COMPANY.

A meeting of the Board of Directors of this Company was held at 101 Prospect Ave., N. W., Cleveland, Ohio, at 10:00 A. M., Wednesday, January 26th, 1938, the following being present:

Harris Creech
N. J. Hain
C. P. Jarden
D. A. Kohr
Geo. A. Martin
Z. E. Martin
A. W. Steudel
H. D. Whittlesey

Absent: A. D. Baldwin
Geo. T. Bishop
C. S. Eaton
L. W. Wolcott.

Mr. Geo. A. Martin acted as Chairman of the meeting, and Mr. T. G. Murphey, Secretary.

The minutes of the Directors' meeting of December 14th, 1937, were approved as read.

A set of reports (copy of which has been filed and made a part of these minutes), covering the operations of the business for the first four months of the fiscal year, including an estimated balance sheet and an estimated statement of earnings as of December 31st, 1937, was submitted to the Directors. The operations were reviewed by the President, whereupon the report was received and placed on file.

On motion made by Mr. Harris Creech, seconded by Mr. C. P. Jarden, the following resolution was unanimously adopted:

RESOLVED:

That the regular quarterly dividend of One and One-quarter Per Cent ($1\frac{1}{4}\%$) to March 1st, 1938, on the outstanding shares of Series "AAA" Five Per Cent (5%) Cumulative Preferred Stock of this Company, be and the same is hereby declared out of the surplus profits of the Company, payable March 1st, 1938, to holders of stock certificates for such shares of record as of the close of business on February 15th, 1938, including holders of deposit receipts issued under the Company's Exchange Offer of December 21st, 1935, and exchangeable for stock certificates for shares of such stock on the basis set forth in said offer, of record as of the close of business February 15th, 1938.

RECORD BOOK PAGE______ ATTEST T. G. Murphey
SECRETARY

On motion made by Mr. H. D. Whittlesey, seconded by Mr. Z. E. Martin, the following resolution was unanimously adopted:

RESOLVED:

That a dividend of One Dollar ($1.00) per share ($25.00 par value) be and the same is hereby declared out of the surplus profits of the Company, on the issued and outstanding Common Capital Stock of the Company, payable February 15th, 1938, to stockholders of record at the close of business January 31st, 1938.

The Secretary presented the Treasurer's certificate as to the sufficiency of the earned surplus to provide for the declared dividends, as follows:

"January 26th, 1938.

"L. H. Schroeder, as Treasurer of The Sherwin-Williams Company, hereby certifies that to the best of his knowledge and belief, the earned surplus of the Company legally available for dividends is more than sufficient to provide for the preferred dividend of $1.25 per share, payable March 1st, 1938, and the common dividend of $1.00 per share, payable February 15th, 1938, as declared at the meeting of the Directors held on January 26th, 1938.

Furthermore, that, also, to the best of his knowledge and belief, the requirements of the agreement with the preferred stockholders of the Company are satisfied so as to permit the payment of said dividends.

L H Schroeder
Treasurer."

The President reported that the option for the acquisition of the properties and assets of the Burgess Titanium Company had been exercised and the agreement consummated. Thereupon, on motion by Mr. A. W. Steudel, seconded by Mr. D. A. Kohr, and carried, the following resolution was adopted:

WHEREAS this Board of Directors at its last meeting determined that the properties and assets of Burgess Titanium Company, which this Company had a right to acquire under its agreement with the Titanium Company dated July 26, 1937, had a fair value to this Company in excess not only of the par value but also the actual value of 5500 shares of this Company's Common Stock, to wit, in excess of $500,000, and that the acquisition of such properties and assets by this Company for such consideration, which was the consideration specified in said agreement, was advisable, and this Board then authorized such acquisition for such consideration; and

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SECRETARY

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WHEREAS, pursuant to such authority conferred by this Board, such properties and assets of Burgess Titanium Company have been acquired by this Company, in consideration, as a result of further negotiation by the President, of the issuance and delivery to Burgess Titanium Company of five thousand (5,000) shares of full-paid and non-assessable common stock of this Company; and

