

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**
FORM 10-K

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

For the fiscal year ended December 31, 2023

Commission file number 1-04851

THE SHERWIN-WILLIAMS COMPANY

(Exact name of registrant as specified in its charter)

Ohio

34-0526850

(State or other jurisdiction of incorporation or organization)

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

101 West Prospect Avenue

44115-1075

Cleveland, Ohio

(Zip Code)

(Address of principal executive offices)

(216) 566-2000

Registrant's telephone number, including area code

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 of \$0.33-1/3 per share	SHW	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock held by non-affiliates of the Registrant at June 30, 2023 was \$ 68,095,363,926 (computed by reference to the price at which the common stock was last sold on such date).

At January 31, 2024, 254,464,522 shares of common stock were outstanding, net of treasury shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement for the 2024 Annual Meeting of Shareholders ("Proxy Statement") to be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2023 are incorporated by reference into Part III of this report.

THE SHERWIN-WILLIAMS COMPANY

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PART I

ITEM 1. BUSINESS

Introduction

The Sherwin-Williams Company, founded in 1866 and incorporated in Ohio in 1884, is engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America with additional operations in the Caribbean region, Europe, Asia and Australia. Our principal executive offices are located at 101 West Prospect Avenue, Cleveland, Ohio 44115-1075, telephone (216) 566-2000. As used in this report, the terms "Sherwin-Williams," "Company," "we", "us" and "our" mean The Sherwin-Williams Company and its consolidated subsidiaries unless the context indicates otherwise.

Available Information

We make available free of charge on or through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (SEC). You may access these documents on our Investor Relations website, investors.sherwin.com.

We also make available free of charge on our website our Corporate Governance Guidelines, our Director Independence Standards, our Code of Conduct and the charters of our Audit Committee, our Compensation and Management Development Committee and our Nominating and Corporate Governance Committee. You may access these documents on our Investor Relations website, investors.sherwin.com.

Basis of Reportable Segments

The Company reports its segment information in the same way that management internally organizes its business for assessing performance and making decisions regarding allocation of resources. The Company has three reportable operating segments: Paint Stores Group, Consumer Brands Group and Performance Coatings Group (individually, a Reportable Segment and collectively, the Reportable Segments). The Company reports all other business activities and immaterial operating segments that are not reportable in the Administrative segment. For more information about the Reportable Segments, see Note 23 to the Consolidated Financial Statements in Item 8.

Paint Stores Group

Paint Stores Group consisted of 4,694 company-operated specialty paint stores in the United States, Canada and the Caribbean region at December 31, 2023. Each store in this segment is engaged in servicing the needs of architectural and industrial paint contractors and do-it-yourself homeowners. These stores market and sell Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products. The majority of these products are produced by manufacturing facilities in the Consumer Brands Group. In addition, each store sells select purchased associated products. The loss of any single customer would not have a material adverse effect on the business of this segment.

Consumer Brands Group

The Consumer Brands Group manufactures and distributes a broad portfolio of branded and private-label architectural paint, stains, varnishes, industrial products, wood finishes products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulk and adhesives to retailers, including home centers and hardware stores, dedicated dealers and distributors throughout North America, Latin America and Europe. During 2023, the Company divested a non-core domestic aerosol business and the China architectural business, both part of the Consumer Brands Group. See Note 3 to the Consolidated Financial Statements in Item 8 for more information. Sales and marketing of certain controlled brand and private-label products is performed by a direct sales staff. The products distributed through third-party customers are intended for resale to the ultimate end-user of the product. The Consumer Brands Group also consisted of 318 company-operated specialty paint stores in Latin America at December 31, 2023. Each store in this segment is engaged in servicing the needs of home, commercial and industrial projects to contractors and do-it-yourself customers in Latin America. These stores market and sell Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products which are branded for the Latin America market. In addition, each store sells select purchased associated products. The Consumer Brands Group also supports the Company's other businesses around the world with new product research and development, manufacturing, distribution and logistics. Approximately 61% of the total sales of the Consumer Brands Group in 2023 were intersegment transfers of products primarily sold through the Paint Stores Group. The Consumer Brands Group had sales to certain customers that, individually, may be a significant portion of the sales and related profitability of the segment. This segment incurred most of the Company's capital expenditures related to ongoing environmental compliance measures, manufacturing capacity expansion, operational efficiencies and maintenance projects at sites currently in operation.

Performance Coatings Group

The Performance Coatings Group develops and sells industrial coatings for wood finishing and general industrial (metal and plastic) applications, automotive refinish, protective and marine coatings, coil coatings, packaging coatings and performance-based resins and colorants worldwide. This segment licenses certain technology and trade names worldwide. During 2023, the Company acquired German-based SIC Holding GmbH which is part of the Performance Coatings Group. See Note 3 to the Consolidated Financial Statements in Item 8 for more information. Sherwin-Williams® and other controlled brand products are distributed through the Paint Stores Group, this segment's 322 company-operated branches, a direct sales staff and outside sales representatives to retailers, dealers, jobbers, licensees and other third-party distributors. The Performance Coatings Group had sales to certain customers that, individually, may be a significant portion of the sales of the segment. However, the loss of any single customer would not have a material adverse effect on the overall profitability of the segment.

Administrative Segment

The Administrative segment includes the administrative expenses of the Company's corporate headquarters site. Also included in the Administrative segment is interest expense, interest and investment income, certain expenses related to closed facilities and environmental-related matters and other expenses which are not directly associated with the Reportable Segments. The Administrative segment does not include any significant foreign operations. Also included in the Administrative segment is the operations of a real estate management unit that is responsible for the ownership, management and leasing of non-retail properties held primarily for use by the Company and disposal of idle facilities. Sales of this segment represent external leasing revenue. Material gains and losses from the sale of property are infrequent and not a significant operating factor in determining the performance of the Administrative segment.

Raw Materials and Products Purchased for Resale

Raw materials and products purchased for resale make up the majority of our consolidated Cost of goods sold. Raw materials may vary considerably by the specific paint or coating being manufactured but can generally be divided into the following categories: resins and latex, pigments, additives, solvents, and metal or plastic containers. A significant portion of these raw materials are derived from various upstream petrochemical and related commodity feedstocks, notably propylene. Raw materials are sourced from multiple suppliers globally, typically within the geographic region where our products are being manufactured. A portion of specialized resins and other products are manufactured in house. We also purchase a variety of products for resale that are highly complementary to our paint and coating offerings, notably spray equipment and parts, floorcovering and assorted sundries. We attempt, if feasible, to mitigate our potential risk associated with the sourcing of our raw materials and other products through inventory management, strategic relationships with key suppliers, alternative sourcing strategies and long-term investments to expand our manufacturing capabilities. See Item 1A Risk Factors for more information regarding cost and sourcing of raw materials.

Seasonality

The majority of the sales for the Reportable Segments traditionally occur during the second and third quarters. Periods of economic downturn, however, can alter these seasonal patterns. There is no significant seasonality in sales for the Administrative segment.

Working Capital

In order to meet increased demand during the second and third quarters, the Company usually builds its inventories during the first quarter. Working capital items (inventories and accounts receivable) are generally financed through short-term borrowings, which include the use of lines of credit and the issuance of commercial paper. For a description of the Company's liquidity and capital resources, see Item 7 Financial Condition, Liquidity and Cash Flow.

Trademarks and Trade Names

Customer recognition of trademarks and trade names owned or licensed by the Company collectively contribute significantly to our sales. The major trademarks and trade names used by each of the Reportable Segments are set forth below.

- *Paint Stores Group:* Sherwin-Williams®, A-100®, Builders Solution®, Captivate®, Cashmere®, Duration®, Emerald®, Gallery Series™, Kem Tone®, Latitude®, Loxon®, Metalatex®, Novacor®, Painters Edge Plus™, ProClassic®, ProCraft®, Pro Industrial™, ProMar®, Scuff Tuff®, SuperDeck®, SuperPaint®, Woodscapes®
- *Consumer Brands Group:* Cabot®, Colorgin®, Condor®, Dupli-Color®, Dutch Boy®, Geocel®, HGTV HOME® by Sherwin-Williams, Krylon®, Minwax®, Purdy®, Ronseal®, Thompson's® WaterSeal®, Valspar®, White Lightning®
- *Performance Coatings Group:* Sherwin-Williams®, Acrolon®, AcromaPro®, ATX®, DeBeer Refinish®, Duraspar®, EcoDex®, Envirolastic®, Excelo®, EzDex®, Fastline®, Firetex®, Fluropor®, Gross & Perthus™, Heat-Flex®, House of Kolor®, Huarun®, ICA®, Inver®, Kem Aqua®, Klumpp Coatings™, Lazzuril®, Macropoxy®, Martin

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Senour®, Matrix Edge®, M.L. Campbell®, Octoral®, Oskar Nolte™, PermaClad®, Polane®, Powdura®, Sayerlack®, Sher-Wood®, Sumaré®, Ultra 9K®, Ultra 7000®, ValPure®, Valspar®

Patents

Although patents and licenses are not of material importance to our business as a whole or any segment, the Performance Coatings Group derives a portion of its income from the licensing of technology, trademarks and trade names to foreign companies.

Backlog and Productive Capacity

Backlog orders are not typically significant in the business of any Reportable Segment since there is normally a short period of time between the placing of an order and shipment. We believe that sufficient productive capacity currently exists to fulfill our needs for paint, coatings and related products during 2024.

Competition

We experience competition from many local, regional, national and international competitors of various sizes in the manufacture, distribution and sale of our paint, coatings and related products. We are a leading manufacturer and retailer of paint, coatings and related products to professional, industrial, commercial and retail customers, however, our competitive position varies for our different products and markets.

In the Paint Stores Group, competitors include other paint and wallpaper stores, mass merchandisers, home centers, independent hardware stores, hardware chains and manufacturer-operated direct outlets. Product quality, product innovation, breadth of product line, technical expertise, service and price determine the competitive advantage for this segment.

In the Consumer Brands Group, domestic and foreign competitors include manufacturers and distributors of branded and private-label paint and coatings products as well as other paint and wallpaper stores, mass merchandisers, home centers, independent hardware stores, hardware chains and manufacturer-operated direct outlets. Technology, product quality, product innovation, breadth of product line, technical expertise, distribution, service and price are the key competitive factors for this segment.

The Performance Coatings Group has numerous competitors in its domestic and foreign markets with broad product offerings and several others with niche products. Key competitive factors for this segment include technology, product quality, product innovation, breadth of product line, technical expertise, distribution, service and price.

The Administrative segment has many competitors consisting of other real estate owners, developers and managers in areas in which this segment owns property. The main competitive factors are the availability of property and price.

Human Capital Resources

Our commitment to our people is embedded in the Company's corporate purpose and guiding values. Through the development, manufacture, distribution and sale of innovative paint and coatings products, our employees are instrumental in fulfilling our corporate purpose to inspire and improve the world by coloring and protecting what matters. The Company's seven guiding values — integrity, people, service, quality, performance, innovation and growth — drive how we fulfill our purpose, emphasize the importance of our global workforce and serve as the foundation of our culture of excellence.

At December 31, 2023, we employed 64,088 people worldwide, of which approximately 75% were in the United States and 25% were in other global regions. The success of our business and our ability to execute on our strategy depend in large part on our ability to attract, retain, develop and progress qualified employees with diverse skills, experiences and perspectives at all levels of our organization. To deliver on these objectives, we have developed key programs, policies and initiatives focused on belonging and culture, talent acquisition and employee engagement, occupational health and safety and total rewards, which includes compensation and benefits programs and practices.

Belonging and Culture. We strive to foster a culture of belonging to drive employee engagement and performance while attracting, retaining, developing and progressing a diverse pipeline of talent that reflects the communities in which we operate. As reflected in our Code of Conduct and reinforced through our actions, training and attitudes, fostering an inclusive culture is a moral and business imperative. The building blocks of our culture include:

- *Communicating impact:* Sharing the Company story, goals and priorities at all levels, and educating our workforce on allyship and belonging.
- *Leading with inclusion:* Creating a culture where we are open and leverage the unique contributions of each employee to positively impact our people and business results.

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- *Empowering everyone:* Investing in our people by providing collaboration, development and learning opportunities to drive retention, progression and engagement.
- *Committing to action:* Empowering and engaging leaders to use tools and resources to take meaningful action to foster a culture of belonging for all employees.

While our commitment starts at the top, with a Board of Directors with diverse skills, backgrounds and experiences, creating a supportive, welcoming environment across our global footprint is the shared responsibility of all of our employees, including our senior leaders. We strive to ensure our senior leaders have the resources they need to foster inclusion and belonging and ultimately leverage the diversity of our workforce to deliver customer-focused differentiated products, services and solutions. Our senior leaders attend an education and training session every year, and we hold CEO Forums on Inclusion, led by our CEO and other senior leaders, designed to encourage open discussions with employees about opportunities to advance our culture of belonging. In 2023, we also continued our focus on driving allyship and empathy through conscious inclusion training and elevating the visibility and prominence of our Employee Resource Groups (ERGs). These are voluntary, employee-led communities with a shared purpose of developing connections between and among employees and allies with diverse backgrounds. We have over 300 chapters globally that bring together employees from various groups, divisions and functional teams to foster more inclusive workplaces, create greater synergy around business objectives and serve as a hub for professional development and mentorship opportunities that enable our employees to thrive and find long-term success at Sherwin-Williams.

Talent Acquisition and Employee Engagement. We strive to attract, retain, develop and progress a workforce that embraces our culture of inclusion through an integrated talent management strategy. This strategy connects major milestones in the employee journey, including talent acquisition, onboarding, performance management, leadership and management development, succession and career progression, and is supported by our focus on employee engagement, culture, workforce analytics and information technology governance. The Company's early talent programs, including our management trainee program and similar programs across our global business, play a critical role in attracting, developing and advancing a pipeline of talent with diverse skills, backgrounds and experiences. During 2023, we hired approximately 1,400 college graduates through our management trainee program as part of our long-term growth initiatives. We also collaborate with various colleges and universities to continue to broaden our talent pipeline with qualified women, underrepresented racial or ethnic groups, individuals with disabilities, veterans and other candidates.

We invest in our people by providing learning and employee networking opportunities, including through our ERGs, to drive retention, development and engagement and help employees excel in their current and future roles. During 2023, our employees completed thousands of hours of online and instructor-led courses across a broad range of categories, including leadership, professional skills, technical skills and compliance. We measure our progress toward creating a culture of belonging that empowers employees to learn, grow and achieve their aspirations by conducting periodic pulse surveys and a global engagement survey, which we conducted in 2023 and expect to conduct every other year. We are focused on using these survey results to drive continued progress with our efforts.

Occupational Health and Safety. Providing safe and healthy working environments for our employees is a core value. We have a consistent focus on Environmental, Health and Safety excellence that promotes employee health and safety, process safety and occupational health, including evaluation and implementation of preventative measures to reduce workplace injuries and illness. We strive for incident-free workplaces and are continuously assessing and improving the programs that are in place to help keep our employees, customers and communities safe, including by improving our global management systems, standards and performance measures.

Total Rewards. We prioritize the fair, consistent and equitable treatment of our employees in relation to working conditions, wages, benefits, policies and procedures. The Company's policies and programs are designed to respond to the needs of our employees in a manner that provides a safe, professional, efficient and rewarding workplace. Our total rewards programs are designed to offer competitive compensation, comprehensive benefits and other programs to support employees' growth, both personally and professionally, and the diverse needs and well-being of our employees worldwide.

Over the past few years, we have enhanced certain of the Company's benefits and practices to support the health and well-being of our employees. Our enhanced benefits have included tele-health, paid sick leave, family leave and voluntary leave of absence policies and programs. We also have rewarded our employees' resiliency and hard work and made changes in our business to encourage retention, including through wage increases, reduced store hours and employee benefits enhancements. Additionally, in 2023, we continued to permit remote, alternate and flexible work arrangements where possible to promote increased flexibility and support employee health and well-being, while maintaining our focus on collaboration and engagement.

Regulatory Compliance

For additional information regarding environmental-related matters, see Notes 1, 11 and 20 to the Consolidated Financial Statements in Item 8.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Letter to Shareholders" and elsewhere in this report constitute "forward-looking statements" within the meaning of federal securities laws. These forward-looking statements are based upon management's current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions and may discuss, among other things, anticipated future performance (including sales and earnings), expected growth, future business plans and the costs and potential liability for environmental-related matters and the lead pigment and lead-based paint litigation. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "believe," "expect," "estimate," "project," "plan," "goal," "target," "potential," "intend," "aspire," "strive," "may," "will," "should," "could," "would," "seek," or "anticipate" or the negative thereof or comparable terminology.

Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside our control, that could cause actual results to differ materially from such statements and from our historical results, performance and experience. These risks, uncertainties and other factors include such things as:

- general business conditions, including the strength of retail and manufacturing economies and growth in the coatings industry;
- changes in general domestic and international economic conditions, including due to changes in inflation rates, interest rates, tax rates, unemployment rates, labor costs, healthcare costs, recessionary conditions, geopolitical conditions, government policies, laws and regulations;
- weakening of global credit markets and our ability to generate cash to service our indebtedness;
- fluctuations in foreign currency exchange rates, including as a result of inflation, central bank monetary policies, currency controls and other exchange restrictions;
- any disruption in the availability of, or increases in the price of, raw material and energy supplies;
- disruptions in the supply chain, including those related to industry capacity constraints, raw material availability, transportation and logistics delays and constraints, political instability or civil unrest;
- catastrophic events, adverse weather conditions and natural disasters, including those that may be related to climate change or otherwise;
- losses of or changes in our relationships with customers and suppliers;
- competitive factors, including pricing pressures and product innovation and quality;
- our ability to successfully integrate past and future acquisitions into our existing operations, as well as the performance of the businesses acquired;
- risks and uncertainties associated with our expansion into and our operations in Asia, Europe, South America and other foreign markets, including general economic conditions, policy changes affecting international trade, political instability, inflation rates, recessions, sanctions, foreign currency exchange rates and controls, foreign investment and repatriation restrictions, legal and regulatory constraints, civil unrest, armed conflicts and wars (including the ongoing conflict between Russia and Ukraine and the Israel-Hamas war) and other economic and political factors;
- cybersecurity incidents and other disruptions to our information technology systems, and our reliance on information technology systems;
- our ability to attract, retain, develop and progress a qualified global workforce;
- our ability to execute on our business strategies related to sustainability matters, and achieve related expectations, including as a result of evolving regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs and the availability of requisite financing, and changes in carbon markets;
- damage to our business, reputation, image or brands due to negative publicity;
- our ability to protect or enforce our material trademarks and other intellectual property rights;
- our ability to comply with numerous and evolving U.S. and non-U.S. laws, rules, and regulations and the effectiveness of our compliance efforts;
- adverse changes to our tax positions in U.S. and non-U.S. jurisdictions, including as a result of new or revised tax laws or interpretations;
- increasingly stringent domestic and foreign governmental regulations, including those affecting health, safety and the environment;
- inherent uncertainties involved in assessing our potential liability for environmental-related activities;

- other changes in governmental policies, laws and regulations, including changes in tariff policies, accounting policies and standards; and
- the nature, cost, quantity and outcome of pending and future litigation and other claims, including the lead pigment and lead-based paint litigation, and the effect of any legislation and administrative regulations relating thereto.

Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

ITEM 1A. RISK FACTORS

The risks described below and in other documents we file from time to time with the SEC could materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. While we believe we have identified and discussed below the key risks affecting our business, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our business, results of operations, cash flow, liquidity or financial condition in the future. Readers should not interpret the disclosure of any risk factor to imply that the risk has not already materialized.

