MEETING OF DIRECTORS
OF
THE SHERWIN-WILLIAMS COMPANY.

A meeting of the Directors of this Company was held at #101 Prospect Avenue, N. W., Cleveland, Ohio, at 10:30 A. M., Friday, July 26, 1940, the following being present:

Geo. T. Bishop
Harris Creech
H. J. Hain
C. P. Jarden
D. A. Kohr
Geo. A. Martin
A. W. Steudel
H. D. Whittlesey

Absent: A. D. Baldwin
C. S. Eaton
Z. E. Martin
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 April 24, 1940, 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 ten months of the fiscal year, including an estimated balance sheet and an estimated statement of earnings as of June 30, 1940, was submitted to the Directors. After discussion it was moved by Mr. H. D. Whittlesey, seconded by Mr. D. A. Kohr, and approved, that the report of June 30, 1940, be received and placed on file.

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

RESOLVED:
That the regular quarterly dividend of One and One-quarter Per Cent ($1\frac{1}{4}$%) to September 1, 1940, on the outstanding shares of Series "AAA" Five Per Cent (5%) Cumulative Preferred Stock of this Company, be and the same hereby is declared out of the surplus profits of the Company, payable September 3, 1940, to holders of stock certificates for such shares of record as of the close of business August 15, 1940.

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

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RESOLVED:

That a dividend of Seventy-five Cents (75¢) per share ($25.00 par value) be and the same hereby is declared out of the surplus profits of the Company, on the issued and outstanding Common Capital Stock of the Company, payable August 15, 1940, to stockholders of record at the close of business July 31, 1940.

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

"July 26, 1940.

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 September 3, 1940, and the common dividend of 75¢ per share, payable August 15, 1940, as declared at the meeting of the Directors held on July 26, 1940.

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."

Mr. Martin informed the members of the Board that he desired to discuss with them the need of additional plant facilities.

He stated that we had recently purchased a fifty-seven (57) acre tract of land, adjacent to our property in Pullman, Ill., at a cost of $67,500.00; that our greatest need was a chemical plant for the manufacture of meta nitro para toluidine and other chemicals used in the production of colors, - estimated cost $450,000.00.

Mr. Martin further informed the Board that our warehousing facilities in Chicago were inadequate, and recommended the building of a warehouse on land recently acquired, at an estimated cost of $500,000. to $550,000.

On motion by Mr. D. A. Kohr, seconded by Mr. H. D. Whittlesey, and carried, the expenditures for these facilities were approved.

RECORD BOOK PAGE ______ ATTEST: T Murphy
SECRETARY

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Mr. Martin then reviewed the purchase of the Burgess Titanium Unit at Madison, Wisconsin; the expenditures for the acquisition of patents, and expense incurred for research. He indicated technical men who conducted this research now are assured we have a satisfactory product and that the process has been sufficiently developed to warrant going ahead with the erection of a Titanium Unit at Gloucester City, N. J. His recommendation was for an initial unit with a capacity of three thousand (3,000) tons annually, at an estimated cost of $1,000,000.

On motion by Mr. C. P. Jarden, seconded by Mr. Geo. T. Bishop, and carried, the expenditures for the Titanium Plant, with a capacity of 3,000 tons annually, were approved.

Mr. Martin then asked the Treasurer to outline how the new facilities would be financed. Mr. Schroeder thereupon read figures showing since 1937 additions to plant have not exceeded the amount set aside for depreciation for this period; further, that over the last four years the Company had added approximately $4,000,000. to its working capital, being the excess of earnings over dividends paid and the redemption of its Preferred Stock amounting to about $500,000. a year. In view of the strong cash position of the company, which it was assumed would exceed $8,000,000. on August 31, 1940, it seemed proper to draw on the company's working capital for the financing of these plant extensions.

By order of the Chair the meeting adjourned.

F. Murphy
Secretary.

RECORD BOOK PAGE_____ATTEST____________________
SECRETARY