WHEREAS it has for many years been the policy of this Company to carry intangible assets on its books at a nominal value of $1.00;

NOW, THEREFORE, BE IT RESOLVED that the Treasurer and other proper officers of this Company be, and they hereby are, authorized and directed to enter upon the books of the Company, at their fair value to it, only the tangible properties and assets included in the properties and assets of Burgess Titanium Company so acquired, and to enter no value upon the books of the Company for the intangible properties and assets of said Company so acquired, and to charge off the difference between the par value of 5,000 shares of this Company's common stock issued in consideration of all the properties and assets of Burgess Titanium Company acquired by this Company and the fair value of the tangible properties and assets so acquired against the earnings of the Company for the current fiscal year.

The Executive Committee reported that it had fixed, for the calendar year 1938, the compensation of the President, and had approved the recommendations of the President for the compensation of officers and the employes who are members of the Board of Directors.

On motion made by Mr. H. J. Hain, seconded by Mr. A. W. Steudel, and carried, the report was accepted and ordered entered upon the records of the Company.

On motion made by Mr. H. D. Whittlesey, seconded by Mr. Z. E. Martin, and carried, it was -

RESOLVED:

That The Cleveland Trust Company, of Cleveland, Ohio, be and it hereby is appointed as agent of this Corporation with the title "Dividend Disbursing Agent."

Said Agent is hereby authorized and instructed to pay to the order of the registered holders of certificates for the Common capital stock of this corporation as shown by its books, such dividends as may hereafter be declared by the Board of Directors of this corporation upon receipt of certified copies of resolutions of said Board of Directors declaring said dividends, fixing the amounts thereof and the dates as of which the same shall be payable, and upon receipt from this corporation of amounts sufficient respectively for the payment of such dividends at least two days before each such dividend payment date.

MEETING OF DIRECTORS
OF
THE SHERWIN-WILLIAMS COMPANY.

It being required that we retire each year three per cent (3%) of the highest number of shares of Preferred Stock at any time theretofore outstanding, on motion made by Mr. C. P. Jarden, seconded by Mr. H. D. Whittlesey, the following resolutions were unanimously adopted:

RESOLVED:

1. That the Company call for redemption on June 1st, 1938, forty-nine hundred and fifty (4,950) shares of its Five Per Cent (5%) Series "AAA" Preferred Stock at the redemption price of One Hundred Five Dollars ($105.00) per share, specified in the terms and conditions of such stock, and that the Treasurer be hereby authorized to pay to The Cleveland Trust Co. a sum sufficient to effect such redemption.

2. That The Cleveland Trust Company be, and it is hereby authorized and instructed to purchase on or before May 1, 1938, in the market or at private sale, such shares of said Series "AAA" Five Per Cent (5%) Preferred Stock for redemption purposes as it may be able to acquire at not exceeding the redemption price above specified, and that the stock so purchased be applied on and treated as a part of the stock called for redemption as above provided.

3. That after deducting from said forty-nine hundred fifty (4,950) shares called for redemption as aforesaid, the number of shares of stock purchased by The Cleveland Trust Company under the provisions of the foregoing paragraph, the number of shares remaining to be called as aforesaid shall be selected according to the following method:

The officers of the Company shall cause a list of holders of said Preferred Stock represented by Cleveland and New York certificates to be prepared as of the close of business April 30th, 1938, and shall cause the names thereupon to be numbered consecutively from one up. They shall then proceed to select one of said numbers by lot, and as such number is drawn, the shares of stock held by the stockholder designated by such number shall be called for redemption, provided, the amount of stock so held by him in accordance with said list shall not exceed ten (10) shares, but if the amount of stock shall exceed ten (10) shares, then only ten (10) shares of such holding shall be called for redemption by reason of the drawing of said number at that particular time, provided that such excess shall be subject to redemption in like manner should the said serial number of said stockholder be thereafter drawn again, provided, further, that such calls shall be in blocks of ten (10) shares, or such lesser amount as the stockholder may then hold.