ECONOMIC AND STRATEGIC RISKS

Adverse changes in general business and economic conditions in the United States and worldwide may adversely affect our results of operations, cash flow, liquidity or financial condition.

We operate all over the world serving customers in more than 120 countries. Our business, operations, and business plans and strategies are sensitive to global and regional business and economic conditions. Adverse changes in such conditions in the United States and worldwide have in the past impacted and may in the future reduce the demand for some of our products, adversely impact our ability to predict and meet any future changes in the demand for our products, and impair the ability of those with whom we do business to satisfy their obligations to us, each of which could adversely affect our results of operations, cash flow, liquidity or financial condition. Changes in inflation rates, interest rates, tax rates, unemployment rates, labor costs, healthcare costs, recessionary conditions, geopolitical conditions, governmental policies, laws and regulations, business disruptions due to cybersecurity incidents, terrorist activity, armed conflicts and wars (including the ongoing conflict between Russia and Ukraine and the Israel-Hamas war), public health crises, pandemics, outbreaks of disease, catastrophic events, adverse weather conditions or natural disasters (including those that may be related to climate change or otherwise), supply chain disruptions (including those caused by industry capacity constraints, labor shortages, raw material availability, and transportation and logistics delays and constraints), and other economic factors have in the past and could in the future adversely affect demand for some of our products, our ability to predict and meet any future changes in the demand for our products, the availability, delivery or cost of raw materials, our ability to adequately staff and maintain operations at affected facilities and our results of operations, cash flow, liquidity or financial condition and that of our customers, vendors and suppliers. With respect to inflation in particular, high levels of inflation impacted consumer behavior in 2023. We expect inflationary pressure to continue to impact consumer and manufacturing customer behavior during 2024, including in the United States housing market as a result of elevated mortgage rates and in global industrial markets as a result of softer demand. Any such shift in consumer and manufacturing customer behavior could adversely affect the demand for some of our products and our results of operations, cash flow, liquidity or financial condition.

Protracted duration of economic downturns in cyclical segments of the economy may depress the demand for some of our products and adversely affect our sales, earnings, cash flow or financial condition.

Portions of our business involve the sale of paint, coatings and related products to segments of the economy that are cyclical in nature, particularly segments relating to construction, housing, manufacturing and oil production, refining, storage and transportation. Our sales to these segments are affected by the levels of discretionary consumer and business spending in these segments. During economic downturns in these segments, the levels of consumer and business discretionary spending have in the past decreased. A decrease in consumer and business discretionary spending has in the past and could in the future reduce the demand for some of our products and has in the past and could in the future adversely affect our sales, earnings, cash flow or financial condition.

Interest rates increased substantially in 2022 and 2023 and may continue to increase. The recent and continued combination of high interest rates and high inflation impacted consumer and manufacturing customer behavior during 2023, which we expect to continue into 2024. Rising interest rates and shifts in consumer behavior have adversely affected and may continue to adversely

affect the demand for new residential homes, existing home turnover and new non-residential construction. Any worsening in these segments will reduce the demand for some of our products and may adversely impact sales, earnings and cash flow.

In the U.S. construction and housing segments, we continue to see project backlogs due to contractors experiencing a shortage of skilled workers, resulting in an adverse effect on the growth rate of demand for our products. While we would typically expect to see higher demand for our products as project backlogs are reduced in the future, inflation and other economic conditions may delay a recovery in demand, which may result in the labor shortage and such other conditions adversely impacting our sales, earnings, cash flow or financial condition.

FINANCIAL RISKS

A weakening of global credit markets or changes to our credit ratings may adversely affect our results of operations, cash flow, liquidity or financial condition.

A weakening of global credit markets has in the past and could in the future adversely impact our net sales, the collection of accounts receivable, funding for working capital needs, expected cash flow generation from current and acquired businesses, access to capital and our investments, which has in the past and could in the future adversely impact our results of operations, cash flow, liquidity or financial condition.

We finance a portion of our sales through trade credit. Credit markets remain tight, and some customers who require financing for their businesses have not been able to obtain, and may in the future have difficulty obtaining, necessary financing. A continuation or worsening of these conditions could limit our ability to collect our accounts receivable, which could adversely affect our results of operations, cash flow, liquidity or financial condition.

We generally fund a portion of our seasonal working capital needs and obtain funding for other general corporate purposes through short-term borrowings backed by our revolving credit facility and other financing facilities. If any of the banks in these credit and financing facilities are unable to perform on their commitments, such inability could adversely impact our cash flow, liquidity or financial condition, including our ability to obtain funding for working capital needs and other general corporate purposes.

Although we have available credit facilities to fund our current operating needs, we cannot be certain we will be able to replace our existing credit facilities or refinance our existing or future debt when necessary. Our cost of borrowing and ability to access the capital markets are affected not only by market conditions, but also by our debt and credit ratings assigned by the major credit rating agencies. Rating agencies regularly evaluate our business and could downgrade our credit rating based on a number of factors, including factors beyond our control, such as general business or economic conditions. Downgrades in these ratings likely would increase our cost of borrowing and could have an adverse effect on our access to the capital markets, including our access to the commercial paper market. An inability to access the capital markets with the same flexibility we have now and on terms commercially acceptable to us, or at all, could have a material adverse effect on our results of operations, cash flow, liquidity or financial condition.

We have goodwill and intangible assets recorded on our Consolidated Balance Sheets. We periodically evaluate the recoverability of the carrying value of our goodwill and intangible assets whenever events or changes in circumstances indicate such value may not be recoverable. An impairment assessment involves judgment as to assumptions regarding future sales and cash flow and the impact of market conditions on those assumptions. Future events, such as the integration or rebranding of trademarks acquired in acquisitions and changing market conditions may impact our assumptions and change our estimates of future sales and cash flow, including our ability to track trademark specific sales and cash flow, resulting in us incurring substantial impairment charges, which could adversely affect our results of operations or financial condition.

We hold investments in equity and debt securities in some of our defined benefit pension plans. A decrease in the value of plan assets resulting from a general financial downturn may cause a negative pension plan investment performance, which may adversely affect our results of operations, cash flow, liquidity or financial condition.

We require a significant amount of cash to service the substantial amount of debt we have outstanding. Our ability to generate cash depends on many factors beyond our control. We also depend on the business of our subsidiaries to satisfy our cash needs. If we cannot generate the required cash, we may not be able to make the necessary payments required under our indebtedness.

At December 31, 2023, we had total debt of approximately \$9.851 billion, which is a decrease of \$718.8 million since December 31, 2022. We have the ability under our existing credit facilities to incur substantial additional indebtedness in the future. Our ability to make payments on our debt, fund other liquidity needs and make planned capital expenditures will depend on our ability to generate cash in the future. Our historical financial results have been, and we anticipate our future financial results will be, subject to fluctuations. Our ability to generate cash, to a certain extent, is subject to general business, economic,

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financial, competitive, legislative, regulatory and other factors beyond our control, including supply chain disruptions, adverse weather conditions or natural disasters, armed conflicts and wars, changes in raw material and energy supplies, public health crises and pricing and related impacts. We cannot guarantee our business will generate sufficient cash flow from our operations or future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs and make planned capital expenditures.

The degree to which we are leveraged could have important consequences for shareholders. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other long-term growth initiatives and general corporate purposes;
- increase our vulnerability to adverse business, economic or industry conditions;
- limit our ability to obtain additional financing in the future to enable us to react to changes in our business or general business, economic or industry conditions; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to comply with covenants in the instruments governing our debt could result in an event of default which, if not cured or waived, would have a material adverse effect on us.

A significant portion of our operations are conducted through our subsidiaries. As a result, our ability to generate sufficient cash flow for our needs is dependent to some extent on the earnings of our subsidiaries and the payment of those earnings to us in the form of dividends, loans or advances and through repayment of loans or advances from us. Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on our debt or to provide us with funds to meet our cash flow needs, whether in the form of dividends, distributions, loans or other payments. Further, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. Even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us. Finally, changes in the laws of foreign jurisdictions in which we operate have in the past and may in the future adversely affect the ability of some of our foreign subsidiaries to repatriate funds to us.

Fluctuations in foreign currency exchange rates and changing monetary policies could adversely affect our results of operations, cash flow, liquidity or financial condition.

Because of our international operations, we are exposed to risk associated with interest rates and value changes in foreign currencies, including as a result of inflation, central bank monetary policies, currency controls and other exchange restrictions, which may adversely affect our business. Historically, our reported net sales, earnings, cash flow and financial condition have been subjected to fluctuations in foreign exchange rates. Our primary exchange rate exposure is with the Euro, the Brazilian Real, the Mexican Peso, the Canadian Dollar, the Chinese Yuan, the British Pound, and the Argentine Peso, each against the U.S. Dollar. While we actively manage the exposure of our foreign currency risk as part of our overall financial risk management policy, we have in the past and may in the future experience losses from foreign currency exchange rate fluctuations, and currency controls and restrictions, and such losses could adversely affect our sales, earnings, cash flow, liquidity or financial condition. Currency controls or restrictions may limit our ability to convert foreign currencies into U.S. Dollars, or to remit dividends and other payments from our subsidiaries or businesses located in or conducted within a country imposing such controls or restrictions. For example, we experienced a loss of \$41.8 million in 2023 as a result of the significant devaluation of the Argentine Peso in December 2023 as part of economic reforms implemented by the government of Argentina, and we may experience similar losses in the future.

OPERATIONAL RISKS

Unexpected shortages and increases in the cost of raw materials and energy may adversely affect our earnings or cash flow.

We purchase raw materials (including petrochemical-derived resins, latex and solvents, titanium dioxide and various additives) and energy for use in the manufacturing, distribution and sale of our products. Factors such as political instability, higher tariffs, supply chain disruptions, adverse weather conditions and natural disasters (including those that may be related to climate change or otherwise), armed conflicts and wars, or public health crises have impacted and may in the future disrupt the availability of raw material and fuel supplies, adversely impact our ability to meet customer demands for some of our products or adequately staff and maintain operations at affected facilities, and increase our costs. In addition, environmental and social

regulations, including regulations related to climate change or otherwise, have in the past and may in the future negatively impact us or our suppliers in terms of availability and cost of raw materials, as well as sources and supply of energy.

Although raw materials and energy supplies (including oil and natural gas) are generally available from various sources in sufficient quantities, unexpected shortages and increases in the cost of raw materials and energy, supplier capacity constraints, or any deterioration in our relationships with or the financial viability of our suppliers, may have an adverse effect on our earnings or cash flow. Although we generally have a number of suppliers, in some cases we have limited or single-sources of supply. We purchase raw materials globally from sources around the world, including in the Middle East, Central and South America and other areas that may be less politically stable than other areas. Wars, armed conflicts, political instability, civil disturbances and unrest, terrorist attacks, and actions by governments in these areas (such as the ongoing conflict between Russia and Ukraine and the Israel-Hamas war and any expansion or increase in the severity and intensity of such) may decrease the supply and increase the price of raw materials that we use for our business, which could have a material adverse effect on our sales, earnings, cash flow or results of operations. For example, although we do not have significant operations in the region, the Israel-Hamas war has caused disruption, instability and volatility in supply chains and logistics, including shipping disruptions in the Red Sea and surrounding waterways.

In the event we experience supply chain disruptions from our suppliers, we may not be able to timely shift to internal production or secure alternate sources in order to prevent significant impacts to our business, or we may experience quality issues with raw materials and energy sourced from alternate sources. If we are unable to offset such disruptions through internal production or alternate sources, we may experience adverse impacts to our business, including adverse effects to our earnings and cash flow.

If the cost of raw materials and energy increases, we may not be able to offset higher costs in a timely manner by sufficiently decreasing our operating costs or raising the prices of our products. Following two years of historic inflation, some raw material and energy prices decreased in 2023, particularly resins and solvents derived from petrochemical feedstock sources such as propylene and ethylene. Ongoing global supply and demand dynamics drive the cost of raw materials and energy, which could continue to experience periods of volatility in the future and may adversely affect our earnings and cash flow.

Catastrophic events, adverse weather conditions and natural disasters (including those that may be related to climate change or otherwise) may temporarily reduce the demand for some of our products, impact our ability to meet the demand for our products or cause supply chain disruptions and increased costs, and could have a negative effect on our sales, earnings or cash flow.

Our business is seasonal in nature, with the second and third quarters typically generating a higher proportion of sales and earnings than other quarters. From time to time, catastrophic events, adverse weather conditions and natural disasters (including those that may be related to climate change or otherwise) have caused business disruptions and have had an adverse effect on our sales, manufacture and distribution of paint, coatings and related products. Our facilities and systems are not fully redundant and our disaster recovery planning may not be sufficient to meet business needs in the event of disruptions. In the event of catastrophic events, adverse weather conditions or a natural disaster cause significant damage to any one or more of our principal manufacturing or distribution facilities, we may not be able to manufacture the products needed to meet customer demand, which could have an adverse effect on our sales of certain paint, coatings and related products.

Also from time to time, the impact of these risks to our suppliers has had or may have an adverse effect on our sales, manufacture and distribution of certain of our products. Catastrophic events, adverse weather conditions or natural disasters and their impacts have in the past resulted, and may in the future result, in industry-wide supply chain disruptions, increased raw material and other costs, and our hindered ability to manufacture the products needed to fully meet customer demand.

In any of these instances, an adverse effect on sales may cause a reduction in our earnings or cash flow.

Although we have an extensive customer base, the loss of any of our largest customers could adversely affect our sales, earnings or cash flow.

We have a large and varied customer base due to our extensive distribution platform. During 2023, no individual customer accounted for sales totaling more than ten percent of our sales. However, we have some customers that, individually, purchase a large amount of products from us. Although our broad distribution channels help to minimize the impact of the loss of any one customer or the loss of a significant amount of sales to any one customer, the loss of any of these large customers, or the loss of significant amount of sales to any of these large customers, could have an adverse effect on our sales, earnings or cash flow.

Increased competition or failure to keep pace with developments in key competitive areas of our business may reduce our sales, earnings or cash flow performance.

We face substantial competition from many international, national, regional and local competitors of various sizes in the manufacture, distribution and sale of our paint, coatings and related products. Some of our competitors operate more

extensively in certain regions around the world and have greater financial or operational resources to compete internationally. They may secure better terms from certain vendors, adopt more aggressive pricing, and devote more resources to certain product lines or parts of their business. Other competitors are smaller and may be able to offer more specialized products. Technology, product quality, product composition, raw material sourcing, product innovation and development (including relating to increased customer interest in the sustainability attributes of products and our related key strategies and initiatives for expanding our product offerings), breadth of product line, technical expertise, distribution, service and price are key competitive factors for our business. Competition in any of these areas, or failure to keep pace with developments in any of these areas, may reduce our sales and adversely affect our earnings or cash flow by resulting in decreased sales volumes, reduced prices and increased costs of manufacturing, distributing and selling our products.

Our results of operations, cash flow or financial condition may be negatively impacted if we do not successfully integrate past and future acquisitions into our existing operations and if the performance of the businesses we acquire do not meet our expectations.

We have historically made strategic acquisitions of businesses in the paint and coatings industry and likely will acquire additional businesses in the future as part of our long-term growth strategy and initiatives. The success of past and future acquisitions depends in large part on our ability to integrate the operations and personnel of the acquired companies and manage challenges that may arise as a result of the acquisitions, particularly when the acquired businesses operate in new or foreign markets. In the event we do not successfully integrate such past and future acquisitions into our existing operations so as to realize the expected return on our investment, our results of operations, cash flow or financial condition could be adversely affected.

Risks and uncertainties associated with our expansion into and our operations in Asia, Europe, South America and other foreign markets could adversely affect our results of operations, cash flow, liquidity or financial condition.

Net sales of our consolidated foreign subsidiaries totaled approximately 19.2%, 19.4% and 21.2% of our total consolidated Net sales in 2023, 2022 and 2021, respectively. Sales outside of the United States make up a significant part of our current business and future strategic plans. Our results of operations, cash flow, liquidity or financial condition could be adversely affected by a variety of domestic and international factors, including general economic conditions, political instability, inflation rates, recessions, sanctions, tariffs, foreign currency exchange rates, foreign currency exchange controls, interest rates, foreign investment and repatriation restrictions, legal and regulatory constraints, civil unrest, armed conflicts and wars (including the ongoing conflict between Russia and Ukraine and the Israel-Hamas war), difficulties in staffing and managing foreign operations and other economic and political factors. In addition, public health crises in foreign jurisdictions may temporarily reduce the demand for some of our products and adversely affect the availability and cost of raw materials. Our inability to successfully manage the risks and uncertainties relating to any of these factors could adversely affect our results of operations, cash flow, liquidity or financial condition.

In many foreign countries, it is not uncommon for others to engage in certain business practices we are prohibited from engaging in because of regulations applicable to us, such as the Foreign Corrupt Practices Act and the UK Bribery Act. Recent years have seen a substantial increase in anti-bribery law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by both U.S. and non-U.S. regulators, and an increase in criminal and civil proceedings brought against companies and individuals. Although we have internal control policies and procedures designed to promote compliance with these regulations, there can be no assurance our policies and procedures will prevent a violation of these regulations. Any violation could cause an adverse effect on our results of operations, cash flow or financial condition.

Policy changes affecting international trade could adversely impact the demand for our products and our competitive position.

International, national, and regional laws, regulations, and policies that have the effect of restricting global trade and markets and restricting the import and export of products, services and technology, or those of our customers, or for the benefit of favored industries or sectors, could interfere with our operations, supply chain, manufacturing costs and customer relationships and harm our business. Due to the global scope of our operations, changes in government policies on foreign trade and investment may affect the demand for our products and services, impact the competitive position of our products or prevent us from being able to sell products in certain countries. Expanding export controls or limits on foreign investment, for example, can impact the global supply of raw materials. Government actions taken in connection with the United States-China trade conflict could impact business, including sales, imports and exports. Our business benefits from free trade agreements, which may include the United States-Mexico-Canada Agreement and EU-UK Trade and Cooperation Agreement, and efforts to withdraw from, or substantially modify such agreements, in addition to trends such as protectionism or nationalism, and the implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, import or export licensing requirements, exchange controls or new barriers to entry, could have a material adverse effect on our results of operations, financial condition or cash flow and that of our customers, vendors and suppliers.

Cybersecurity incidents and other disruptions to our information technology systems may interfere with our operations, result in the compromise or loss of critical and confidential information and severely harm our business.

We rely on information technology systems to conduct our business, including recording and processing transactions, manufacturing and selling our products, researching and developing new products, maintaining and growing our competitive position, and supporting and communicating with our employees, customers, suppliers and other vendors. These information technology systems are important to many business-critical processes including, but not limited to, production planning, manufacturing, distribution, finance, company operations, research and development, sales and customer service. Some of these systems are maintained or operated by third-party providers, including cloud-based systems. Cyber attacks and cybersecurity threats are increasingly sophisticated, constantly evolving and originate from many sources globally, and often cannot be recognized or understood until the target has already been attacked. Despite our efforts to prevent these threats and disruptions to our information technology systems, these systems may be affected by damage or interruption resulting from, among other causes, cyber attacks, security breaches, power outages, system failures or malware (including but not limited to ransomware and other programs that operate with malicious intent). These risks are expected to continue to be magnified due to the increased reliance on information technology systems to conduct our business, including those used in furtherance of supporting remote and hybrid in-office work environments and managing our global operations. Disruptions to these systems may impair our ability to conduct business and have a material adverse effect on our business, results of operations and financial condition. While we maintain cybersecurity insurance, costs related to a cyberattack may exceed the amount of our insurance coverage or may be excluded under the terms of the policy.

