Meeting of Directors
- of -
The Sherwin-Williams Co.

MINUTES of a meeting of the Board of Directors of The Sherwin-Williams Company, duly held at its offices in Cleveland, Ohio, on January 17th, 1920, at 10 o'clock.

There were present -

W.H.Cottingham	S.P.Fenn
H.D.Whittlesey	F.H.Goff
E.M.Williams	J.C.Beardslee, constituting

a majority of the Board of Directors.

The President presided and, in the absence of the Secretary on motion made, seconded and carried, Mr. L.H.Schroeder was appointed Secretary of this meeting.

The President then stated that acting under the authority given by the Board of Directors, he had conducted negotiations with the Acme White Lead & Color Works of Detroit, Michigan, with a view to purchasing its entire property, business and good will as of November 29, 1919, and that he had entered into a contract with that Company providing for the purchase by himself, or his nominee, or a new Michigan corporation to be organized for that purpose, of the entire property, assets and business of the Acme White Lead & Color Works as of November 29, 1919, at the prices and upon the terms therein stated. He thereupon produced a copy of the contract so made, and it was read to the meeting by the Secretary, and a copy of the same, marked Exhibit "A", is made a part of the minutes of this meeting. The contract so read was then fully discussed and considered, and the President stated that in accordance with the terms of that contract, he had caused to be organized a Michigan corporation under the name of the Interstate Paint & Varnish Company, with an autherized capital stock of Ten Thousand Dollars ($10,000.00), and that such new Company had, by resolution, adopted and taken over the performance of the contract with the Acme White Lead & Color Works for the purchase of its property. He stated that this was done in accordance with the laws of Michigan, under which it is necessary, where the entire property of a going manufacturing corporation is to be purchased, that the purchase be made by a Michigan Company organized under the same laws as the selling corporation.

The President further stated that after the contract above referred to with the Acme White Lead & Color Works had been made, a meeting of the stockholders of that Company had been called and held on January 9th, 1920, to consider and ratify such contract, and that at that meeting the stockholders had voted for the ratification of the agreement, so that it was now fully binding upon all parties concerned.

Thereupon, upon motion, duly seconded, the following resolution was, on vote, unanimously adopted:

> RESOLVED, that the action of Walter H. Cottingham, as President of this Company, in entering into the contract with the Acme White Lead & Color Works of Detroit, Michigan, for the purchase of its entire property and assets and good will, a copy of which contract is attached to the minutes of this meeting, be, and the same is, in all respects ratified and approved, and that his action in causing to be incorporated and organized a new Michigan Company under the name of Interstate Paint & Varnish Company, to take over the purchase, and receive and hold title to the property, and conduct the business to be purchased from the Acme White Lead & Color Works, be also ratified and approved:

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BE IT FURTHER RESOLVED, that the President or Vice President and Secretary of this Company be, and they are hereby, authorized, empowered and directed to cause such steps to be taken as shall be necessary to increase the authorized Capital Stock of the Interstate Paint & Varnish Company to such extent as they may deem advisable and proper, and to cause the change of its corporate name to that of the Acme White Lead & Color Works or such other name, including the word "Acme" as they may see fit, and that they take such steps and proceedings as shall be found necessary and proper, in the name and on behalf of said new Michigan Company, to acquire and take over the property and business provided to be sold under said contract with the Acme White Lead & Color Works, in accordance with the terms and provisions of said contract;

BE IT FURTHER RESOLVED, that said President or Vice President and Secretary of this Company be also authorized, empowered and directed to purchase, at par, the entire Capital Stock of said new Michigan corporation as it shall be increased, taking the certificates therefor in the name of this Company, or such person or persons in its behalf, as they may think best; and that they also be empowered to pay for the same out of the treasury of this Company; and further to advance and loan to said new Michigan corporation from the treasury of this Company, on such terms and with such securities, if any, as said officers of this Company shall deem advisable, such amounts in excess of the capital paid for the stock of said new Company as shall be necessary to complete the payments required to be made by said new Company in the purchase from the Acme White Lead & Color Works, in accordance with said purchase contract, of the property to be received and owned by said new Michigan corporation, and sufficient to furnish said new corporation with necessary working capital.

BE IT ALSO FURTHER RESOLVED, that this Company acquire, take over and own the plants, (including the real estate) with all machinery heretofore owned by said Acme White Lead & Color Works, and contracted to be sold by it as hereinbefore shown, or from said new Michigan corporation; and that it pay therefor such part of the purchase price provided by said purchase contract to be paid to the Acme White Lead & Color Works as shall be properly apportionable to said plants and machinery. And when this Company shall have acquired said plants and machinery, that it lease the same to the new Michigan corporation, such lease to run for such term of years and to be upon such conditions and at such rate of rental as the officers of this Company shall find advisable and shall agree upon with said new Michigan corporation.