The officers shall continue to select numbers upon said list by lot in accordance with said list until the full number of shares called for redemption shall have been so drawn.

RECORD BOOK PAGE_____ ATTEST Murphy
SECRETARY

Such drawing may be made by The Cleveland Trust Company as Transfer Agent of said stock in Cleveland, upon request of the officers.

Should any such stockholder, in accordance with said list, be the registered holder of shares of said stock in an amount in excess of the number of shares so called for redemption, the particular shares which shall be held to have been so called shall be those included within the stock certificates registered in his name bearing the highest serial numbers, including both Cleveland and New York certificates, sufficient to include the number of shares so called, provided, that such stockholder may at his option tender other certificates for such number of shares for such redemption.

Certificates for said stock so called for redemption which may be presented for transfer after May 1, 1938, shall not be transferred except subject to said call for redemption in the name of the registered owner.

Certificates so called for redemption shall be presented to The Cleveland Trust Company at its main office in Cleveland, Ohio, for payment for shares so redeemed and for re-issue of a new certificate for any balance of shares not called.

After said list of stockholders has been prepared and the certificates to be called thereunder have been determined as hereinbefore provided, written notice thereof shall be sent by registered mail to each of the stockholders whose certificates have been called as aforesaid, notifying them of such call, the number of shares to be redeemed, and containing full instructions as to the steps to be taken with reference to such stock.

RESOLVED FURTHER:

That the Treasurer of the Company, together with The Cleveland Trust Company in Cleveland, be and they are hereby authorized and directed to prepare or cause to be prepared lists of stockholders, conduct the drawing of stock for redemption and to do and perform all such acts in connection therewith as they may be advised are proper and necessary to carry this entire resolution fully and completely into effect.

On motion made by Mr. H. D. Whittlesey, seconded by Mr. Z. E. Martin, following resolution was unanimously adopted:

WHEREAS, Joyce Cottingham Allen, Trustee for William Sherwin Allen, of Gates Mills, Ohio, has made affidavit that she is the owner of Certificate No. BA28987, issued in the name of Joyce Cottingham Allen, Trustee for William Sherwin Allen, representing an aggregate of ninety-nine shares of the common capital stock of this corporation, and that said certificate has been lost; and

WHEREAS, said owner has made application for the issuance of a new certificate for said shares of stock and has tendered to this corporation a bond of indemnity executed by such owner as principal and American Surety Company of New York, as surety, in the penal sum of $14,850.00 to indemnify and save harmless this corporation, its transfer agent and its registrar, their successors and assigns from and against any and all costs, actions, suits, damages, charges and expenses either of them may incur and to induce this corporation, its transfer agent and its registrar to issue, countersign and register a new certificate or certificates in lieu of such lost certificate.

NOW, THEREFORE, BE IT RESOLVED, that said bond of indemnity is now approved and accepted and the officers of this company are authorized and instructed to execute and deliver a new certificate, The Cleveland Trust Company, as Transfer Agent, is authorized and instructed to countersign said certificate, and the Central National Bank as Registrar, is authorized and instructed to register said certificate for an aggregate of ninety-nine shares of the common capital stock of this corporation in the name of Joyce Cottingham Allen, Trustee for William Sherwin Allen, in lieu of said lost certificate, and that said transfer agent and registrar be and they are hereby relieved of all liability or responsibility by reason of the issue, countersignature and registration of said new certificate in accordance with this resolution.