As part of our business, we collect and handle sensitive and confidential information about our business, customers, employees and suppliers. Despite the security measures we have in place, our facilities and systems, and those of third parties we rely on or do business with, may be vulnerable to cyber attacks, security breaches, malware (including but not limited to ransomware and other programs that operate with malicious intent), power outages, system failures, acts of vandalism, human or technical errors or other similar events or disruptions. Our information, facilities and systems and those hosted or supported by third parties on our behalf could also be impacted by the intentional or unintentional improper conduct of our employees, vendors or others who have access to and may mishandle or misappropriate sensitive and confidential information. Any such event involving the misappropriation, loss or other unauthorized disclosure of information, whether impacting us or third parties we rely on or do business with, could result in losses, damage our reputation or relationships with customers and suppliers, expose us to the risks of litigation, regulatory action and liability, disrupt our operations and have a material adverse effect on our business, results of operations and financial condition. We continue to mitigate these risks in a number of ways, including through additional investment, engagement of third-party experts and consultants, improving the security of our facilities and systems (including through upgrades to our security and information technology systems), providing annual training for all employees (with more enhanced or frequent training based on role or responsibility), assessing the continued appropriateness of relevant insurance coverage and strengthening our controls and procedures to identify, detect, protect against, respond to and mitigate these threats.

We and third parties we rely on or do business with have experienced cybersecurity attacks and incidents in the past, some of which have resulted in unauthorized access to our information and systems and other disruptions to our business operations, and we could in the future experience similar incidents.

The domestic and international regulatory environment related to information security, data collection and transfer, digital marketing or telemarketing, and privacy is increasingly rigorous and complex, with new and rapidly changing requirements applicable to our business, which often require changes to our business practices. Compliance with these requirements, including the European Union's General Data Protection Regulation, China's Personal Information Protection, Data Security, and Cyber Security Laws, the California Consumer Privacy Act as amended by the California Privacy Rights Act, a growing number of other U.S. comprehensive state privacy laws, and other international and domestic regulations, are costly and will result in additional costs in our efforts to continue to comply. These laws and regulations can provide for significant penalties for non-compliance, which could result in additional costs of compliance, enforcement actions, regulatory investigations and fines, individual or class action litigation, or reputational harm. Ongoing efforts to comply with these laws also may divert management and employee attention from other business and growth initiatives.

Our ability to attract, retain, develop and progress a qualified global workforce could adversely impact our business and impair our ability to meet our strategic objectives and the needs of our customers.

Our continued success depends in part on our ability to identify, attract and onboard qualified candidates with the requisite education, background, skills and experience and our ability to retain, develop, progress and engage qualified employees across our business, including our stores, fleet, manufacturing, research and development, information technology, corporate and other operations and functions. We continue to face elevated wage rates and intense competition for talent due to the ongoing impacts of a tightened labor market and other macroeconomic conditions. To the extent we are unable to remain competitive with our total rewards programs (which include compensation and benefits programs and practices), talent management strategy,

inclusive workplace culture and related inclusion, diversity and equity and employee engagement strategies, initiatives, programs and practices, or if qualified candidates or employees become more difficult to attract or retain under reasonable terms, we may experience higher labor-related costs and may be unable to attract, retain, develop and progress a qualified global workforce, which could adversely affect our business and future success and impair our ability to meet our strategic objectives and the needs of our customers.

We may not achieve our strategies or expectations relating to sustainability considerations, which could expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business.

We have established strategies and expectations for our business relating to certain sustainability considerations, including regarding reducing greenhouse gas emissions, increasing energy efficiency, increasing use of electricity from renewable energy sources, reducing waste and improving safety performance. These strategies and expectations reflect our current business plans and aspirations, and there is no guarantee that they will be achieved. Our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes and assumptions; the pace of scientific and technological developments; increased costs; the availability of requisite suppliers, energy sources, or financing; and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to these matters could expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business.

Furthermore, many governments, regulators, investors, employees, customers, media outlets, and other stakeholders are increasingly focused on sustainability considerations relating to businesses, including climate change and greenhouse gas emissions, human capital, and inclusion and belonging. Our business may face increased scrutiny from such stakeholders and if our strategies relating to sustainability considerations do not meet stakeholder expectations and standards (including with respect to establishing science-based targets), which continue to evolve and may differ across jurisdictions in which we operate, our business, financial condition, results of operations and reputation could be adversely impacted. Similarly, our failure or perceived failure to pursue or fulfill our strategies and expectations; comply with federal, state, or international ethical, environmental, or other standards, regulations, or expectations; adhere to public statements; satisfy reporting standards; or meet evolving and varied stakeholder expectations within the timelines we announce, or at all, could have adverse operational, reputational, financial, and legal impacts.

Our business, reputation, image and brands could be damaged by negative publicity.

Our reputation, image and recognized brands significantly contribute to our business and success, as they are critical to retaining and growing our customer base and our relationships with other stakeholders. Specifically, our ability to maintain a positive perception of us and our business, including through our seven guiding values of integrity, people, service, quality, performance, innovation, and growth, influences our success. Significant negative claims or publicity involving us, our business or our products, services, culture, values, strategies and practices, including postings, articles, or comments on social media and the internet, undermine confidence in our Company, and could materially damage our reputation and image, even if such claims or publicity are inaccurate. Damage to our reputation and image could adversely impact our ability to attract new and retain existing customers, employees and other business and stakeholder relationships, and could adversely affect the demand for some of our products and adversely affect our sales, earnings, cash flow or financial condition.

Inability to protect or enforce our material trademarks and other intellectual property rights could have an adverse effect on our business.

Our competitive position and the value of our products and brands could be reduced and our business adversely affected if we are unable to maintain or adequately protect our intellectual property. We have numerous patents, trade secrets, trademarks, trade names and know-how that are valuable to our business. Despite our efforts to protect such intellectual property and other proprietary information from unauthorized use or disclosure, third parties may attempt to disclose, obtain or use our trademarks or such other intellectual property and information without our authorization. We also face attempts, including through cyber attacks and social engineering tactics, to gain unauthorized access to our systems for the purpose of improperly acquiring our trade secrets or confidential business information. The theft or unauthorized use or publication of our trade secrets and other confidential business information as a result of such incidents could adversely affect the value of our investment in research and development and our business. Although we rely on the patent, trademark, trade secret and copyright laws of the United States and other countries to protect our intellectual property rights, the laws of some countries may not protect such rights to the same extent as the laws of the United States. Unauthorized use of our intellectual property by third parties, the failure of foreign countries to have laws to protect our intellectual property rights, or an inability to effectively enforce such rights in foreign countries could have an adverse effect on our business.

LEGAL AND REGULATORY RISKS

We are subject to a wide variety of complex U.S. and non-U.S. laws, rules and regulations, as well as compliance risks related to new and existing laws and regulations, compliance with which could increase our costs and could adversely affect our results of operations, cash flow or financial condition.

We maintain significant operations in the U.S. and outside of the U.S. We are subject to a wide variety of complex U.S. and non-U.S. federal, state and local laws, rules and regulations, and legal compliance risks, including laws, rules and regulations involving securities, tax, employment and pensions, competition, environmental, export and trade, intellectual property, data privacy and cybersecurity, and improper business practices, such as anti-bribery and corruption. We are affected by new laws and regulations, and changes to existing laws and regulations, including interpretations by courts and regulators. We are also subject to compliance risks related to contract requirements, and risks that any third-party we engage to do work on our behalf might conduct business in a manner that is inconsistent with our Code of Conduct or with legal requirements. Compliance with continuously evolving U.S. and non-U.S. federal, state and local laws, rules, regulations and related interpretations applicable to our business, may increase our compliance costs or require significant capital investment, and our results of operations could be adversely impacted if these costs are greater than we have projected. If we are unable to comply with all of the laws, rules, regulations, and interpretations applicable to us, we could become the subject of inquiries, reviews, or investigations by regulators, an adverse outcome of which could lead to enforcement actions, the imposition of fines or costs, require us to suspend operations at certain facilities, the assertion of private litigation claims and damages, or damage to our reputation.

Although we believe we have adopted appropriate risk management and compliance programs to mitigate these risks, the global and diverse nature of our operations means compliance risks will continue to exist. We face liability and reputational risks even if we comply with all laws and regulations. Investigations, examinations and other proceedings, the nature and outcome of which cannot be predicted, likely will arise from time to time. These investigations, examinations and other proceedings could subject us to significant liability and require us to take significant accruals or pay significant settlements, fines and penalties, which could have a material adverse effect on our results of operations, cash flow or financial condition.

Increases in tax rates, or changes in tax laws or regulations, could increase our costs and could adversely affect our results of operations, cash flow or financial condition.

We are subject to tax laws and regulations in the U.S. and multiple jurisdictions outside of the U.S. We are affected by changes in tax laws and regulations, as well as changes in related interpretations and other tax guidance. Economic and political conditions in the countries where we are subject to taxes, including in the U.S., have in the past and may in the future result in significant changes to tax laws or regulations. Our effective tax rates are affected by changes in our mix of earnings in countries with different tax rates, and changes in laws, regulations and interpretations regarding deferred tax assets and liabilities, among other things. If our effective tax rate were to increase, that could have an adverse effect on our results of operations, cash flow or financial condition. In addition, the increasingly complex global tax environment has in the past and may in the future result in higher compliance costs. In the ordinary course of our business, we are subject to examinations and investigations by various tax authorities and other regulators. In addition to existing examinations and investigations, there could be additional examinations and investigations in the future, and existing examinations and investigations could be expanded.

For non-income tax risks, we estimate material loss contingencies and accrue for such loss contingencies as required by U.S. generally accepted accounting principles based on our assessment of contingencies where liability is deemed probable and reasonably estimable in light of the facts and circumstances known to us at a particular point in time. Subsequent developments may affect our assessment and estimates of the loss contingency. In the event the loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the additional liability may result in a material adverse effect on our results of operations or financial condition for the annual or interim period during which such additional liability is accrued. In those cases where no accrual is recorded because it is not probable a liability has been incurred and cannot be reasonably estimated, any potential liability ultimately determined to be attributable to us may result in a material adverse effect on our results of operations, cash flow or financial condition for the annual or interim period during which such liability is accrued or paid. For income tax risks, we recognize tax benefits based on our assessment that a tax benefit has a greater than 50% likelihood of being sustained upon ultimate settlement with the applicable taxing authority that has full knowledge of all relevant facts. For those income tax positions where we determine there is not a greater than 50% likelihood such tax benefits will be sustained, we do not recognize a tax benefit in our financial statements. Subsequent events may cause us to change our assessment of the likelihood of sustaining a previously-recognized benefit which could result in a material adverse effect on our results of operations, cash flow or financial position for the annual or interim period during which such liability is accrued or paid.

We discuss risks and uncertainties with regard to taxes in more detail in Note 21 to the Consolidated Financial Statements in Item 8.

We are required to comply with, and may become subject to additional, numerous complex and increasingly stringent domestic and foreign health, safety and environmental (including related to climate change) laws, regulations and requirements, the cost of which is likely to increase and may adversely affect our results of operations, cash flow or financial condition.

Our operations are subject to various domestic and foreign health, safety and environmental laws, regulations and requirements, including those related to climate change and chemicals registration and management. These laws, regulations and requirements not only govern our current operations and products, but also may impose potential liability on us for our past operations.

Increased global focus on climate change may result in the imposition of new or additional regulations or requirements applicable to, and increased financial and transition risks for, our business and industry. A number of government authorities and agencies have introduced, or are contemplating, regulatory changes to address climate change, including the regulation and disclosure of greenhouse gas emissions. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in fees or restrictions on certain activities or materials and new or additional requirements, including to fund energy efficiency activities or renewable energy use and to disclose information regarding our greenhouse gas emissions performance, renewable energy usage and efficiency, waste generation and recycling rates, climate-related risks, opportunities and oversight and related strategies and initiatives across our global operations. Compliance with these climate change initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, additional investments in renewable energy use and other initiatives, reduced emission allowances or additional restrictions on production or operations. We may not be able to timely recover the cost of compliance with such new or more stringent laws and regulations, which could adversely affect our results of operations, cash flow or financial condition. Despite our efforts to timely comply with climate change initiatives, implement measures to improve our operations and execute on our related strategies and initiatives, any actual or perceived failure to comply with new or additional requirements or meet stakeholder expectations with respect to the impacts of our operations on the environment and related strategies and initiatives may result in adverse publicity, increased litigation risk, and adversely affect our business and reputation, which could adversely impact our results of operations, cash flow and financial condition.

We expect health, safety and additional environmental laws, regulations and requirements to be increasingly stringent upon our industry in the future. Our costs to comply with these laws, regulations and requirements may increase as they become more stringent in the future, and these increased costs may adversely affect our results of operations, cash flow or financial condition.

We are involved with environmental investigation and remediation activities at some of our currently- and formerly-owned sites, as well as a number of third-party sites, for which our ultimate liability may exceed the current amount we have accrued.

We are involved with environmental investigation and remediation activities at some of our currently- and formerly-owned sites and a number of third-party sites. We accrue for estimated costs of investigation and remediation activities at these sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs are based on currently available facts regarding each site. We routinely assess our potential liability for investigation and remediation activities and adjust our environmental-related accruals as information becomes available, including as a result of sites progressing through investigation and remediation-related activities, upon which more accurate costs can be reasonably estimated. Due to the uncertainties surrounding environmental investigation and remediation activities, our liability may result in costs that are significantly higher than currently accrued and may have an adverse effect on our earnings. We discuss these risks and uncertainties in more detail in the "Environmental-Related Liabilities" and "Environmental Matters" sections in Item 7 and in Note 11 to the Consolidated Financial Statements in Item 8.

The nature, cost, quantity and outcome of pending and future litigation could have a material adverse effect on our results of operations, cash flow, liquidity and financial condition.

In the course of our business, we are subject to a variety of claims and lawsuits, including, but not limited to, litigation relating to product liability and warranty, raw materials used in our products, personal injury, environmental (including natural resource damages), intellectual property, commercial, contractual and antitrust claims that are inherently subject to many uncertainties regarding the possibility of a loss to us. These uncertainties will ultimately be resolved when one or more future events occur or fail to occur confirming the incurrence of a liability or the reduction of a liability. In accordance with the Contingencies Topic of the Accounting Standards Codification (ASC), we accrue for these contingencies by a charge to income when it is both probable that one or more future events will occur confirming the fact of a loss and the amount of the loss can be reasonably estimated. In the event a loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the additional liability may result in a material impact on our results of operations, liquidity or financial condition for the annual or interim period during which such additional liability is accrued. In those cases where no accrual is recorded because it is not probable that a liability has been incurred or the amount of any such loss cannot be reasonably estimated, any potential liability ultimately determined to be attributable to us may result in a material impact on our results of operations, liquidity or financial condition for the annual or interim period during which such liability is accrued.

For example, our past operations included the manufacture and sale of lead pigments and lead-based paints. Along with other companies, we are and have been a defendant in a number of legal proceedings, including individual personal injury actions, purported class actions and actions brought by various counties, cities, school districts and other government-related entities, arising from the manufacture and sale of lead pigments and lead-based paints. The plaintiffs' claims have been based upon various legal theories, including negligence, strict liability, breach of warranty, negligent misrepresentations and omissions, fraudulent misrepresentations and omissions, concert of action, civil conspiracy, violations of unfair trade practice and consumer protection laws, enterprise liability, market share liability, public nuisance, unjust enrichment and other theories. The plaintiffs seek various damages and relief, including personal injury and property damage, costs relating to the detection and abatement of lead-based paint from buildings, costs associated with a public education campaign, medical monitoring costs and others. We have also been a defendant in legal proceedings arising from the manufacture and sale of non-lead-based paints that seek recovery based upon various legal theories, including the failure to adequately warn of potential exposure to lead during surface preparation when using non-lead-based paint on surfaces previously painted with lead-based paint. We are vigorously defending such litigation. We expect additional lead pigment and lead-based paint litigation may be filed against us in the future asserting similar or different legal theories and seeking similar or different types of damages and relief. The Company will continue to vigorously defend against any additional lead pigment and lead-based paint litigation that may be filed, including utilizing all avenues of appeal, if necessary.

Litigation is inherently subject to many uncertainties, and we ultimately may not prevail. Adverse court rulings, determinations of liability, or third-party funding of litigation, among other factors, could affect litigation against us, including the lead pigment and lead-based paint litigation, and encourage an increase in the number and nature of future claims and proceedings. In addition, from time to time, various legislation and administrative regulations have been enacted, promulgated or proposed to impose obligations on present and former manufacturers of lead pigments and lead-based paints respecting asserted health concerns associated with such products or to overturn the effect of court decisions in which we and other manufacturers have been successful. Legislation and administrative regulations also may be enacted, promulgated, or proposed to impose obligations for the manufacture or sale of other raw materials that are or were used in paints and coatings.

Due to the uncertainties involved, management is unable to predict the outcome of the litigation against us, the number or nature of possible future claims and proceedings, or the effect of any legislation and/or administrative regulations. Further, management cannot reasonably determine the scope or amount of the potential costs and liabilities related to such litigation, or resulting from any such legislation and regulations. Except with respect to the California public nuisance litigation, we have not accrued any amounts for such litigation because we do not believe it is probable that a loss has occurred, and we believe it is not possible to estimate the range of potential losses as there is no substantive information upon which an estimate could be based. In addition, any potential liability that may result from any changes to legislation and regulations cannot reasonably be estimated. Due to the uncertainties associated with the amount of any such liability and/or the nature of any other remedy which may be imposed in such litigation, any potential liability determined to be attributable to us arising out of such litigation may have a material adverse effect on our results of operations, cash flow, liquidity or financial condition. We discuss the risks and uncertainties related to litigation, including the lead pigment and lead-based paint litigation, in more detail in Note 12 to the Consolidated Financial Statements in Item 8.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We maintain a cybersecurity program that is aligned with our business and focused on managing risks to our Company. As described below, we have established policies, standards, processes and practices for assessing, identifying and managing material risks from cybersecurity threats, which are integrated into our overall risk management program and governance structure.

We use various controls, technologies, and other processes designed to identify, protect against, detect, respond to and mitigate cybersecurity risks, in alignment with frameworks established by the National Institute of Standards and Technology (NIST). These include, but are not limited to, internal reporting, monitoring and detection tools, threat intelligence, and general and role-based training. We also maintain third party management processes to identify and manage the cybersecurity risks associated with third party service providers. We periodically evaluate and improve the effectiveness of our cybersecurity program internally and by engaging with consultants and other third party advisors to conduct reviews and assessments of our program. These periodic assessments and reviews may include penetration and vulnerability testing, simulations, table-tops, and other exercises.

Overseeing the assessment and management of our exposure to various risks, including cybersecurity, is a key oversight responsibility for the Board of Directors. We have an enterprise risk management (ERM) program that includes the processes used to identify, assess, and manage our most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. These risks are identified, measured, monitored and managed across key risk categories, which include the consideration of cybersecurity risks. Our chief financial officer (CFO) facilitates the Company's ERM program, which includes a formal assessment of the Company's risk environment at least once per year. The ERM program also facilitates the incorporation of risk assessment and evaluation into the strategic planning process and the provision of regular reports to senior management, including our CEO. The Audit Committee assists the Board with its oversight of both the ERM program and cybersecurity risk, providing regular reports to the Board. Our CFO reviews the ERM program with the Audit Committee at least once per year, including reviewing existing risks and significant emerging risks across the Company's key risk categories. In reviewing specific threats and risks with the Board, senior management may incorporate reports from consultants and other third party advisors.