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And the President or Vice President and Secretary of this Company are hereby authorized and directed to do all things necessary and proper in acquiring said plants and machinery, including payment therefor from the treasury of this Company, and in leasing said property to said new corporation, including the execution in the name of this Company of proper instruments of lease.

The President further stated that the growing business and immediate needs of The Sherwin-Williams Company were such as to require additional capital necessary to its proper expansion, and for the purchase of additional property, which had been, or might be, determined upon; and that the officers of the Company had determined that it would be advisable to take such steps and proceedings as would be necessary, and amend its Articles of Incorporation so as to provide for a new Preferred Stock; to increase the number of shares and to decrease the par value per share of its Common Stock; and also to provide for the increase of its authorized Capital Stock from the present authorized amount of $21,000,000.00 to $60,000,000.00 par value, which authorized capital as increased shall be divided into $20,000,000.00 of authorized Common Stock with a par value of $25.00 per share, and $40,000,000.00 of authorized Preferred Stock with a par value of $100.00 per share, to be sold and issued in parts or installments, each part to bear cumulative dividends, payable quarterly each year, at such rates, not more than 7% per annum, as the directors might determine at the time of each such issue.

He further stated that the Company now has outstanding of its first issue of 7% Preferred Stock, an aggregate of $500,000.00 par value; of its second issue of 6% Preferred Stock, an aggregate of $1,498,000.00

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par value; and of its third issue, consisting of 6% Preferred Stock, $2,016,000.00 par value; that as to its first issue and its second issue of Preferred Stock, aggregating in all $1,998,000.00 par value, such stock contains no provision for the redemption or retirement thereof, and no premium is provided to be paid therefor. As to the third issue, consisting of 6% Preferred Stock, aggregating a total of $2,016,000.00 outstanding, provision was made for the redemption and retirement thereof at the rate of $110.00 per share with all accrued dividends; and that in order to provide for and issue the proposed new Preferred Stock it would be necessary that the Company first redeem its third issue of Preferred Stock above referred to, at $110.00 per share plus accrued dividends.

He stated that after full consideration the officers had determined that it would be unfair to the holders of the first and second issues of Preferred Stock to place them in a different or less advantageous position than the holders of the third issue of Preferred Stock above referred to, notwithstanding the fact that their certificates contain no requirement for redemption, or provision for a premium; and also that it would be advantageous to the Company, not only to keep the good will of all Preferred Stockholders, but to provide for but one class of Preferred Stock. He recommended that provision be made for redeeming all classes of Preferred Stock at the rate of $110.00 per share, plus accrued dividends, and that the privilege be extended to all Preferred Stockholders to exchange their shares at the above rate, for the new Preferred Stock at par.

The President further stated that after full consideration the officers of the Company had also determined that in case the stockholders approve the plan above outlined for pfoviding for new Preferred Stock, and for the increase in the authorized Capital Stock of the Company, it would be advisable, as soon as such new stock and increases shall be authorized and shall go into effect, to sell up to $15,000,000.00 par value thereof, and that the Company would be able to contract with The Cleveland Trust Company and its associates for underwriting such issue on a basis which would net the Company $96.00 per share, which rate was as favorable as could now be obtained for such underwriting, and that such underwriting contract should be authorized by this Board.

The plan outlined by the President and each step of the same was then fully discussed and considered. Thereupon, upon motion, duly made and seconded, the following resolutions were, on vote, unanimously adopted:

RESOLVED, that it is for the best interests of this Company to obtain the amendment of its Articles of Incorporation so as to provide; (1) for new Preferred Stock with a par value of $100.00 per share, to be issued in parts or installments, and to bear cumulative dividends at rates to be fixed by the Board of Directors, as to the shares constituting each series proposed to be sold, not more at any time than 7% per annum, payable quarterly each year; (2) for increasing the number of shares and the reduction of the par value of the Common Stock of the Company from $100.00 per share to $25.00 per share: (3) that the authorized unissued shares of Common Stock of the Company be converted into and issued as such new Preferred Stock, and the shares of Preferred Stock exchanged by the stockholders, or redeemed, together with any authorized unissued Preferred Stock of the Company, be reissued as such new Preferred Stock; and (4) for the increase of the Capital Stock of this Company from $21,000,000.00 par value thereof,