On motion made by Mr. H. D. Whittlesey, seconded by Mr. Z. E. Martin, the following resolution was unanimously adopted:

WHEREAS, Joyce Cottingham Allen, Trustee for Kenneth L. Allen, Jr., of Gates Mills, Ohio, has made affidavit that she is the owner of Certificate No. BA28988, issued in the name of Joyce Cottingham Allen, Trustee for Kenneth L. Allen, Jr., representing an aggregate of forty (40) shares of the common capital stock of this corporation, and that said certificate has been lost; and

WHEREAS, said owner has made application for the issuance of a new certificate for said shares of stock and has tendered to this corporation a bond of indemnity executed by such owner as principal and American Surety Company of New York, as surety, in the penal sum of $6,000.00 to indemnify and save harmless this corporation, its transfer agent and its registrar, their successors and assigns from and against any and all costs, actions, suits, damages, charges and expenses either of them may incur and to induce this corporation, its transfer agent and its registrar to issue, countersign and register a new certificate or certificates in lieu of such lost certificate;

MEETING OF DIRECTORS
OF
THE SHERWIN-WILLIAMS COMPANY.

NOW, THEREFORE, BE IT RESOLVED, that said bond of indemnity is now approved and accepted and the officers of this company are authorized and instructed to execute and deliver a new certificate, The Cleveland Trust Company, as Transfer Agent, is authorized and instructed to countersign said certificate, and the Central National Bank as Registrar, is authorized and instructed to register said certificate for an aggregate of forty (40) shares of the common capital stock of this corporation in the name of Joyce Cottingham Allen, Trustee for Kenneth L. Allen, Jr., in lieu of said lost certificate and that said transfer agent and registrar be and they are hereby relieved of all liability or responsibility by reason of the issue, countersignature and registration of said new certificate in accordance with this resolution.

On motion made by Mr. C. P. Jarden, seconded by Mr. H. D. Whittlesey, and unanimously approved, it was -

RESOLVED:

That The Anglo California National Bank of San Francisco, California, be and hereby is designated and approved as a depositary of the Company, for a "Cleveland Account."

On motion made by Mr. H. D. Whittlesey, seconded by Mr. D. A. Kohr, the following resolution was unanimously adopted:

RESOLVED:

That the designation and use of -

State Bank of Albany, Albany, N. Y.,
First National Bank & Trust Company of Elmira, Elmira, N. Y.,
Commercial Merchants National Bank and Trust Company, Peoria, Ill.
The First National Bank of St. Paul, St. Paul, Minn.

as depositaries for branch accounts of the company in the respective cities, be and hereby is approved.

That authority to sign and countersign checks for The Sherwin-Williams Co. against branch accounts is granted to the following, namely:-

Cashier
Manager
District Manager
Manager Credits & Accounting
Treasurer, and
Cashier Executive Dept.

Two signatures of the six being required in each and every case.

RECORD BOOK PAGE______ATTEST [signature]
SECRETARY

On motion made by Mr. Harris Creech, seconded by Mr. H. D. Whittlesey, and unanimously carried, Dr. N. E. Van Stone was elected Vice President and Director of Operations of the Company.

On motion made by Mr. Harris Creech, seconded by Mr. H. D. Whittlesey, and carried, the meeting adjourned.

Secretary.

RECORD BOOK PAGE_____ ATTEST____________________
SECRETARY

Certificate of Cremation

TRUST NO.
404

...TIES OF
...RWIN-WILLIAMS COMPANY

...is to Certify that we the undersigned, have this day, in the presence of each other,
...STROYED the following described securities BY BURNING THE SAME TO ASHES, viz:

...-6% Cumulative Preferred, Series "AA" Stock Certificates- - - - - - - - -
...ficates for less-than-100 shares- - - - - - - -N01422/N03250, both inclusive- -
...ficates for 100 shares- - - - - - - - - - - - - -N62/N250, both inclusive- - - -

MEMO

...rtificates described herein were
..., unused and obsolete in form.

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20th,
January, 1938.

ASSISTANT TRUST OFFICER
For The Cleveland Trust Company

ll signatures:

subscribed in my presence this 30th, day of March, 1938.

George A. Hart
Notary Public

GEORGE A. HART, Notary Public
My Commission Expires 11/30/40.

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