Our Chief Information Security Officer (CISO) leads our global cybersecurity program and is responsible for management of our cybersecurity risks. Our CISO reports to our CFO. Our CISO has served in that position since 2022 and has relevant experience in cybersecurity leadership positions, including prior experience as CISO of a public company. The Audit Committee regularly reviews our risk exposures relating to cybersecurity with our CISO and CFO, including the review of the state of the Company's cybersecurity and emerging cybersecurity developments and threats, and the steps management has taken to monitor and mitigate such exposures. Our CISO manages a team of cybersecurity professionals with expertise and experience in information security.

Our CISO is informed of cybersecurity incidents by the cybersecurity team's security operations center, which is generally responsible for monitoring the prevention, detection, mitigation, and remediation of cybersecurity incidents. We have an established process governing our assessment, response and notifications internally and externally upon the occurrence of a cybersecurity incident, including for our evaluation of materiality. Depending on the nature and severity of an incident, this process provides for escalating notification to our CEO and Board of Directors.

Despite our efforts to prevent cybersecurity threats and incidents, our systems may be affected by damage or interruption resulting from, among other causes, cyber attacks, security breaches, power outages, system failures or malware (including ransomware and other programs that operate with malicious intent). Disruptions to these systems may impair our ability to conduct business and have a material adverse effect on our business, results of operations and financial condition. Despite the security measures we have in place, our facilities and systems, and those of third parties we rely on or do business with, may be vulnerable to cyber attacks, security breaches, malware (including ransomware and other programs that operate with malicious intent), power outages, system failures, acts of vandalism, human or technical errors or other similar events or disruptions. Any such event involving the misappropriation, loss or other unauthorized disclosure of information, whether impacting us or third parties we rely on or do business with, could result in losses, damage our reputation or relationships with customers and suppliers, expose us to the risks of litigation, regulatory action and liability, disrupt our operations and have a material adverse effect on our business, results of operations and financial condition.

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To date, we have not experienced a cybersecurity threat or incident that has had a material adverse affect on our business, results of operations and financial condition. We, and third parties we do business with, have experienced cybersecurity attacks and incidents in the past, some of which have resulted in unauthorized access to our information and systems and other disruptions to our business operations, and we could in the future experience similar incidents. See Risk Factors in Item 1A for additional information on cybersecurity risks.

ITEM 2. PROPERTIES

The Company's global headquarters, which includes the global headquarters for the Paint Stores, Consumer Brands and Performance Coatings Groups and the Administrative segment, is located in Cleveland, Ohio. During 2023, the Company closed on a transaction to sell and subsequently lease back its current headquarters and research and development center. Construction of the Company's new global headquarters and research and development center is expected to be completed in 2024. Refer to Item 7 for further information on the construction of our new global headquarters and research and development center.

Our principal manufacturing and distribution facilities are located as set forth below. We believe our manufacturing and distribution facilities are well-maintained, suitable and adequate, with sufficient productive capacity, to meet our current needs.

	Manufacturing ⁽¹⁾			Distribution ⁽¹⁾		
	Leased	Owned	Total	Leased	Owned	Total
Consumer Brands Group						
Africa		1	1		1	1
Asia	3	6	9	3	3	6
Canada		3	3	1		1
Europe	2	17	19	3	15	18
Jamaica		1	1		1	1
Latin America		12	12	6	10	16
United States	6	42	48	11	12	23
Total	11	82	93	24	42	66
Performance Coatings Group						
Asia	2		2	2		2
Europe	1	7	8	4	4	8
United States		1	1	3		3
Total	3	8	11	9	4	13

⁽¹⁾ Certain geographic locations may contain both manufacturing and distribution facilities.

The operations of the Paint Stores Group included 4,694 company-operated specialty paint stores, of which 205 were owned, in the United States, Canada, Puerto Rico, Virgin Islands, Grenada, Trinidad and Tobago, St. Maarten, Jamaica, Curacao, Aruba, St. Lucia and Barbados at December 31, 2023. These paint stores are divided into five separate operating divisions based on their geographical region and are responsible for the sale of predominantly Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products. At the end of 2023:

- the Mid Western Division operated 1,189 paint stores primarily located in the midwestern and upper west coast states;
- the Eastern Division operated 911 paint stores along the upper east coast and New England states;
- the Canada Division operated 256 paint stores throughout Canada;
- the Southeastern Division operated 1,188 paint stores principally covering the lower east and gulf coast states, Puerto Rico, Virgin Islands, Grenada, Trinidad and Tobago, St. Maarten, Jamaica, Curacao, Aruba, St. Lucia and Barbados; and
- the Southwestern Division operated 1,150 paint stores in the central plains and lower west coast states.

During 2023, the Paint Stores Group opened 70 net new stores, consisting of 76 new stores opened and 6 stores closed.

The Consumer Brands Group operated 318 specialty paint stores in Latin America at December 31, 2023. These stores market and sell Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products which are branded for the Latin America market. These paint stores are located in Mexico (162), Chile (58), Brazil (50), Ecuador (37) and Uruguay (11). During 2023, the Consumer Brands Group opened 11 net new stores, consisting of 17 new stores opened and 6 stores closed.

The Performance Coatings Group operated 224 branches in the United States and 98 branches internationally at December 31, 2023. International locations consisted of branches in Europe (47), Canada (22), Chile (11), Mexico (5), Peru (3), Ecuador (2), Brazil (2), Thailand (2), Indonesia (2), Vietnam (1) and China (1). During 2023, this segment added 5 net new branches, consisting of 8 opened or acquired branches and 3 branches closed.

All real property within the Administrative segment is owned with the exception of the current global headquarters, current research and development center and new global headquarters currently under construction. For additional information regarding real property within the Administrative segment, see information set forth in Item 1 and Item 7 of this report, which are incorporated herein by reference.

For additional information regarding real property leases, see Note 10 to the Consolidated Financial Statements in Item 8.

ITEM 3. LEGAL PROCEEDINGS

SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to these regulations, the Company uses a threshold of \$1 million for purposes of determining whether disclosure of any such proceedings is required.

For information regarding certain environmental-related matters and other legal proceedings, see the information included under the captions titled "Other Long-Term Liabilities" and "Litigation" of "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Notes 1, 11, 12 and 20 to the "Notes to Consolidated Financial Statements" in Item 8. The information contained in Note 12 to the Consolidated Financial Statements is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following is the name, age and position of each of our executive officers and all prior positions held by each person during the last five years. Executive officers are generally elected annually by the Board of Directors and hold office until their successors are elected and qualified or until their earlier death, resignation or removal.

<u>Name</u>	<u>Age</u>	<u>Position</u>
John G. Morikis	60	Executive Chairman, Director
Heidi G. Petz	49	President and Chief Executive Officer, Director
Allen J. Mistysyn	55	Senior Vice President – Finance and Chief Financial Officer
Jane M. Cronin	56	Senior Vice President – Enterprise Finance
Mary L. Garceau	51	Senior Vice President – Chief Legal Officer and Secretary
James R. Jaye	57	Senior Vice President – Investor Relations and Corporate Communications
Gregory P. Sofish	58	Senior Vice President – Human Resources
Bryan J. Young	48	Senior Vice President – Corporate Strategy and Development
Justin T. Binns	48	President, Global Architectural
Karl J. Jorgenrud	47	President, Global Industrial
Todd D. Rea	49	President, Consumer Brands Group
Colin M. Davie	54	President & General Manager, Global Supply Chain Division, Consumer Brands Group

Mr. Morikis has served as Chairman since January 2017, serving as Executive Chairman since January 2024. Mr. Morikis served as Chief Executive Officer from January 2016 to January 2024, President from March 2021 to March 2022 and October 2006 to March 2019 and Chief Operating Officer from October 2006 to January 2016. Mr. Morikis has served as a Director since October 2015 and has been employed with the Company since December 1984.

Ms. Petz has served as President since March 2022 and Chief Executive Officer since January 2024. Ms. Petz served as Chief Operating Officer from March 2022 to January 2024, President, The Americas Group from March 2021 to March 2022, Senior Vice President, Marketing, The Americas Group from November 2020 to March 2021 and President, Consumer Brands Group from September 2020 to November 2020. Also within the Consumer Brands Group, Ms. Petz served as President & General Manager, Retail North America from March 2019 to September 2020 and Senior Vice President, Marketing from June 2017 to March 2019. Ms. Petz has served as a Director since October 2023 and joined the Company in June 2017 in connection with the Valspar acquisition.

Mr. Mistysyn has served as Senior Vice President – Finance and Chief Financial Officer since January 2017. Mr. Mistysyn has been employed with the Company since June 1990.

Ms. Cronin has served as Senior Vice President – Enterprise Finance since July 2022. Ms. Cronin served as Senior Vice President – Corporate Controller from October 2016 to July 2022. Ms. Cronin has been employed with the Company since September 1989.

Ms. Garceau has served as Senior Vice President – Chief Legal Officer and Secretary since February 2024. Ms. Garceau served as Senior Vice President, General Counsel and Secretary from August 2017 to February 2024. Ms. Garceau has been employed with the Company since February 2014.

Mr. Jaye has served as Senior Vice President – Investor Relations and Corporate Communications since June 2019. Mr. Jaye served as Vice President – Investor Relations from October 2017 to June 2019. Mr. Jaye has been employed with the Company since October 2017.

Mr. Sofish has served as Senior Vice President – Human Resources since January 2023. Mr. Sofish served as Vice President, Total Rewards from August 2019 to January 2023 and Vice President, Executive Compensation from March 2015 to August 2019. Mr. Sofish has been employed with the Company since September 1996.

Mr. Young has served as Senior Vice President – Corporate Strategy and Development since March 2021. Mr. Young served as Vice President – Corporate Strategy and Development from June 2017 to March 2021. Mr. Young joined the Company in June 2017 in connection with the Valspar acquisition.

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Mr. Binns has served as President, Global Architectural since January 2024. Mr. Binns served as President, Paint Stores Group from January 2023 to January 2024, President, The Americas Group from March 2022 to January 2023, President, Performance Coatings Group from November 2020 to March 2022 and President & General Manager, Automotive Finishes Division, Performance Coatings Group from July 2018 to November 2020. Mr. Binns has been employed with the Company since August 1997.

Mr. Jorgenrud has served as President, Global Industrial since January 2024. Mr. Jorgenrud served as President, Performance Coatings Group from March 2022 to January 2024, President & General Manager, General Industrial Division, Performance Coatings Group from January 2020 to March 2022 and President & General Manager, Protective & Marine Division, Performance Coatings Group from June 2017 to January 2020. Mr. Jorgenrud joined the Company in June 2017 in connection with the Valspar acquisition.

Mr. Rea has served as President, Consumer Brands Group since November 2021. Mr. Rea served within the Consumer Brands Group as President of North America Sales from November 2020 to November 2021, Senior Vice President of Sales, Retail and National Accounts from November 2019 to November 2020 and Senior Vice President of Sales, Lowe's Business Unit from March 2018 to November 2019. Mr. Rea has been employed with the Company since April 1993.

Mr. Davie has served as President & General Manager, Global Supply Chain Division, Consumer Brands Group since January 2024. Mr. Davie served as Senior Vice President and Chief Procurement Officer from March 2022 to January 2024, Senior Vice President – Purchasing from October 2021 to March 2022, President & General Manager, Industrial Wood Division, Performance Coatings Group from March 2019 to October 2021 and President & General Manager, Engineered Polymer Solutions, Performance Coatings Group from June 2017 to March 2019. Mr. Davie joined the Company in June 2017 in connection with the Valspar acquisition.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is listed on the New York Stock Exchange and traded under the symbol SHW. The number of shareholders of record at January 31, 2024 was 5,064. The information regarding securities authorized for issuance under the Company's equity compensation plans is set forth in our Proxy Statement under the caption "Equity Compensation Plan Information" and is incorporated by reference into Part III of this report.

Issuer Purchases of Equity Securities

The following table sets forth a summary of the Company's purchases of common stock during the fourth quarter of 2023.

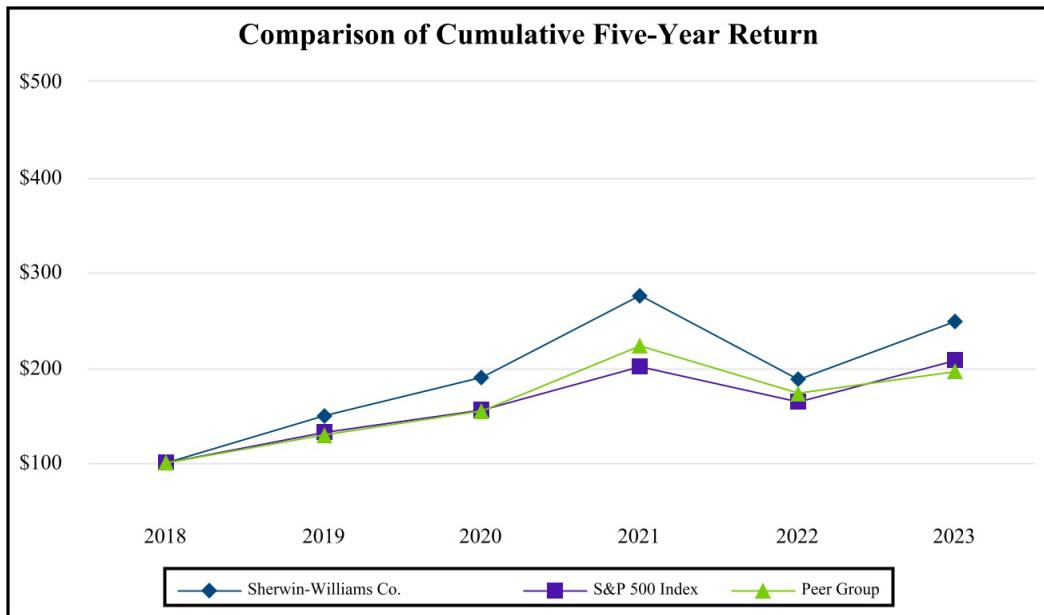
Period	Total			Purchased as Part of a Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan
	Number of Shares Purchased	Average Price Paid per Share			
October 1 – October 31					
Share repurchase program ⁽¹⁾	350,000	\$ 240.35		350,000	41,075,000
Employee transactions ⁽²⁾	593	\$ 249.50			N/A
November 1 – November 30					
Share repurchase program ⁽¹⁾	950,000	\$ 268.86		950,000	40,125,000
Employee transactions ⁽²⁾	1,829	\$ 261.55			N/A
December 1 – December 31					
Share repurchase program ⁽¹⁾	500,000	\$ 292.87		500,000	39,625,000
Employee transactions ⁽²⁾	1,461	\$ 290.10			N/A
Total					
Share repurchase program ⁽¹⁾	1,800,000	\$ 269.99		1,800,000	39,625,000
Employee transactions ⁽²⁾	3,883	\$ 270.45			N/A

⁽¹⁾ Shares were purchased through the Company's publicly announced share repurchase program. The Company had remaining authorization at December 31, 2023 to purchase 39,625,000 shares. There is no expiration date specified for the program.

⁽²⁾ All shares were delivered to satisfy the exercise price and/or tax withholding obligations by employees who exercised stock options or had restricted stock units vest.

Comparison of Cumulative Total Return

The following graph compares the cumulative total shareholder return on the Company's common stock (NYSE: SHW) with the cumulative five-year total return of the companies listed on the Standard & Poor's 500 Stock Index and the peer groups of companies selected on a line-of-business basis. The cumulative five-year total return assumes \$100 was invested on December 31, 2018 in Sherwin-Williams common stock, the S&P 500 and the peer group. The cumulative five-year total return, including reinvestment of dividends, represents the cumulative value through December 31, 2023.



Peer group of companies comprised of the following: Akzo Nobel N.V., Axalta Coating Systems Ltd., BASF SE, Genuine Parts Company, H.B. Fuller Company, The Home Depot, Inc., Lowe's Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc., and Stanley Black & Decker, Inc.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(dollars in millions, except as noted and per share data)

Company Background

The Sherwin-Williams Company, founded in 1866, and its consolidated wholly owned subsidiaries (collectively, the Company) are engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America with additional operations in the Caribbean region and throughout Europe, Asia and Australia.

The Company is structured into three reportable segments – Paint Stores Group, Consumer Brands Group and Performance Coatings Group (collectively, the Reportable Segments) – and an Administrative segment in the same way it is internally organized for assessing performance and making decisions regarding the allocation of resources. Effective January 1, 2023, the Company changed its organizational structure to manage and report the Latin America architectural paint business within the Consumer Brands Group to more closely align demand and service model trends with its current business strategy. The Latin America business was formerly part of The Americas Group, which has become the Paint Stores Group concurrent with this change. The Company will report segment results for the newly realigned Paint Stores Group and Consumer Brands Group for both current and prior periods presented herein. See Note 23 to the Consolidated Financial Statements in Item 8 for additional information on the Company's Reportable Segments.

Summary

- Consolidated Net sales increased 4.1% in the year to a record \$23.052 billion
 - Net sales from stores in the Paint Stores Group open more than twelve calendar months increased 6.8% in the year
- Diluted net income per share increased 19.8% to \$9.25 per share in the year compared to \$7.72 per share in the full year 2022
 - Adjusted diluted net income per share increased to \$10.35 per share in the year compared to \$8.73 per share in the full year 2022
- Generated Net operating cash of \$3.522 billion, or 15.3% of net sales, in the year
- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) increased 17.5% in the year to \$4.239 billion or 18.4% of net sales

Outlook

During 2023, we executed on our strategy to provide differentiated solutions to enable our customers to increase their productivity and profitability. Net sales grew to a record level, gross margin expanded due to moderating raw material costs and carryover price increases, and Net operating cash increased due to record Net income and improved working capital management. This performance enabled us to continue to invest in our business through customer-focused innovation, complete the acquisition of SIC Holding GmbH, reduce short-term borrowings and long-term debt, and return capital to shareholders through dividends and share repurchases. We enter 2024 with confidence, energy and a commitment to seize profitable growth opportunities in our targeted end-markets, although uncertainties do remain in the marketplace.

Within Paint Stores Group and Consumer Brands Group, we anticipate continued inflationary pressure in 2024 to impact consumer behavior in both the United States and Europe, particularly in housing markets. While mortgage rates are expected to remain high compared to recent historical levels, we expect them to moderate and positively impact new and existing residential sales volume. We also remain focused on gaining market share and leveraging our strategic investments to counteract forecasted declines in remodeling spend in 2024. The outlook for the Performance Coatings Group is varied by end market and region with expected resilience in Automotive Refinish and tailwinds in Industrial Wood. Demand softness is forecasted in General Industrial due to negative manufacturing trends in North America, Europe and Brazil and in Packaging due to expected flat-to-down volumes in the food and beverage industry. As it relates to consolidated expenses, while we expect raw material costs to be down by a low-single digit percentage, certain other costs, such as wages, healthcare, energy and transportation are expected to increase. Selling, general and administrative expenses are expected to increase moderately in 2024 to support targeted investments, but remain tightly controlled in non-customer facing functions.

Our capital deployment strategy remains balanced and consistent. Long-term debt maturities due in 2024 are \$1.100 billion and are expected to be refinanced at higher interest rates. We have plans to continue to invest in the construction of new facilities, including our new global headquarters in downtown Cleveland, Ohio and new research and development center in the Cleveland suburb of Brecksville, and in the expansion of certain existing manufacturing and distribution facilities. We plan to

expand our footprint by opening 80 to 100 new stores in the United States and Canada in 2024, and pursue acquisitions that align with our long-term growth strategy. We will also return value to our shareholders through the payment of dividends and the reinvestment of excess cash for share repurchases of Company stock.

