THE SHERWIN-WILLIAMS CO.
GEORGE A. MARTIN
PRESIDENT

Cleveland, Ohio, May 15, 1929.

The Lowe Brothers Company,
Dayton, Ohio.

Gentlemen:-

This will confirm the oral arrangement entered into with you by G. A. Martin, President of our Company, on May 8th, providing for the merger of your Company with ours by the transfer and conveyance to our Company of your property, assets, business and good will as a going concern, including the exclusive right to use the name, The Lowe Brothers Company,- subject to your existing obligations and liabilities, which we are to assume. The assets and liabilities covered by this arrangement are those shown and referred to in the consolidated audit report of Ernst & Ernst for your Company and for The Lowe Brothers Company of Georgia for August 31, 1928, except as changed in the ordinary course of business, such assets including all assets as existing at the close of business August 31, 1928, with subsequent additions and earnings, except as disposed of in the ordinary course of business since such date, and except that prior to conveyance of such assets to us you shall have distributed to your stockholders, after August 31, 1928, the sum of $200,000 by way of regular cash dividends and $400,000 by way of special cash dividends, and except that you have purchased for $160,000 and now own the five story building at Third Street and Wayne Avenue, Dayton, Ohio, which you had contracted for on or before that date, and a leasehold fee purchase for $20,000.

It is understood that The Lowe Brothers Company, Limited, of Toronto, Canada, a partly owned subsidiary of your Company, has declared dividends payable on May 31st, 1929, and August 31st, 1929, and that the same shall be paid in due course, $1, 612.50 thereof going to individual stockholders of that Company, and the balance, $9,637.50 constituting a part of your assets.

In consideration of the transfer and conveyance of all said assets to us, we will deliver to your Company the sum of $900,000 in cash and 36,760 fully paid and non-assessable shares of Preferred Stock of our present authorized issue, entitled to cumulative dividends at the rate of 6% per annum, payable quarterly, and 40,634 fully paid and non-assessable shares of Common Stock of our present authorized issue, which cash sum of $900,000 and which shares of our Preferred and Common Stock will be delivered by your Company to the holders of your outstanding Common Stock in exchange therefor, on the basis of $45.00 in cash, 1.838 shares of such Preferred Stock and 2.0317 shares of such Common Stock, for each one share of the Common Stock of your Company now held by your stockholders respectively.

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Thereupon, in due course, your Company will be dissolved, and we shall simultaneously acquire your corporate name by the organization of a new company.

It is understood that our Company shall not be required to issue certificates for either Preferred or Common Stock representing fractional shares thereof, but to those who would otherwise be entitled to certificates representing such fractional shares we shall issue fractional scrip entitling the holder to certificates representing stock, whenever the scrip shall amount to an integral number of shares. The rights of the holders of such scrip shall expire on the first day of January, 1930. Such scrip shall not entitle the holders thereof to dividends or voting rights.

On our part such merger is contingent upon the due approval thereof by our Board of Directors, and on your part it is contingent upon the due approval of such transfer and conveyance of your assets to us, by the vote of the holders of at least two-thirds of your outstanding Common Stock, and the authorization of the dissolution of your Company by such stockholders' vote, at a meeting to be promptly called and held.

The cash and stocks to be paid and delivered by us shall be so paid and delivered simultaneously with the transfer, conveyance and delivery to us of all your said property and assets, upon the approval by our counsel of the titles to such property and assets, the form of instruments of conveyance thereof and all corporate proceedings relating to this transaction, at which time we shall also deliver to you due instrument or instruments of assumption executed by us, whereby we shall assume and agree to pay and perform your existing liabilities and obligations. Such deliveries shall take place at the office of The Lowe Brothers Company, Dayton, Ohio, on or about June 1, 1929.

As above stated, this arrangement is based upon the condition existing at the close of business August 31, 1928, as disclosed by the above mentioned audit report of Ernst & Ernst, with normal and usual additions and changes, and it is understood that you have not made and will not make any disposition of your property, other than in the ordinary course of business, except the specific dividend disbursements, and the building purchase above referred to, and the above-mentioned leasehold fee purchase.

We have been advised by our counsel that your Company will not by virtue of the receipt of the above consideration become subject to any Federal income taxes, and that your stockholders will not by virtue

THE SHERWIN-WILLIAMS CO.
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of the receipt of the above mentioned stock of our company become subject to any Federal income taxes, and we hereby agree with your company in behalf of your present stockholders, and with your present stockholders individually, that we will protect and indemnify your present stockholders against Federal income taxes so arising (if any), which they may be required to pay in behalf of themselves or your company, we to have the privilege of defending against the imposition of any such taxes.

We have prepared this letter in duplicate and enclose herewith both copies duly executed by us to be signed and accepted by you. Please return to us one signed copy of this letter.

Yours very truly,

THE SHERWIN-WILLIAMS COMPANY

By Geo A. Martin
President.

Approved and accepted May 15, 1929.

THE LOWE BROTHERS COMPANY

By Donald H Kohr
President.