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as at present authorized, to $60,000,000.00 par value, of which $20,000,000.00, divided into 800,000 shares of the par Value of $25.00 each shall be Common Stock, and $40,000,000.00 divided into 400,000 shares of $100.00 each, shall be Preferred Stock. And a majority of the directors of this Company are hereby authorized and directed to give notice of a special stockholders' meeting to be held at the offices of this Company at such time as they shall deem advisable, and as required by law, to consider and act upon the proposed amendments and increase above referred to, which notice shall be substantially in the form hereto attached to the minutes of this meeting, marked Exhibit "B";

BE IT FURTHER RESOLVED, that in case the amendment to the Articles of Incorporation and increase in amounts of Capital Stock be approved and authorized by the stockholders, the proper officers of this Company be, and they are hereby, directed to prepare and file with the Secretary of State such certificates as shall be necessary and proper, and to cause such action to be published as required by law, so that such amendments and such increase shall become effective in law:

Mr. H.D. Whittlesey then offered and moved the adoption of the following resolution, which motion was seconded by Mr. J.C. Beardslee.

RESOLVED, that in case and when such amendments and changes in the Articles of Incorporation of this Company, and such increases in Capital Stock shall be authorised, and shall become legally effective, it is for the best interest of this Company that it issue and sell of the new Preferred Stock to be provided for, $15,000,000.00 par value thereof, composed of 150,000 shares of the par value of $100.00 each, to be designated Series A, and that as to said $15,000,000.00 of such Preferred Stock to be so sold, the rate of cumulative dividends to be paid thereon annually, in preference to Common stockholders of the Company, should be, and is, hereby fixed at 7% per annum, payable quarterly on the 1st days of March, June, September and December each year, and that the President or Vice President and Secretary of the Company be, and they are hereby, authorised in the name and on behalf of this corporation, and under its corporate seal, to enter into an underwriting contract with The Cleveland Trust Company, of which Mr. F.H. Goff, one of the directors of this Company, is President, Wm. A. Read & Co., and Borton & Borton providing for the sale of such Preferred Stock, such underwriting contract to contain such terms and provisions, and to be in such form as said President or Vice President and Secretary of this Company shall determine, the sale price to be received by this Company from such underwriters to be not less than $96.00 for each $100.00 of face value of Preferred Stock so sold, said Cleveland Trust Company being permitted to participate in said underwriting as though said F.H.Goff were not a Director of this Company;

BE IT FURTHER RESOLVED, that this Company call for redemption on March 1,1920, its entire outstanding third issue of Preferred Stock bearing dividends at the rate of 6% per annum and aggregating in outstanding shares $2,016,000 on the basis of $110.00 per share plus accrued dividends to said date; and that at the same time this Company offer to redeem and purchase on March 1,1920, from the holders of its first issue of Preferred Stock bearing dividends at the rate of 7% per annum and aggregating in outstanding shares $500,000 par value, and from the holders of its second issue of Preferred Stock bearing dividends at the rate of 6% per annum and aggregating in outstanding shares $1,498,000 par value, all of the Preferred Stock of this Company held by them,- on said basis of $110.00 per share plus dividends accrued thereon to March 1,1920. And that the Secretary of this Company be, and he is hereby authorized, empowered and directed to issue such call and to make such offer to redeem and purchase, at such time as he shall deem proper and shall be necessary to comply with the requirements of such stock or any of it, and that out of the funds of the Company the Treasurer of the Company be, and he is hereby authorized and directed to deposit with and place at the disposal of The Cleveland Trust Company of Cleveland, Ohio, Registrar of this Company, an amount sufficient to take up and pay for said shares as presented. And the President or Secretary of the Company is hereby authorised and directed to advise said Preferred stockholders that the underwriters of the series of said Preferred Stock to be presently issued have agreed to offer to said Preferred stockholders all and singular the privilege of exchanging their present shares of Preferred Stock of this Company for said new Preferred Stock, bearing 7% dividends, on the basis of share for share, plus cash equal to $10.00 per share and accrued dividends;

BE IT FURTHER RESOLVED, that the President or Vice President and Secretary of this Company be, and they are hereby authorised and empowered for and on behalf of this Company, to take such other steps, and do such other things, including the execution of such instruments, papers and agreements, and if found advisable executing or entering into interest bearing interim certificates or agreements for Preferred Stock of this Company, if, as and when determined upon by the underwriters

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of said stock, and to perform all and singular such other acts,- as they shall find necessary or deem proper to bring about and fully accomplish the matters and things hereinbefore authorized by this Board and provided to be done.

The resolution, on motion, was fully discussed by the Directors.

Thereupon, on being put to vote, all members present voted in favor of its adoption, except Mr. F. H. Goff, who did not vote.

There being no further business, the meeting, upon motion duly made, seconded and carried, adjourned.

Secretary pro tempore.