Please see Item 1A Risk Factors in Part I of this Annual Report on Form 10-K for further information regarding the current and potential impact of macroeconomic conditions on the Company, including those relating to supply chain disruptions, raw material availability, foreign currency and inflation.

RESULTS OF OPERATIONS

The following discussion and analysis addresses comparisons of material changes in the consolidated financial statements for the years ended December 31, 2023 and 2022. For comparisons of the years ended December 31, 2022 and 2021, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed on February 22, 2023.

Net Sales

	Year Ended December 31,						Acquisitions and Divestitures Impact
	2023	2022	\$ Change	% Change	Currency Impact		
Paint Stores Group	\$ 12,839.5	\$ 11,963.3	\$ 876.2	7.3 %	(0.1) %	— %	
Consumer Brands Group	3,365.6	3,388.4	(22.8)	(0.7) %	(0.4) %	(1.9) %	
Performance Coatings Group	6,843.1	6,793.5	49.6	0.7 %	0.3 %	4.1 %	
Administrative	3.7	3.7	—	— %	— %	— %	
Total	\$ 23,051.9	\$ 22,148.9	\$ 903.0	4.1 %	— %	1.0 %	

Consolidated Net sales for 2023 increased 4.1% primarily due to selling price increases, volume growth due to higher architectural sales volume in the Paint Stores Group and a 1.0% net increase from the impact of acquisitions and divestitures completed during the past twelve months, partially offset by sales volume decreases in the Consumer Brands and Performance Coatings Groups. Net sales of all consolidated foreign subsidiaries increased 3.1% to \$4.428 billion for 2023 versus \$4.294 billion for 2022 due primarily to growth in the Europe and Latin America regions, partially offset by lower net sales in the Asia region as a result of the divestiture of the China architectural business. Net sales of all operations other than consolidated foreign subsidiaries increased 4.3% to \$18.624 billion for 2023 versus \$17.855 billion for 2022.

Net sales in the Paint Stores Group increased 7.3% primarily due to mid-single digit sales volume growth and selling price increases, which impacted net sales by a low-single digit percentage. Net sales from stores in the Paint Stores Group open for more than twelve calendar months increased 6.8% in the year over the prior year comparable period. During 2023, the Paint Stores Group opened 76 new stores and closed 6 locations for a net increase of 70 stores. The total number of stores in operation at December 31, 2023 was 4,694 in the United States, Canada and the Caribbean region. The Paint Stores Group's objective is to expand its store base by an approximate average of 2% each year, primarily through organic growth. Sales of products other than paint increased approximately 5.0% over last year. A discussion of changes in volume versus pricing for sales of products other than paint is not pertinent due to the wide assortment of general merchandise sold.

Net sales in the Consumer Brands Group decreased 0.7% in 2023 primarily due to a low-single digit sales volume decrease and a 1.9% decrease from the impact of divestitures, partially offset by selling prices increases, which impacted net sales by a mid-single digit percentage.

Net sales in the Performance Coatings Group increased 0.7% in 2023 primarily due to selling price increases, which impacted net sales by a mid-single digit percentage, and a 4.1% increase from the impact of acquisitions completed during the past twelve months, partially offset by a high-single digit sales volume decrease. In 2023, the Performance Coatings Group added 5 net new branches, increasing the total to 322 branches open in the United States, Canada, Mexico, South America, Europe and Asia.

Net sales in the Administrative segment, which primarily consists of external leasing revenue, remained flat in 2023.

Income Before Income Taxes

The following table presents the components of income before income taxes as a percentage of net sales:

	Year Ended December 31,	
	2023	2022
	<u>% of Net Sales</u>	
Net sales	\$ 23,051.9	100.0 %
Cost of goods sold	12,293.8	53.3 %
Gross profit	10,758.1	46.7 %
Selling, general, and administrative expenses (SG&A)	7,065.4	30.6 %
Other general expense (income) - net	67.1	0.3 %
Impairment	57.9	0.3 %
Interest expense	417.5	1.8 %
Interest income	(25.2)	(0.1)%
Other expense (income) - net	65.5	0.3 %
Income before income taxes	\$ 3,109.9	13.5 %
		\$ 2,573.1 11.6 %

Consolidated Cost of goods sold decreased \$530.0 million, or 4.1%, in 2023 compared to the same period in 2022 primarily due to lower sales volumes in the Consumer Brands and Performance Coatings Groups and moderating raw material costs, partially offset by higher sales volume in the Paint Stores Group and the impacts of increases in wages and other employee-related expenses. In 2023, certain manufacturing and distribution costs (excluding raw materials) incurred within the Consumer Brands Group were in excess of the Company's standard conversion cost estimates established at the beginning of the year. Consistent with prior years, these expenses were related to supply chain inefficiencies and remained within the manufacturing and distribution operations of the Consumer Brands Group.

Consolidated Gross profit increased \$1.433 billion, or 15.4%, in 2023 compared to the same period in 2022. Consolidated Gross profit as a percent to consolidated Net sales increased to 46.7% in 2023 from 42.1% in 2022. Consolidated gross profit dollars increased primarily due to selling price increases in all Reportable Segments, higher sales volume in the Paint Stores Group and moderating raw material costs, partially offset by lower sales volumes in the Consumer Brands and Performance Coatings Groups.

The Paint Stores Group's gross profit for 2023 increased \$908.6 million compared to the same period in 2022 primarily due to sales volume growth, selling price increases and moderating raw material costs. The Paint Stores Group's gross profit as a percent of net sales increased for these same reasons. The Consumer Brands Group's gross profit increased \$139.3 million in 2023 compared to the same period in 2022 due primarily to selling price increases and moderating raw material costs, partially offset by a sales volume decrease and increases in wages and other employee-related expenses in manufacturing and distribution operations. The Consumer Brands Group's gross profit as a percent of net sales increased for these same reasons. The Performance Coatings Group's gross profit increased \$402.2 million compared to the same period in 2022 due primarily to higher selling prices, moderating raw material costs and the impact of acquisitions, partially offset by lower sales volume and increases in wages and other employee-related expenses. The Performance Coatings Group's gross profit as a percent of net sales increased for these same reasons.

Consolidated SG&A increased by \$733.8 million compared to the same period in 2022 primarily due to increased employee-related expenses, including incentive-based compensation expense, expenses to support higher sales levels and net new store openings. As a percent of Net sales, SG&A increased 200 basis points compared to the same period in 2022 for these same reasons.

The Paint Stores Group's SG&A increased \$401.4 million for the year due primarily to higher employee-related expenses, increased spending from new store openings, higher costs to serve customers, increased investments in technologies and costs to support higher sales levels, including the hiring of additional sales representatives. The Consumer Brands Group's SG&A increased \$64.5 million for the year primarily due to higher employee-related expenses and increased spending to support higher sales levels in Latin America. The Performance Coatings Group's SG&A increased by \$139.9 million for the year primarily due to higher employee-related expenses, costs from acquisitions and investments in technology. The Administrative segment's SG&A increased \$128.0 million primarily due to higher employee-related expenses, including stock-based and other incentive compensation, as well as increased expenses related to technology and systems.

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Other general expense (income) - net changed by \$92.0 million from income of \$(24.9) million in 2022 to an expense of \$67.1 million in 2023. The change was primarily attributable to an increase in provisions for environmental matters - net due to new information which impacted the estimate of required remediation at certain Major Sites and other Company locations. In addition, the Company incurred a modest loss on the sale or disposition of assets versus a gain in the prior year. These decreases were offset by a gain on the sale of a non-core domestic aerosol business in 2023. See Note 20 to the Consolidated Financial Statements in Item 8 for additional information.

For information on impairment considerations, see Note 7 to the Consolidated Financial Statements in Item 8.

Interest expense increased \$26.7 million in 2023 compared to 2022 primarily due to higher interest rates, partially offset by a decrease in outstanding debt. See Note 8 to the Consolidated Financial Statements in Item 8 for additional information on the Company's outstanding debt.

Other expense (income) - net increased \$18.5 million in 2023 compared to 2022 primarily due to the significant devaluation of the Argentine Peso in December 2023 as part of economic reforms implemented by the government of Argentina. As a result of these actions in Argentina, the Company incurred a loss of \$41.8 million. In addition, the Company incurred a loss on the extinguishment of its Debentures due 2027 and 2097 of \$12.8 million. These increases were partially offset by gains on investments held in the Administrative segment and miscellaneous pension and benefit income. See Note 20 to the Consolidated Financial Statements in Item 8 for additional information related to Other expense (income) - net.

The following table presents income before income taxes by segment and as a percentage of net sales by segment:

	Year Ended December 31,				
	2023	2022	\$ Change	% Change	
Income Before Income Taxes:					
Paint Stores Group	\$ 2,860.8	\$ 2,348.1	\$ 512.7	21.8 %	
Consumer Brands Group	309.3	314.2	(4.9)	(1.6)%	
Performance Coatings Group	991.6	734.9	256.7	34.9 %	
Administrative	(1,051.8)	(824.1)	(227.7)	(27.6)%	
Total	\$ 3,109.9	\$ 2,573.1	\$ 536.8	20.9 %	
Income Before Income Taxes as a % of Net Sales:					
Paint Stores Group	22.3	%	19.6	%	
Consumer Brands Group	9.2	%	9.3	%	
Performance Coatings Group	14.5	%	10.8	%	
Administrative	nm		nm		
Total	13.5	%	11.6	%	
nm - not meaningful					

Income Tax Expense

The effective income tax rate for 2023 was 23.2% compared to 21.5% in 2022. The increase in the effective rate was primarily due to an unfavorable change in the jurisdictional mix of earnings. See Note 21 to the Consolidated Financial Statements in Item 8 for additional information.

Net Income Per Share

Diluted net income per share for 2023 increased to \$9.25 per share from \$7.72 per share in 2022. Diluted net income per share in 2023 included acquisition-related amortization expense of \$0.78 per share, severance and other expense of \$0.04 per share, expenses related to the divestiture of the China architectural business of \$0.11 per share, impairment related to trademarks of \$0.07 per share and expense related to the devaluation of the Argentine Peso of \$0.16 per share. These expenses were partially offset by a gain on the divestiture of a non-core domestic aerosol business of \$0.06 per share. Currency translation rate changes increased diluted net income per share in the year by \$0.05 per share. Diluted net income per share in 2022 included acquisition-related amortization expense of \$0.81 per share, severance and other expense of \$0.15 per share and impairment

related to the Restructuring Plan of \$0.05 per share. Refer to Notes 3, 4, 7 and 20 to the Consolidated Financial Statements in Item 8 for additional information.

FINANCIAL CONDITION, LIQUIDITY AND CASH FLOW

Overview

The Company's financial condition, liquidity and cash flow continued to be strong in 2023. The Company generated \$3.522 billion in Net operating cash, primarily due to higher net income and improved working capital management. This strong cash generation enabled the Company to invest \$1.011 billion in capital expenditures and approximately \$265 million in the acquisition of SIC Holding, reduce short-term borrowings and long-term debt by \$718.8 million and return \$2.056 billion to shareholders in the form of cash dividends and share repurchases during the year.

During 2023, the Company generated EBITDA of \$4.150 billion and Adjusted EBITDA of \$4.239 billion. See the Non-GAAP Financial Measures section for the definitions and calculations of EBITDA and Adjusted EBITDA. As of December 31, 2023, the Company had Cash and cash equivalents of \$276.8 million and total debt outstanding of \$9.851 billion. Total debt, net of Cash and cash equivalents, was \$9.574 billion and was 2.3 times the Company's Adjusted EBITDA in 2023.

Net Working Capital

Net working capital, defined as Total current assets less Total current liabilities, decreased \$1.061 billion to a deficit of \$1.114 billion at December 31, 2023 from a deficit of \$53.0 million at December 31, 2022. The net working capital decrease was primarily due to an increase in the Current portion of long-term debt and a decrease in current assets, particularly Inventories, partially offset by a decrease in Short-term borrowings.

Comparing current asset balances at December 31, 2023 to December 31, 2022, Accounts receivable decreased \$95.7 million, Inventories decreased \$296.7 million due to lower inventory levels and moderating raw material costs and Other current assets decreased \$80.4 million, primarily related to prepaid expenses and refundable income taxes. These decreases were partially offset by an increase in Cash and cash equivalents of \$78.0 million.

Current liability balances increased \$666.2 million at December 31, 2023 compared to December 31, 2022 primarily due an increase in the Current portion of long-term debt of \$1.098 billion, an increase in Other Accruals of \$191.2 million, primarily related to liabilities from contracts with customers, environmental-related liabilities and miscellaneous other current liabilities, and an increase in Compensation and taxes withheld of \$78.2 million. These increases were partially offset by a decrease in Short-term borrowings of \$603.9 million and Accounts payable of \$121.5 million.

As a result of the net effect of these changes, the Company's current ratio decreased to 0.83 at December 31, 2023 from 0.99 at December 31, 2022. Accounts receivable as a percent of Net sales decreased to 10.7% in 2023 from 11.6% in 2022. Accounts receivable days outstanding was 58 days in 2023 and 2022. In 2023, provisions for the allowance for current expected credit losses increased \$3.0 million, or 5.3%. Inventories as a percent of Net sales decreased to 10.1% in 2023 from 11.9% in 2022. Inventory days outstanding was 94 days in 2023 compared to 98 days in 2022. The Company has sufficient total available borrowing capacity to fund its current operating needs.

Property, Plant and Equipment

Net property, plant and equipment increased \$629.8 million to \$2.837 billion at December 31, 2023 due primarily to capital expenditures of \$1.011 billion, partially offset by depreciation expense of \$292.3 million, sale or disposition of assets with remaining net book value of \$88.0 million, and currency translation and other adjustments of \$(0.5) million. During 2023, the Company closed on a transaction to sell and subsequently lease back its current headquarters and research and development center. In connection with the sale, proceeds of \$47.2 million were received and an immaterial gain was recognized.

Capital expenditures during 2023 in the Paint Stores Group were primarily attributable to the opening of new paint stores and renovations and improvements in existing stores. In the Consumer Brands Group and the Performance Coatings Group, capital expenditures during 2023 were primarily related to ongoing environmental compliance measures, manufacturing capacity expansion, operational efficiencies and maintenance projects at sites currently in operation. The Administrative segment incurred capital expenditures primarily related to construction activities associated with the new headquarters and research and development center. Construction of the new headquarters and research and development center is expected to be completed in 2024 at the earliest.

In 2024, the Company expects to spend approximately the same as 2023 for capital expenditures, which it will fund primarily through the generation of operating cash. Core capital expenditures are targeted to be less than 2% of Net sales in 2024 and are expected to be for investments in various productivity improvement and maintenance projects at existing manufacturing, distribution and research and development facilities and new store openings. Additionally, the Company will continue to

construct its new headquarters and research and development center. Refer to the Real Estate Financing section herein for further information on the financing transaction for the new headquarters.

Real Estate Financing

In December 2022, the Company closed a transaction to sell and subsequently lease back its partially-constructed new headquarters. As part of the terms of the transaction, the Company is contractually obligated for completing the construction of the building and related improvements at the new headquarters. This transaction did not meet the criteria for recognition as an asset sale under U.S. generally accepted accounting principles (US GAAP) and as such, was accounted for as a real estate financing transaction. The Company expects to receive proceeds approximating \$800 million to \$850 million on an incremental basis until the completion of construction. The initial lease term includes the construction period and extends for 30 years thereafter, and the Company has the right and option to extend the lease term. The lease payment amounts during the construction period are dependent upon the timing and amount of total reimbursement of construction and other costs received by the Company. Lease payments over the next twelve months, which is the remaining estimated construction period, are expected to be approximately \$40 million. The amount of the lease payments during the initial 30 year lease term will be calculated upon completion of the construction period and receipt of total reimbursement of construction and other costs. Once determinable, this is expected to result in a significant increase in the Company's long-term contractual obligations.

In 2023 and 2022, the Company received \$305.0 million and \$210.0 million, respectively, pursuant to the transaction. The net proceeds from this transaction and other real estate financing transactions are recognized as proceeds from real estate financing transactions within the Financing Activities section of the Statements of Consolidated Cash Flows. The corresponding financing obligation for the new headquarters was \$515.8 million and \$207.0 million at December 31, 2023 and 2022, respectively, on the Consolidated Balance Sheets. The short-term portion of the liability recorded in Other accruals was \$39.9 million and \$20.0 million at December 31, 2023 and 2022, respectively. During 2023, \$23.8 million of interest was capitalized with the long-term portion of the liability in Other long-term liabilities. The Company will continue to recognize the related assets within Property, plant and equipment, net on the Consolidated Balance Sheets under US GAAP. These assets will be subject to depreciation over their useful lives in accordance with the Company's accounting policies. The Company will also allocate payments between interest and repayment of the financing liability over the life of the agreement.

Refer to Note 11 to the Consolidated Financial Statements within Item 8 for further information.

Goodwill and Intangible Assets

Goodwill, which represents the excess of cost over the fair value of net assets acquired in business combinations, increased \$42.8 million in 2023, primarily due to foreign currency translation rate fluctuations and purchase accounting allocations of \$8.3 million.

Intangible assets decreased \$121.5 million in 2023 primarily due to amortization of finite-lived intangible assets of \$325.0 million, dispositions of \$83.4 million and trademark impairment charges of \$30.9 million, partially offset by purchase accounting allocations of \$306.7 million and foreign currency translation rate fluctuations.

See Note 3 to the Consolidated Financial Statements in Item 8 for additional information related to acquisitions and divestitures. See Note 7 to the Consolidated Financial Statements in Item 8 for a description of goodwill, identifiable intangible assets and asset impairments and summaries of the remaining carrying values of goodwill and intangible assets.

Other Assets

Other assets increased \$183.5 million to \$1.211 billion at December 31, 2023. The increase was primarily due to an increase in non-traded investments and other assets related to contracts with customers and deposits. See Note 1 to the Consolidated Financial Statements in Item 8 for additional information.

Debt (including Short-term borrowings)

	December 31, 2023	December 31, 2022
Long-term debt	\$ 9,476.7	\$ 9,591.6
Short-term borrowings	374.2	978.1
Total debt outstanding	\$ 9,850.9	\$ 10,569.7

Total debt outstanding, including Short-term borrowings, decreased by \$718.8 million to \$9.851 billion in 2023. Short-term borrowings are primarily comprised of amounts outstanding under the Company's domestic commercial paper program and various foreign credit facilities. The Company's Long-term debt primarily consists of senior notes. The Company targets Net

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debt, which is total debt outstanding, net of Cash and cash equivalents, to be 2.0 to 2.5 times EBITDA. At December 31, 2023, Net debt was \$9.574 billion and was 2.3 times the Company's EBITDA in 2023. See the Non-GAAP Financial Measures section for the definition and calculation of EBITDA.

In December 2023, the Company exercised its call provision to make-whole the entire outstanding \$119.4 million aggregate principal amount of its 7.375% Debentures due 2027 and the entire outstanding \$3.5 million aggregate principal amount of its 7.45% Debentures due 2097. The retirement of the Debentures resulted in a loss of \$12.8 million recorded in Other general expense (income) - net. See Note 20 to the Consolidated Financial Statements in Item 8 for additional information.

The Company's available capacity under its committed credit agreements is reduced for amounts outstanding under its domestic commercial paper program and letters of credit. At December 31, 2023, the Company had unused capacity under its various credit agreements of \$3.332 billion.

See Note 8 to the Consolidated Financial Statements in Item 8 for a detailed description and summary of the Company's outstanding debt, short-term borrowings and other available financing programs.

Defined Benefit Pension and Other Postretirement Benefit Plans

In accordance with the accounting prescribed by the Retirement Benefits Topic of the ASC, the Company's total liability for unfunded or underfunded defined benefit pension plans increased \$10.5 million to \$69.0 million primarily due to changes in actuarial assumptions. The Company's liability for other postretirement benefits decreased \$6.6 million to \$147.2 million at December 31, 2023 due primarily to changes in the actuarial assumptions.

The assumed discount rate used to determine the projected benefit obligation for the domestic defined benefit pension plan decreased to 5.1% at December 31, 2023 from 5.3% at December 31, 2022. The assumed discount rate used to determine the projected benefit obligation for foreign defined benefit pension plans decreased to 4.8% at December 31, 2023 from 5.1% at December 31, 2022. The assumed discount rate used to determine the projected benefit obligation for other postretirement benefit obligations decreased to 5.0% at December 31, 2023 from 5.2% at December 31, 2022. The decrease in the discount rates was primarily due to lower interest rates.

In deciding on the rates of compensation increases, management considered historical Company increases as well as expectations for future increases. The rate of compensation increases used to determine the projected benefit obligation at December 31, 2023 was 3.0% for the domestic pension plan and 3.3% for foreign pension plans, which was comparable to the rates used in the prior year.

In establishing the expected long-term rate of return on plan assets, management considered the historical rates of return, the nature of investments and an expectation for future investment strategies. The expected long-term rate of return on assets for the domestic defined benefit pension plan was 6.3% at December 31, 2023 and 2022. The expected long-term rate of return on assets for the foreign defined benefit pension plans decreased to 4.8% at December 31, 2023 from 5.5% at December 31, 2022.

In developing the assumed health care cost trend rates, management considered industry data, historical Company experience and expectations for future health care costs. The assumed health care cost trend rates used to determine the projected benefit obligation for other postretirement benefit obligations at December 31, 2023 were 6.0% and 9.0% for medical and prescription drug cost increases, respectively, both decreasing gradually to 4.5% in 2032. The assumed health care cost trend rates for medical and prescription costs used to determine the projected benefit obligation for other postretirement benefit obligations at December 31, 2022 were 5.5% and 8.3%, respectively.

The respective year-end assumptions described above for the Company's defined benefit plans are also used to determine expense for the next year. Net pension cost in 2024 for the domestic pension plan and foreign pension plans is expected to be approximately \$1.8 million and \$4.4 million, respectively. Net periodic benefit credit for other postretirement benefits in 2024 is expected to be approximately \$17.0 million. The credit for 2024 is primarily due to amortization of the impact of a plan amendment executed in 2022. See Note 9 to the Consolidated Financial Statements in Item 8 for additional information on the Company's obligations and funded status of its defined benefit pension plans and other postretirement benefits.

Deferred Income Taxes

Deferred income taxes at December 31, 2023 increased \$1.5 million from the prior year primarily due to an increase in deferred tax liabilities from acquired intangible assets, partially offset by the amortization of intangible assets in the current year. See Notes 3 and 21 to the Consolidated Financial Statements in Item 8 for additional information on deferred taxes.

Other Long-Term Liabilities

Other long-term liabilities increased \$301.6 million during 2023 due primarily to liabilities associated with real estate financing transactions and an increase in long-term commitments related to investments in U.S. affordable housing and historic

renovation real estate partnerships, partially offset by the impact of expected settlements related to tax positions over the next twelve months as disclosed in Note 21 to the Consolidated Financial Statements in Item 8.

Environmental Matters

The operations of the Company, like those of other companies in the same industry, are subject to various federal, state and local environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws and regulations and has implemented various programs designed to protect the environment and promote continued compliance.

During 2023, environmental-related liabilities increased \$28.5 million to \$318.9 million at December 31, 2023 primarily due to new information which impacted the estimate of required remediation at certain Major Sites and other Company locations. Depreciation of capital expenditures and other expenses related to ongoing environmental compliance measures were included in the normal operating expenses of conducting business. The Company's capital expenditures, depreciation and other expenses related to ongoing environmental compliance measures were not material to the Company's financial condition, liquidity, cash flow or results of operations during 2023. Management does not expect that such capital expenditures, depreciation and other expenses will be material to the Company's financial condition, liquidity, cash flow or results of operations in 2024. See Note 11 to the Consolidated Financial Statements in Item 8 for further information on environmental-related liabilities.

Contractual and Other Obligations and Commercial Commitments

The Company has certain obligations and commitments to make future payments under contractual and other obligations and commercial commitments. The Company believes that cash generated from operating activities and borrowings available under long-term and short-term debt, including its committed credit agreements and commercial paper program, will be sufficient for it to meet its contractual and other obligations and commercial commitments. The following tables summarize such obligations and commitments as of December 31, 2023.

Contractual and Other Obligations	Payments Due by Period				
	Total	Less Than		3–5 Years	More Than
		1 Year	1–3 Years		
Long-term debt	\$ 9,550.8	\$ 1,100.2	\$ 1,400.6	\$ 1,500.0	\$ 5,550.0
Interest on Long-term debt	4,212.3	332.2	550.1	416.8	2,913.2
Operating leases	2,189.5	513.5	816.6	475.5	383.9
Short-term borrowings	374.2	374.2			
Real estate financing transactions ⁽¹⁾	163.4	15.5	31.0	32.7	84.2
Purchase obligations ⁽²⁾	427.1	427.1			
Other contractual obligations ⁽³⁾	747.5	162.7	163.8	143.4	277.6
Total contractual cash obligations	\$ 17,664.8	\$ 2,925.4	\$ 2,962.1	\$ 2,568.4	\$ 9,208.9

⁽¹⁾ Excludes real estate financing transactions related to the new headquarters. Refer to "Real Estate Financing" section herein for further information.

⁽²⁾ Relates to open purchase orders for raw materials at December 31, 2023.

⁽³⁾ Relates primarily to estimated future capital contributions for investments in the U.S. affordable housing and historic renovation real estate partnerships and various other contractual obligations.

Commercial Commitments	Amount of Commitment Expiration Per Period				
	Total	Less Than		3–5 Years	More Than
		1 Year	1–3 Years		
Standby letters of credit	\$ 146.2	\$ 146.2			
Surety bonds	230.4	230.4			
Total commercial commitments	\$ 376.6	\$ 376.6	\$ —	\$ —	\$ —

Warranties

The Company offers product warranties for certain products. The specific terms and conditions of such warranties vary depending on the product or customer contract requirements. Management estimated the costs of unsettled product warranty claims based on historical results and experience and included an amount in Other accruals. Management periodically assesses the adequacy of the accrual for product warranty claims and adjusts the accrual as necessary. Changes in the Company's accrual for product warranty claims during 2023 and 2022, including customer satisfaction settlements during the year, were as follows:

	2023	2022
Balance at January 1	\$ 36.2	\$ 35.2
Charges to expense	37.0	30.1
Settlements	(32.8)	(29.1)
Balance at December 31	<u><u>\$ 40.4</u></u>	<u><u>\$ 36.2</u></u>

Shareholders' Equity

Shareholders' equity increased \$613.7 million to \$3.716 billion at December 31, 2023 from \$3.102 billion last year. The increase was primarily attributable to the generation of \$2.389 billion of Net income and benefits from stock option exercises and the recognition of stock-based compensation expense of \$203.9 million. This was partially offset by the repurchase of \$1.432 billion in Treasury stock and the payment of \$623.7 million in cash dividends. See the Statements of Consolidated Shareholders' Equity and Statements of Consolidated Comprehensive Income in Item 8 for additional information.

The Company purchased 5.6 million shares of its common stock for treasury purposes through open market purchases during 2023. The Company acquires its common stock for general corporate purposes, and depending on its cash position and market conditions, it may acquire shares in the future. The Company had remaining authorization from its Board of Directors at December 31, 2023 to purchase 39.6 million shares of its common stock.

The Company's 2023 annual cash dividend of \$2.42 per share represented 31% of 2022 diluted net income per share. The 2023 annual dividend represented the 45th consecutive year of increased dividend payments. On February 14, 2024, the Board of Directors increased the quarterly cash dividend to \$0.715 per share. This quarterly dividend, if approved in each of the remaining quarters of 2024, would result in an annual dividend for 2024 of \$2.86 per share, or a 31% payout of 2023 diluted net income per share.

Cash Flow

Net operating cash increased \$1.602 billion in 2023 to a cash source of \$3.522 billion from a cash source of \$1.920 billion in 2022 due primarily to improved working capital management and higher net income. Net operating cash increased as a percent to Net sales to 15.3% in 2023 compared to 8.7% in 2022.

Net investing cash usage decreased \$568.3 million to a usage of \$1.039 billion in 2023 from a usage of \$1.608 billion in 2022 due primarily to lower cash used for acquisitions, proceeds from the divestiture of businesses and an increase in proceeds from the sale of assets, partially offset by increased cash used for capital expenditures. See Note 3 to the Consolidated Financial Statements in Item 8 for additional information on acquisitions and divestitures.

Net financing cash usage increased \$2.142 billion to a usage of \$2.425 billion in 2023 from a usage of \$282.4 million in 2022. This increase was due primarily to proceeds from long-term debt in 2022 which did not occur in 2023, a net decrease in short-term borrowings and an increase in treasury stock purchases, partially offset by lower payments of long-term debt and higher proceeds from real estate financing transactions.

Litigation

See Note 12 to the Consolidated Financial Statements in Item 8 for information concerning litigation.

Market Risk

The Company is exposed to market risk associated with interest rate, foreign currency and commodity fluctuations. The Company occasionally utilizes derivative instruments as part of its overall financial risk management policy, but does not use derivative instruments for speculative or trading purposes. In 2023 and 2022, the Company entered into foreign currency forward contracts with maturity dates of less than twelve months primarily to hedge against value changes in foreign currency and cross currency swap contracts to hedge its net investment in European operations. See Notes 1, 17 and 20 to the Consolidated Financial Statements in Item 8 for additional information related to the Company's use of derivative instruments.

The Company believes it may be exposed to continuing market risk from foreign currency exchange rate and commodity price fluctuations. However, the Company does not expect that foreign currency exchange rate and commodity price fluctuations or hedging contract losses will have a material adverse effect on the Company's financial condition, results of operations or cash flows. See Notes 1 and 20 to the Consolidated Financial Statements in Item 8 for additional information related to foreign currency translation.

Financial Covenant

Certain borrowings contain a consolidated leverage covenant. The covenant states the Company's consolidated leverage ratio is not to exceed 3.75 to 1.00; however, the Company may elect to temporarily increase the leverage ratio to 4.25 to 1.00 for a period of four consecutive fiscal quarters immediately following the consummation of a qualifying acquisition, as defined in the credit agreement dated August 30, 2022. The leverage ratio is defined as the ratio of total indebtedness (the sum of Short-term borrowings, Current portion of long-term debt and Long-term debt) at the reporting date to consolidated "Earnings Before Interest, Taxes, Depreciation and Amortization" (EBITDA), as defined in the credit agreement, for the 12-month period ended on the same date. Refer to the "Non-GAAP Financial Measures" section for a reconciliation of EBITDA to Net income. At December 31, 2023, the Company was in compliance with the covenant and expects to remain in compliance. The Company's notes, debentures and revolving credit agreements contain various default and cross-default provisions. In the event of default under any one of these arrangements, acceleration of the maturity of any one or more of these borrowings may result. See Note 8 to the Consolidated Financial Statements in Item 8 for additional information.

Defined Contribution Savings Plan

Participants in the Company's defined contribution savings plan are allowed to contribute up to the lesser of fifty percent of their annual compensation or the maximum dollar amount allowed under the Internal Revenue Code. The Company matches one hundred percent of all contributions up to six percent of eligible employee contributions. The Company's matching contributions to the defined contribution savings plan charged to operations were \$153.9 million in 2023 compared to \$140.0 million in 2022. At December 31, 2023, there were 18,680,108 shares of the Company's common stock being held by the defined contribution savings plan, representing 7.3% of the total number of voting shares outstanding. See Note 14 to the Consolidated Financial Statements in Item 8 for additional information concerning the Company's defined contribution savings plan.

NON-GAAP FINANCIAL MEASURES

Management utilizes certain financial measures that are not in accordance with US GAAP to analyze and manage the performance of the business. The required disclosures for these non-GAAP measures are shown below. The Company provides such non-GAAP information in reporting its financial results to give investors additional data to evaluate the Company's operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with US GAAP.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as Net income before Income taxes, Interest expense, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure defined as EBITDA that excludes certain adjustments that management believes enhances investors' understanding of the Company's operating performance. Management considers EBITDA and Adjusted EBITDA useful in understanding the operating performance of the Company. The reader is cautioned that the Company's EBITDA and Adjusted EBITDA should not be compared to other entities unknowingly. Further, EBITDA and Adjusted EBITDA should not be considered alternatives to Net income or Net operating cash as an indicator of operating performance or as a measure of liquidity. The reader should refer to the determination of Net income and Net operating cash in accordance with US GAAP disclosed in the Statements of Consolidated Income and Statements of Condensed Consolidated Cash Flows in Item 8.

The following table summarizes EBITDA and Adjusted EBITDA as calculated by management for the years indicated below:

	Year Ended December 31,	
	2023	2022
Net income	\$ 2,388.8	\$ 2,020.1
Interest expense	417.5	390.8
Income taxes	721.1	553.0
Depreciation	292.3	264.0
Amortization	330.2	317.1
EBITDA	4,149.9	3,545.0
Restructuring expense	9.6	47.3
Impairment related to Restructuring Plan	34.0	15.5
Gain on divestiture of domestic aerosol business	(20.1)	—
Impairment related to trademarks	23.9	—
Devaluation of the Argentine Peso	41.8	—
Adjusted EBITDA	\$ 4,239.1	\$ 3,607.8

Free Cash Flow

Free cash flow is a non-GAAP financial measure defined as Net operating cash, as shown in the Statements of Consolidated Cash Flows, less the amount reinvested in the business for capital expenditures and the return on investment to its shareholders by the payments of cash dividends. Management considers free cash flow to be a useful tool in its determination of appropriate uses of the Company's Net operating cash. The reader is cautioned that the free cash flow measure should not be compared to other entities unknowingly as it may not be comparable and it does not consider certain non-discretionary cash flows, such as mandatory debt and interest payments. The amount shown below should not be considered an alternative to Net operating cash or other cash flow amounts provided in accordance with US GAAP as disclosed in the Statements of Consolidated Cash Flows in Item 8.

The following table summarizes free cash flow as calculated by management for the years indicated below:

	Year Ended December 31,	
	2023	2022
Net operating cash	\$ 3,521.9	\$ 1,919.9
Capital expenditures	(888.4)	(644.5)
Cash dividends	(623.7)	(618.5)
Free cash flow	\$ 2,009.8	\$ 656.9

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Adjusted Diluted Net Income Per Share

Management of the Company believes that investors' understanding of the Company's operating performance is enhanced by the disclosure of diluted net income per share excluding Valspar acquisition-related amortization expense and certain other adjustments. This adjusted earnings per share measurement is not in accordance with US GAAP. It should not be considered a substitute for earnings per share in accordance with US GAAP and may not be comparable to similarly titled measures reported by other companies.

The following tables reconcile diluted net income per share computed in accordance with US GAAP to adjusted diluted net income per share.

	Year Ended		
	December 31, 2023		
	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 9.25
Items related to Restructuring Plan:			
Severance and other	\$.06	\$.02	.04
Impairment of assets related to China divestiture	.13	.08	.05
Gain on divestiture of domestic aerosol business	(.08)	(.02)	(.06)
Discrete income tax expense related to China divestiture ⁽¹⁾	—	(.06)	.06
Total	.11	.02	.09
Impairment related to trademarks	.09	.02	.07
Devaluation of the Argentine Peso	.16	—	.16
Acquisition-related amortization expense ⁽²⁾	1.03	.25	.78
Adjusted diluted net income per share			\$ <u><u>10.35</u></u>

	Year Ended		
	December 31, 2022		
	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 7.72
Items related to Restructuring Plan:			
Severance and other	\$.18	\$.03	.15
Impairment	.06	.01	.05
Total	.24	.04	.20
Acquisition-related amortization expense ⁽²⁾	1.06	.25	.81
Adjusted diluted net income per share			\$ <u><u>8.73</u></u>

⁽¹⁾ The tax effect is calculated based on the statutory rate and the nature of the item, unless otherwise noted.

⁽²⁾ Acquisition-related amortization expense consists of the amortization of intangible assets related to the Valspar acquisition and is included within Selling, general and administrative expenses.

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Adjusted Segment Profit

Management of the Company believes that investors' understanding of the Company's operating performance is enhanced by the disclosure of segment profit excluding Valspar acquisition-related amortization expense and certain other adjustments. This adjusted segment profit measurement is not in accordance with US GAAP. It should not be considered a substitute for segment profit in accordance with US GAAP and may not be comparable to similarly titled measures reported by other companies. The following tables reconcile segment profit computed in accordance with US GAAP to adjusted segment profit.

	Year Ended December 31, 2023					
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Total	
Net sales	\$ 12,839.5	\$ 3,365.6	\$ 6,843.1	\$ 3.7	\$ 23,051.9	
Income before income taxes	\$ 2,860.8	\$ 309.3	\$ 991.6	\$ (1,051.8)	\$ 3,109.9	
as a % of Net sales	22.3 %	9.2 %	14.5 %		13.5 %	
Items related to Restructuring Plan:						
Severance and other		14.2	(0.2)	1.3	15.3	
Impairment of assets related to China divestiture		6.9		27.1	34.0	
Gain on divestiture of domestic aerosol business				(20.1)	(20.1)	
Total	—	21.1	(0.2)	8.3	29.2	
Impairment related to trademarks		23.9			23.9	
Devaluation of the Argentine Peso		30.8	11.0		41.8	
Acquisition-related amortization expense ⁽¹⁾		69.3	196.8		266.1	
Adjusted segment profit	\$ 2,860.8	\$ 454.4	\$ 1,199.2	\$ (1,043.5)	\$ 3,470.9	
as a % of Net sales	22.3 %	13.5 %	17.5 %		15.1 %	
	Year Ended December 31, 2022					
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Total	
Net sales	\$ 11,963.3	\$ 3,388.4	\$ 6,793.5	\$ 3.7	\$ 22,148.9	
Income before income taxes	\$ 2,348.1	\$ 314.2	\$ 734.9	\$ (824.1)	\$ 2,573.1	
as a % of Net sales	19.6 %	9.3 %	10.8 %		11.6 %	
Items related to Restructuring Plan:						
Severance and other		25.6	22.2		47.8	
Impairment		15.5			15.5	
Total	—	41.1	22.2	—	63.3	
Acquisition-related amortization expense ⁽¹⁾		76.2	200.1		276.3	
Adjusted segment profit	\$ 2,348.1	\$ 431.5	\$ 957.2	\$ (824.1)	\$ 2,912.7	
as a % of Net sales	19.6 %	12.7 %	14.1 %		13.2 %	

⁽¹⁾ Acquisition-related amortization expense consists of the amortization of intangible assets related to the Valspar acquisition and is included in Selling, general and administrative expenses.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the accompanying consolidated financial statements. These determinations were made based upon management's best estimates, judgments and assumptions that were believed to be reasonable under the circumstances, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported under different conditions or using different assumptions related to the critical accounting policies and estimates described below. However, application of these critical accounting policies and estimates involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

All of the significant accounting policies that were followed in the preparation of the consolidated financial statements are disclosed in Note 1 to the Consolidated Financial Statements in Item 8. Management believes that the following critical accounting policies and estimates have a significant impact on our consolidated financial statements.

Inventories

Inventories are stated at the lower of cost or net realizable value with cost determined principally on the last-in, first-out (LIFO) method based on inventory quantities and costs determined during the fourth quarter. Inventory quantities are adjusted throughout the year as formal cycle counts are completed, or during the fourth quarter as a result of annual physical inventory counts. If inventories accounted for on the LIFO method are reduced on a year-over-year basis, then liquidation of certain quantities carried at costs prevailing in prior years occurs. Management records the best estimate of net realizable value for obsolete and discontinued inventories based on historical experience and current trends through reductions to inventory cost by recording a provision included in Cost of goods sold. If management estimates that the reasonable market value is below cost or determines that future demand was lower than current inventory levels, based on historical experience, current and projected market demand, current and projected volume trends and other relevant current and projected factors associated with the current economic conditions, a reduction in inventory cost to estimated net realizable value is provided for in the reserve for obsolescence. See Note 5 to the Consolidated Financial Statements in Item 8 for more information regarding the impact of the LIFO inventory valuation and the reserve for obsolescence.

Goodwill and Intangible Assets

In accordance with the Goodwill and Other Intangibles Topic of the ASC, management performs impairment tests of goodwill and indefinite-lived intangible assets on an annual basis, as well as whenever an event occurs or circumstances change that indicate impairment has occurred on a more likely than not basis. An optional qualitative assessment allows companies to forego the annual quantitative test if it is not more likely than not that impairment has occurred based on monitoring key Company financial performance metrics and macroeconomic conditions. The qualitative assessment is performed when deemed appropriate.

In accordance with the Goodwill and Other Intangibles Topic of the ASC, management tests goodwill for impairment at the reporting unit level. Per the Segment Reporting Topic of the ASC, a reporting unit is an operating segment or one level below the operating segment (component level) as determined by the availability of discrete financial information that is regularly reviewed by operating segment management or an aggregate of component levels of an operating segment having similar economic characteristics. At the time of goodwill impairment testing (if performing a quantitative assessment), management determines fair value through the use of a discounted cash flow valuation model incorporating discount rates commensurate with the risks involved for each reporting unit. If the calculated fair value is less than the current carrying value, the difference represents the amount of impairment attributable to the reporting unit. The use of a discounted cash flow valuation model to determine estimated fair value is common practice in impairment testing. The key assumptions used in the discounted cash flow valuation model for impairment testing include a discount rate, growth rates, cash flow projections and a terminal value rate. Discount rates are set by using the Weighted Average Cost of Capital (WACC) methodology. The WACC methodology considers market and industry data as well as Company-specific risk factors for each reporting unit in determining the appropriate discount rate to be used. The discount rate utilized for each reporting unit is indicative of the return an investor would expect to receive for investing in such a business. Operational management, considering industry and Company-specific historical and projected data, develops growth rates, sales projections and cash flow projections for each reporting unit. Terminal value rate determination follows common methodology of capturing the present value of perpetual cash flow estimates beyond the last projected period assuming a constant WACC and a low long-term growth rate. As an indicator that each reporting unit has been valued appropriately through the use of the discounted cash flow valuation model, the aggregate of all reporting units' fair value is reconciled to the total market capitalization of the Company within a reasonable and supportable control premium.

The Company had seven components, some of which are aggregated due to similar economic characteristics, to form three reporting units (also the operating segments) with goodwill as of October 1, 2023, the date of the annual impairment test. The

Company performed the optional qualitative impairment test as of October 1, 2023, and determined that there was no indication of impairment on a more likely than not basis in the Company's three reporting units.

In accordance with the Goodwill and Other Intangibles Topic of the ASC, management tests indefinite-lived intangible assets for impairment at the asset level, as determined by appropriate asset valuations at acquisition. Management utilizes the royalty savings method to determine the estimated fair value for each indefinite-lived intangible asset or trademark. In this method, management estimates the royalty savings arising from the ownership of the intangible asset. The key assumptions used in estimating the royalty savings for impairment testing include a discount rate, a royalty rate, growth rates, sales projections, a terminal value rate and, to a lesser extent, a tax rate. The discount rate used is similar to the rate developed by the WACC methodology considering any differences in Company-specific risk factors between reporting units and trademarks. The royalty rate is established by management and valuation experts and periodically substantiated by valuation experts. Operational management, considering industry and Company-specific historical and projected data, develops growth rates and sales projections for each significant trademark. Terminal value rate determination follows common methodology of capturing the present value of perpetual sales estimates beyond the last projected period assuming a constant WACC and a low long-term growth rate. The royalty savings valuation methodology and calculations used in 2023 impairment testing are consistent with prior years. The annual impairment review performed as of October 1, 2023 resulted in trademark impairment of \$23.9 million in the Consumer Brands Group primarily related to a trademark in Europe. No other impairments or risks for impairment were identified as a result of this review.

The discounted cash flow and royalty savings valuation methodologies require management to make certain assumptions based upon information available at the time the valuations are performed from the perspective of a market participant. Actual results could differ from these assumptions. See Note 7 to the Consolidated Financial Statements in Item 8 for a discussion of goodwill and intangible assets and the impairment tests performed in accordance with the Goodwill and Other Intangibles Topic of the ASC.

Valuation of Long-Lived Assets

In accordance with the Property, Plant and Equipment Topic of the ASC, if events or changes in circumstances indicate that the carrying value of long-lived assets, including Operating lease right-of-use assets, may not be recoverable or the useful life has changed, impairment tests are performed or the useful life is adjusted. Undiscounted cash flows are used to calculate the recoverable value of long-lived assets to determine if such assets are recoverable. If the carrying value of the assets is deemed to not be recoverable, the impairment to be recognized is the amount by which the carrying value of the assets exceeds the estimated fair value of the assets as determined in accordance with the Fair Value Topic of the ASC. If the usefulness of an asset is determined to be impaired, an updated useful life is assessed based on the period of time for projected use of the asset. Fair value approaches and changes in useful life are based on certain assumptions and information available at the time the valuation or determination is performed. Actual results could differ from these assumptions. Management believes the assumptions used are reflective of what a market participant would have used in calculating fair value or useful life considering the current economic conditions. As of October 1, 2023, the Company performed an analysis and determined that there were no events or changes in circumstances to suggest the carrying value of each long-lived asset group is not recoverable and therefore, no further impairment tests were performed. See Note 6 to the Consolidated Financial Statements in Item 8 for a discussion of the reductions in carrying value or useful life of long-lived assets in accordance with the Property, Plant and Equipment Topic of the ASC.

Defined Benefit Pension and Other Postretirement Benefit Plans

To determine the Company's ultimate obligation under its defined benefit pension plans and other postretirement benefit plans, management estimates the future cost of benefits and attributes that cost to the time period during which each covered employee works. To determine the obligations of the benefit plans, management uses actuaries to calculate such amounts using key assumptions which include discount rates, inflation rates, long-term investment returns, mortality, employee turnover, rate of compensation increases and medical and prescription drug costs. Management reviews all of these assumptions on an ongoing basis to ensure that the most current information available is considered. An increase or decrease in the assumptions or economic events outside management's control could have a direct impact on the Company's results of operations or financial condition.

In accordance with the Retirement Benefits Topic of the ASC, the Company recognizes each plan's funded status as an asset for overfunded plans and as a liability for unfunded or underfunded plans. Actuarial gains and losses and prior service costs are recognized and recorded in Accumulated other comprehensive income (AOCI). The amounts recorded in AOCI will continue to be modified as actuarial assumptions and service costs change, and all such amounts will be amortized to expense over a period of years through the net pension and net periodic benefit costs. See Note 9 to the Consolidated Financial Statements in Item 8 for information concerning the Company's defined benefit pension plans and other postretirement benefit plans.

Environmental Matters

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites (including sites which were previously owned and/or operated by businesses acquired by the Company). The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely than any other amount within the range, the minimum of the range is provided.

The Company routinely assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. Actual costs incurred may vary from the accrued estimates due to the inherent uncertainties involved. See Note 11 to the Consolidated Financial Statements in Item 8 for information concerning the accrual for extended environmental-related activities and a discussion concerning unaccrued future loss contingencies.

Litigation and Other Contingent Liabilities

In the course of its business, the Company is subject to a variety of claims and lawsuits, including, but not limited to, litigation relating to product liability and warranty, personal injury, environmental, intellectual property, commercial, contractual and antitrust claims. Management accrues for all known liabilities that existed and those where a loss was deemed probable for which a fair value was available or an amount could be reasonably estimated in accordance with US GAAP. However, because litigation is inherently subject to many uncertainties and the ultimate result of any present or future litigation is unpredictable, the Company's ultimate liability may result in costs that are significantly higher than currently accrued. In the event that the Company's loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the liability may result in a material impact on Net income for the annual or interim period during which such liability is accrued. Additionally, due to the uncertainties involved, any potential liability determined to be attributable to the Company arising out of such litigation may have a material adverse effect on the Company's results of operations, liquidity or financial condition. See Note 12 to the Consolidated Financial Statements in Item 8 for information concerning litigation.

Income Taxes

The Company estimates income taxes for each jurisdiction in which it conducts operations. This involves estimating taxable earnings, specific taxable and deductible items, the likelihood of generating sufficient future taxable income to utilize deferred tax assets and possible exposures related to future tax audits. To the extent these estimates change, adjustments to deferred and accrued income taxes will be made in the period in which the changes occur.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. These assessments of uncertain tax positions contain judgments related to the interpretation of tax regulations in the jurisdictions in which we transact business. The judgments and estimates made at a point in time may change based on the outcome of tax audits, expiration of statutes of limitations, as well as changes to, or further interpretations of, tax laws and regulations. Income tax expense is adjusted in our Statements of Consolidated Income in the period in which these events occur. See Note 21 to the Consolidated Financial Statements in Item 8 for information concerning income taxes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk associated with interest rates, foreign currency and commodity fluctuations. We occasionally utilize derivative instruments as part of our overall financial risk management policy, but do not use derivative instruments for speculative or trading purposes. In 2023, 2022 and 2021, the Company utilized U.S. Dollar to Euro cross currency swap contracts to hedge the Company's net investment in its European operations. The contracts have been designated as net investment hedges and have various maturity dates. See Note 17 to the Consolidated Financial Statements in Item 8. The Company entered into forward foreign currency exchange contracts during 2023, 2022 and 2021 to hedge against value changes in foreign currency. There were no material contracts outstanding at December 31, 2023. Forward foreign currency exchange contracts are described in Note 20 to the Consolidated Financial Statements in Item 8. We believe we may experience continuing losses from foreign currency fluctuations. However, we do not expect currency translation, transaction or hedging contract losses to have a material adverse effect on our financial condition, results of operations or cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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**Report of Management
On Internal Control Over Financial Reporting**

Shareholders of The Sherwin-Williams Company

We are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. We recognize that internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and is subject to the possibility of human error or the circumvention or the overriding of internal control. Therefore, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, we believe we have designed into the process safeguards to reduce, though not eliminate, this risk. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In order to ensure that the Company's internal control over financial reporting was effective as of December 31, 2023, we conducted an assessment of its effectiveness under the supervision and with the participation of our management group, including our principal executive officer and principal financial officer. This assessment was based on the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As permitted by SEC rules, we have excluded the operations and related assets of the 2023 acquisition of SIC Holding GmbH from the scope of our assessment of the effectiveness of internal control over financial reporting as of December 31, 2023. The Total assets and Net sales of the 2023 acquisition of SIC Holding GmbH represented approximately 1.3% and 0.1% of the Company's respective consolidated Total assets and Net sales as of and for the year ended December 31, 2023.

Based on our assessment of internal control over financial reporting under the criteria established in Internal Control – Integrated Framework, we have concluded that, as of December 31, 2023, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP , an independent registered public accounting firm, and their report on the effectiveness of our internal control over financial reporting is included on page 43 of this report.



H. G. Petz
President and Chief Executive Officer



A. J. Mistysyn
Senior Vice President - Finance and Chief Financial Officer



J. M. Cronin
Senior Vice President - Enterprise Finance

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Sherwin-Williams Company

Opinion on Internal Control Over Financial Reporting

We have audited The Sherwin-Williams Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, The Sherwin-Williams Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

As indicated in the accompanying Report of Management On Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of SIC Holding GmbH, which is included in the 2023 consolidated financial statements of the Company and constituted 1.3% of Total assets as of December 31, 2023 and 0.1% of Net sales for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of the 2023 acquisition excluded from the scope of management's assessment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of The Sherwin-Williams Company as of December 31, 2023, 2022 and 2021, the related statements of consolidated income, comprehensive income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2023, and the related notes and the financial statement schedule listed in Item 15(a) and our report dated February 20, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young, LLP

Cleveland, Ohio
February 20, 2024

**Report of Management
On the Consolidated Financial Statements**

Shareholders of The Sherwin-Williams Company

We are responsible for the preparation and fair presentation of the consolidated financial statements, accompanying notes and related financial information included in this report of The Sherwin-Williams Company and its consolidated subsidiaries (collectively, the Company) as of December 31, 2023, 2022 and 2021 and for the years then ended in accordance with U.S. generally accepted accounting principles. The consolidated financial information included in this report contains certain amounts that were based upon our best estimates, judgments and assumptions that we believe were reasonable under the circumstances.

We have conducted an assessment of the effectiveness of internal control over financial reporting based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As discussed in the Report of Management on Internal Control Over Financial Reporting on page 42 of this report, we concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

The Board of Directors pursues its responsibility for the oversight of the Company's accounting policies and procedures, financial statement preparation and internal control over financial reporting through the Audit Committee, comprised exclusively of independent directors. The Audit Committee is responsible for the appointment and compensation of the independent registered public accounting firm. The Audit Committee meets at least quarterly with financial management, internal auditors and the independent registered public accounting firm to review the adequacy of financial controls, the effectiveness of the Company's internal control over financial reporting and the nature, extent and results of the audit effort. Both the internal auditors and the independent registered public accounting firm have private and confidential access to the Audit Committee at all times.

We believe that the consolidated financial statements, accompanying notes and related financial information included in this report fairly reflect the form and substance of all material financial transactions and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows as of and for the periods presented.



H. G. Petz
President and Chief Executive Officer



A. J. Mistysyn
Senior Vice President - Finance and Chief Financial Officer



J. M. Cronin
Senior Vice President - Enterprise Finance

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Sherwin-Williams Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Sherwin-Williams Company (the Company) as of December 31, 2023, 2022 and 2021, the related statements of consolidated income, comprehensive income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2023, and the related notes and the financial statement schedule listed in Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 20, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Gibbsboro environmental-related accrual

Description of the Matter

As described in Note 11 to the consolidated financial statements, the Company had short-term and long-term accruals for environmental-related activities of \$88.1 million and \$230.8 million, respectively, at December 31, 2023. The Company's largest and most complex site is the Gibbsboro, New Jersey site (Gibbsboro) and the substantial majority of the environmental-related accrual relates to this site. Gibbsboro consists of six operable units which contain a combination of soil, sediment, surface water and groundwater contamination, and are in various phases of investigation and remediation with the Environmental Protection Agency (EPA). The Company's estimated environmental-related accrual for Gibbsboro is based on industry standards and professional judgement, and the most significant assumptions underlying the estimated cost of remediation efforts reserved for Gibbsboro are the types and extent of future remediation.

Auditing the Company's environmental-related accrual at the Gibbsboro site required complex judgement due to the inherent challenges in identifying the type and extent of future remedies in determining the probable and reasonably estimable loss for which the Company will be responsible.

*How We Addressed the Matter
in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's processes to estimate the Gibbsboro environmental-related accrual. For example, we tested controls over management's review of the environmental loss calculations and the key assumptions affecting those calculations as described above.

To test the Gibbsboro environmental-related accrual, our audit procedures included, among others, a review of correspondence with the EPA supporting the Company's assessment of the type, extent and cost of remediation at the Gibbsboro site for which the Company is responsible. We assessed the appropriateness of the Company's policies and procedures and tested management's environmental reserve estimate. We involved our environmental specialists to confirm our understanding of the remediation plans for the most significant operable units within the Gibbsboro site and to evaluate the impact of current year investigation and remediation activities on the Company's methodology and assumptions used to estimate the cost and extent of remediation in accordance with industry practice, applicable laws and regulations. We reconciled types and extent of remediation identified in communications between the Company and the EPA, including agreed upon remediation plans with the EPA, to the Company's remediation cost estimates recorded for Gibbsboro. We also conducted a search for publicly available information that might indicate facts contrary to the types and extent of remediation currently identified in the Company's remediation cost estimates recorded for Gibbsboro.

/s/ Ernst & Young, LLP

We have served as the Company's auditor since 1908.

Cleveland, Ohio

February 20, 2024

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME

(in millions, except per share data)

	Year Ended December 31,		
	2023	2022	2021
Net sales	\$ 23,051.9	\$ 22,148.9	\$ 19,944.6
Cost of goods sold	12,293.8	12,823.8	11,401.9
Gross profit	10,758.1	9,325.1	8,542.7
Percent to Net sales	46.7 %	42.1 %	42.8 %
Selling, general and administrative expenses	7,065.4	6,331.6	5,882.0
Percent to Net sales	30.6 %	28.6 %	29.5 %
Other general expense (income) - net	67.1	(24.9)	101.8
Impairment	57.9	15.5	—
Interest expense	417.5	390.8	334.7
Interest income	(25.2)	(8.0)	(4.9)
Other expense (income) - net	65.5	47.0	(19.5)
Income before income taxes	3,109.9	2,573.1	2,248.6
Income tax expense	721.1	553.0	384.2
Net income	\$ 2,388.8	\$ 2,020.1	\$ 1,864.4
Net income per share:			
Basic	\$ 9.35	\$ 7.83	\$ 7.10
Diluted	\$ 9.25	\$ 7.72	\$ 6.98
Weighted average shares outstanding:			
Basic	255.4	258.0	262.5
Diluted	258.3	261.8	267.1

See notes to consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME

(in millions)

	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 2,388.8	\$ 2,020.1	\$ 1,864.4
Other comprehensive income, net of tax:			
Foreign currency translation adjustments ⁽¹⁾	93.9	(108.7)	(30.6)
Pension and other postretirement benefit adjustments:			
Amounts recognized in AOCI ⁽²⁾	3.9	106.8	48.7
Amounts reclassified from AOCI ⁽³⁾	(17.9)	3.7	6.3
Total	(14.0)	110.5	55.0
Unrealized net gains on cash flow hedges:			
Amounts reclassified from AOCI ⁽⁴⁾	(3.6)	(4.0)	(4.5)
Other comprehensive income (loss), net of tax	76.3	(2.2)	19.9
Comprehensive income	<u>\$ 2,465.1</u>	<u>\$ 2,017.9</u>	<u>\$ 1,884.3</u>

⁽¹⁾ The years ended December 31, 2023, 2022 and 2021 include unrealized (losses) gains, net of taxes, of \$(24.9) million, \$ 34.1 million and \$ 37.1 million, respectively, related to net investment hedges. See Note 17.

⁽²⁾ Net of taxes of \$(2.8) million, \$(33.8) million and \$(12.6) million in 2023, 2022 and 2021, respectively.

⁽³⁾ Net of taxes of \$ 5.9 million, \$(1.2) million and \$(2.1) million in 2023, 2022 and 2021, respectively .

⁽⁴⁾ Net of taxes of \$ 1.2 million, \$ 1.1 million and \$ 1.0 million in 2023, 2022 and 2021, respectively.

See notes to consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in millions)

	December 31,		
	2023	2022	2021
Assets			
Current assets:			
Cash and cash equivalents	\$ 276.8	\$ 198.8	\$ 165.7
Accounts receivable, less allowance	2,467.9	2,563.6	2,352.4
Inventories	2,329.8	2,626.5	1,927.2
Other current assets	438.4	518.8	608.4
Total current assets	5,512.9	5,907.7	5,053.7
Property, plant and equipment, net	2,836.8	2,207.0	1,867.3
Goodwill	7,626.0	7,583.2	7,134.6
Intangible assets, net	3,880.5	4,002.0	4,001.5
Operating lease right-of-use assets	1,887.4	1,866.8	1,820.6
Other assets	1,210.8	1,027.3	789.0
Total Assets	\$ 22,954.4	\$ 22,594.0	\$ 20,666.7
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term borrowings	\$ 374.2	\$ 978.1	\$ 763.5
Accounts payable	2,315.0	2,436.5	2,403.0
Compensation and taxes withheld	862.7	784.5	716.6
Accrued taxes	197.4	197.4	160.3
Current portion of long-term debt	1,098.8	0.6	260.6
Current portion of operating lease liabilities	449.3	425.3	409.7
Other accruals	1,329.5	1,138.3	1,005.8
Total current liabilities	6,626.9	5,960.7	5,719.5
Long-term debt	8,377.9	9,591.0	8,590.9
Postretirement benefits other than pensions	133.2	139.3	259.4
Deferred income taxes	683.1	681.6	768.2
Long-term operating lease liabilities	1,509.5	1,512.9	1,470.7
Other long-term liabilities	1,908.0	1,606.4	1,420.8
Shareholders' equity:			
Common stock - \$ 0.33 -1/3 par value:			
254.5 , 258.9 , and 261.1 million shares outstanding			
at December 31, 2023, 2022 and 2021, respectively	91.8	91.2	90.8
Other capital	4,193.6	3,963.9	3,793.0
Retained earnings	5,288.3	3,523.2	2,121.7
Treasury stock, at cost	(5,233.6)	(3,775.6)	(2,869.9)
Accumulated other comprehensive loss	(624.3)	(700.6)	(698.4)
Total shareholders' equity	3,715.8	3,102.1	2,437.2
Total Liabilities and Shareholders' Equity	\$ 22,954.4	\$ 22,594.0	\$ 20,666.7

See notes to consolidated financial statements.

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THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS

(in millions)

	Year Ended December 31,		
	2023	2022	2021
Operating Activities			
Net income	\$ 2,388.8	\$ 2,020.1	\$ 1,864.4
Adjustments to reconcile net income to net operating cash:			
Depreciation	292.3	264.0	263.1
Non-cash lease expense	452.7	416.9	400.7
Amortization of intangible assets	330.2	317.1	309.5
(Gain) loss on divestiture of business	(20.1)	—	111.9
Loss (gain) on extinguishment of debt	12.8	—	(1.4)
Impairment	57.9	15.5	—
Provisions for environmental-related matters	80.7	(7.1)	(4.0)
Provisions for restructuring	15.3	47.3	—
Deferred income taxes	(88.9)	(144.8)	(80.3)
Other postretirement benefit plan net cost	(15.8)	(1.6)	(3.9)
Stock-based compensation expense	115.9	99.7	97.7
Amortization of non-traded investments	65.4	38.5	53.6
Loss (gain) on sale or disposition of assets	0.9	(10.7)	(6.1)
Other	7.0	43.9	10.7
Change in working capital accounts:			
Decrease (increase) in accounts receivable	85.6	(200.2)	(287.8)
Decrease (increase) in inventories	323.4	(666.7)	(228.1)
(Decrease) increase in accounts payable	(241.1)	46.6	346.1
Decrease in accrued taxes	(8.9)	(38.1)	(32.7)
Increase (decrease) in accrued compensation and taxes withheld	75.7	65.8	(10.9)
Decrease (increase) in refundable income taxes	25.8	47.6	(38.5)
Other	306.7	32.5	(46.8)
Change in operating lease liabilities	(453.4)	(405.3)	(401.4)
Costs incurred for environmental-related matters	(35.3)	(23.8)	(41.3)
Other	(251.7)	(37.3)	(29.9)
Net operating cash	3,521.9	1,919.9	2,244.6
Investing Activities			
Capital expenditures	(888.4)	(644.5)	(372.0)
Acquisitions of businesses, net of cash acquired	(264.7)	(1,003.1)	(210.9)
Proceeds from divestiture of business	103.7	—	122.5
Proceeds from sale of assets	70.1	33.2	14.8
Other	(60.0)	6.8	(30.8)
Net investing cash	(1,039.3)	(1,607.6)	(476.4)
Financing Activities			
Net (decrease) increase in short-term borrowings	(603.9)	214.4	763.9
Proceeds from long-term debt	—	999.7	994.8
Payments of long-term debt	(136.4)	(260.3)	(422.9)
Payments for credit facility and debt issuance costs	—	(7.3)	(11.5)
Payments of cash dividends	(623.7)	(618.5)	(587.1)
Proceeds from stock options exercised	111.6	67.3	192.8
Treasury stock purchased	(1,432.0)	(883.2)	(2,752.3)
Proceeds from treasury stock issued	—	22.0	11.7
Proceeds from real estate financing transactions	306.5	207.3	—
Other	(46.7)	(23.8)	(23.4)
Net financing cash	(2,424.6)	(282.4)	(1,834.0)
Effect of exchange rate changes on cash	20.0	3.2	4.9
Net increase (decrease) in cash and cash equivalents	78.0	33.1	(60.9)

Cash and cash equivalents at beginning of year	198.8	165.7	226.6
Cash and cash equivalents at end of year	\$ 276.8	\$ 198.8	\$ 165.7
Supplemental cash flow information			
Income taxes paid	\$ 816.7	\$ 580.1	\$ 466.3
Interest paid	416.5	371.1	338.8

See notes to consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions, except per share data)

	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
Balance at January 1, 2021	\$ 89.9	\$ 3,491.4	\$ 844.3	\$ (96.5)	\$ (718.3)	\$ 3,610.8
Net income			1,864.4			1,864.4
Other comprehensive income					19.9	19.9
Treasury stock purchased				(2,752.3)		(2,752.3)
Treasury stock issued		9.3		2.4		11.7
Stock-based compensation activity	0.9	290.9		(23.5)		268.3
Other adjustments		1.4	0.1			1.5
Cash dividends -- \$ 2.20 per share			(587.1)			(587.1)
Balance at December 31, 2021	90.8	3,793.0	2,121.7	(2,869.9)	(698.4)	2,437.2
Net income			2,020.1			2,020.1
Other comprehensive loss					(2.2)	(2.2)
Treasury stock purchased				(883.2)		(883.2)
Treasury stock issued		11.0		11.0		22.0
Stock-based compensation activity	0.4	167.1		(33.5)		134.0
Other adjustments		(7.2)	(0.1)			(7.3)
Cash dividends -- \$ 2.40 per share			(618.5)			(618.5)
Balance at December 31, 2022	91.2	3,963.9	3,523.2	(3,775.6)	(700.6)	3,102.1
Net income			2,388.8			2,388.8
Other comprehensive income					76.3	76.3
Treasury stock purchased				(1,432.0)		(1,432.0)
Stock-based compensation activity	0.6	229.3		(26.0)		203.9
Other adjustments		0.4				0.4
Cash dividends -- \$ 2.42 per share			(623.7)			(623.7)
Balance at December 31, 2023	<u>\$ 91.8</u>	<u>\$ 4,193.6</u>	<u>\$ 5,288.3</u>	<u>\$ (5,233.6)</u>	<u>\$ (624.3)</u>	<u>\$ 3,715.8</u>

See notes to consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(millions of dollars, unless otherwise noted)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements include the accounts of The Sherwin-Williams Company and its wholly owned subsidiaries (collectively, the Company). Inter-company accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (US GAAP) requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those amounts.

Nature of Operations

The Company is engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America, with additional operations in the Caribbean region, Europe, Asia and Australia.

Reportable Segments

During the first quarter of 2023, the Company realigned its organizational structure to manage the Latin America architectural paint business within the Consumer Brands Group. Previously, the Latin America architectural paint business was managed within The Americas Group; however, Latin America architectural demand and service model trends are shifting to align more closely with the Consumer Brand Group's strategy. As a result of the change, The Americas Group has been renamed the Paint Stores Group which now focuses on the core U.S., Canada and Caribbean region stores business. All reported segment information herein, including comparable prior periods, include the Latin America architectural paint business within the Consumer Brands Group. See Note 23 for further details on this change and other information on the Company's reportable segments.

Cash Equivalents

Management considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Current Expected Credit Losses

Accounts receivable are recorded at the time of credit sales, net of an allowance for current expected credit losses. The Company records an allowance for current expected credit losses to reduce Accounts receivable to the net amount expected to be collected (estimated net realizable value).

Under ASC 326, the Company reviews the collectibility of the Accounts receivable balance each reporting period and estimates the allowance for current expected credit losses based on historical bad debt experience, aging of accounts receivable, current creditworthiness of customers, current economic factors, as well as reasonable and supportable forward-looking information. Accounts receivable balances are written-off against the allowance for current expected credit losses if a final determination of uncollectibility is made. All provisions for the allowance for current expected credit losses are included in Selling, general and administrative expenses. See Note 19 for further details.

Inventories

Inventories are stated at the lower of cost or net realizable value with cost determined principally on the last-in, first-out (LIFO) method. If inventories accounted for on the LIFO method are reduced on a year-over-year basis, then liquidation of certain quantities carried at costs prevailing in prior years occurs. Management records an estimate of net realizable value for obsolete and discontinued inventories based on historical experience and current trends through reductions to inventory cost by recording a provision included in Cost of goods sold. If management estimates that the reasonable market value is below cost or determines that future demand was lower than current inventory levels, based on historical experience, current and projected market demand, current and projected volume trends and other relevant current and projected factors associated with the current economic conditions, a reduction in inventory cost to estimated net realizable value is provided for in the reserve for obsolescence. See Note 5 for further details.

Property, Plant and Equipment

Property, plant and equipment (including leasehold improvements) is stated on the basis of cost. Depreciation is charged to expense using the straight-line method over the assets' estimated useful lives which range from 5 to 25 years for buildings and 3 to 15 years for machinery and equipment. Depreciation and amortization are included in the appropriate Cost of goods sold or Selling, general and administrative expenses caption on the Statements of Consolidated Income.

Goodwill and Intangible Assets

Goodwill represents the cost in excess of fair value of net assets acquired in business combinations. Intangible assets include software, customer relationships, intellectual property and trademarks. In accordance with the Goodwill and Other Intangibles Topic of the Financial Accounting Standards Board (FASB) ASC, goodwill and indefinite-lived trademarks are not amortized, but instead are tested for impairment on an annual basis, as well as whenever an event occurs or circumstances change that indicate impairment has occurred on a more likely than not basis. Finite-lived intangible assets are amortized on a straight-line basis over the expected period of benefit, which ranges primarily from 7 to 20 years. See Note 7 for further details.

Impairment of Long-Lived Assets

In accordance with the Property, Plant and Equipment Topic of the ASC, management evaluates the recoverability and remaining lives of long-lived assets, including right-of-use assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. See Note 6 for further details.

Derivative Instruments

The Company utilizes derivative instruments to mitigate certain risk exposures as part of its overall financial risk management policy and accounts for these instruments in accordance with the Derivatives and Hedging Topic of the ASC. Derivatives are recorded as assets or liabilities in the Consolidated Balance Sheets at fair value. Changes in fair value of the derivative instruments are recognized immediately in earnings unless the derivative instrument qualifies for and is designated in an effective hedging relationship.

The Company entered into foreign currency forward contracts with maturity dates of less than twelve months in 2023, 2022, and 2021, primarily to hedge against value changes in foreign currency. There were no material foreign currency option and forward contracts outstanding at December 31, 2023, 2022 and 2021. See Note 20 for further details.

The Company also entered into cross currency swap contracts to hedge its net investment in European operations in 2023, 2022, and 2021. These contracts qualified for and were designated as net investment hedges under US GAAP. The changes in fair value for the cross currency swaps are recognized in the foreign currency translation adjustments component of AOCI. The cash flow impact of these instruments is classified as an investing activity in the Statements of Consolidated Cash Flows. See Note 17 for further details.

Non-Traded Investments

The Company has investments in the U.S. affordable housing and historic renovation real estate markets and certain other investments that have been identified as variable interest entities which qualify for certain tax credits. However, because the Company does not have the power to direct the day-to-day operations of the investments and the risk of loss is limited to the amount of contributed capital, the Company is not considered the primary beneficiary. In accordance with the Consolidation Topic of the ASC, the investments are not consolidated. For affordable housing investments entered into prior to the January 1, 2015 adoption of Accounting Standards Update (ASU) 2014-01, the Company uses the effective yield method to determine the carrying value of the investments. Under the effective yield method, the initial cost of the investments is amortized to income tax expense over the period that the tax credits are recognized. For affordable housing investments entered into on or after the January 1, 2015 adoption of ASU 2014-01, the Company uses the proportional amortization method. Under the proportional amortization method, the initial cost of the investments is amortized to income tax expense in proportion to the tax credits and other tax benefits received. The carrying value of the investments are recorded in Other assets. The liabilities for the estimated future capital contributions are recorded in Other accruals and Other long-term liabilities. The following table summarizes the balances related to the investments.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Other assets	\$ 675.0	\$ 587.0	\$ 355.8
Other accruals	80.9	89.8	61.8
Other long-term liabilities	568.2	476.5	289.7

Standby Letters of Credit

The Company occasionally enters into standby letter of credit agreements to guarantee various operating activities. These agreements provide credit availability to the various beneficiaries if certain contractual events occur. Amounts outstanding under these agreements totaled \$ 146.2 million, \$ 149.8 million and \$ 89.2 million at December 31, 2023, 2022 and 2021, respectively.

Product Warranties

The Company offers assurance-type product warranties for certain products. The specific terms and conditions of such warranties vary depending on the product or customer contract requirements. Management estimated the costs of unsettled product warranty claims based on historical results and experience and included an amount in Other accruals. Management periodically assesses the adequacy of the accrual for product warranty claims and adjusts the accrual as necessary. Changes in the Company's accrual for product warranty claims during 2023, 2022 and 2021, including customer satisfaction settlements during the year, were as follows:

	2023	2022	2021
Balance at January 1	\$ 36.2	\$ 35.2	\$ 43.3
Charges to expense	37.0	30.1	27.5
Settlements	(32.8)	(29.1)	(35.6)
Balance at December 31	<u><u>\$ 40.4</u></u>	<u><u>\$ 36.2</u></u>	<u><u>\$ 35.2</u></u>

Defined Benefit Pension and Other Postretirement Benefit Plans

The Company accounts for its defined benefit pension and other postretirement benefit plans in accordance with the Retirement Benefits Topic of the ASC, which requires the Company to recognize an asset for overfunded defined benefit pension or other postretirement benefit plans and a liability for unfunded or underfunded plans. In addition, actuarial gains and losses and prior service costs of such plans are recorded in AOCI. The amounts recorded in AOCI will continue to be modified as actuarial assumptions and service costs change, and all such amounts will be amortized to expense over a period of years through the net pension cost (credit) and net periodic benefit cost (credit). See Note 9 for further details.

Defined Contribution Savings Plan

The Company accounts for its defined contribution savings plan in accordance with the Defined Contribution Plans Subtopic of the Compensation – Retirement Benefits Topic of the ASC. The Company recognized compensation expense for amounts contributed to the defined contribution savings plan. See Note 14 for further details.

Environmental Matters

Capital expenditures for ongoing environmental compliance measures are recorded in Property, plant and equipment, net, and related expenses are included in the normal operating expenses of conducting business. The Company accrued for environmental-related activities for which commitments or clean-up plans have been developed and when such costs could be reasonably estimated based on industry standards and professional judgment. Accrued amounts are primarily recorded on an undiscounted basis and have not been recorded net of insurance proceeds in accordance with the Offsetting Subtopic of the Balance Sheet Topic of the ASC. Environmental-related expenses include direct costs of investigation and remediation and indirect costs such as compensation and benefits for employees directly involved in the investigation and remediation activities and fees paid to outside engineering, consulting and law firms. See Notes 11 and 20 for further details.

Stock-Based Compensation

The cost of the Company's stock-based compensation is recorded in accordance with the Stock Compensation Topic of the ASC. See Note 15 for further details.

Other Liabilities

The Company retains risk for certain liabilities, primarily workers' compensation claims, employee medical and disability benefits, and automobile, property, general and product liability claims. Estimated amounts are accrued for certain workers' compensation, employee medical and disability benefits, automobile and property claims filed but unsettled and estimated claims incurred but not reported. Estimates are based upon management's estimated aggregate liability for claims incurred using historical experience, actuarial assumptions followed in the insurance industry and actuarially-developed models for estimating certain liabilities. Certain estimated general and product liability claims filed but unsettled are accrued based on management's best estimate of ultimate settlement or actuarial calculations of potential liability using industry experience and actuarial assumptions developed for similar types of claims.

Foreign Currency Translation

All consolidated non-highly inflationary foreign operations use the local currency of the country of operation as the functional currency. Local currency asset and liability accounts are translated at year-end exchange rates while income and expense accounts are translated at average exchange rates. The resulting translation adjustments are included in AOCI.

Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary. For subsidiaries operating in highly inflationary economies, the parent's reporting currency is the functional currency. Monetary assets and liabilities are translated into U.S. dollars using rates of exchange at the balance sheet date and non-monetary assets and liabilities are translated into U.S. dollars at their historical rates of exchange, with remeasurement adjustments and other transaction gains and losses recognized in Net income. See Note 20 for further details.

Revenue Recognition

The Company recognizes revenue when performance obligations under the terms of the contract are satisfied. This generally occurs with the transfer of control of our products to the customer. Collectibility of amounts recorded as revenue is probable at the time of recognition. See Note 19 for further details.

Customer and Vendor Consideration

The Company offers certain customers rebate and sales incentive programs which are classified as reductions in sales. Such programs are in the form of volume rebates, rebates that constituted a percentage of sales or rebates for attaining certain sales goals. The Company receives consideration from certain suppliers of raw materials in the form of volume rebates or rebates that constitute a percentage of purchases. These rebates are recognized on an accrual basis by the Company as a reduction of the purchase price of the raw materials and a subsequent reduction of Cost of goods sold when the related product was sold.

Cost of Goods Sold

Included in Cost of goods sold are costs for materials, manufacturing, distribution and related support. Distribution costs include expenses related to the distribution of products including inbound freight charges, purchase and receiving costs, warehousing costs, internal transfer costs and other costs incurred to ship products. Also included in Cost of goods sold are research and development costs, quality control, product formulation expenditures and other similar items. Research and development costs were \$ 196.6 million, \$ 119.3 million and \$ 115.9 million for 2023, 2022 and 2021, respectively.

Selling, General and Administrative Expenses

Selling costs include advertising expenses, marketing costs, employee and store costs and sales commissions. The cost of advertising is expensed as incurred. The Company incurred \$ 394.0 million, \$ 314.4 million and \$ 311.9 million in advertising costs during 2023, 2022 and 2021, respectively. General and administrative expenses include human resources, legal, finance and other support and administrative functions.

Government Incentives

The Company receives incentives from various government entities in the form of tax rebates or credits, grants and loans. These incentives typically require that the Company maintain specified spending levels and other operational metrics and may be subject to reimbursement if conditions are not met or maintained. Government incentives are recorded in the Company's consolidated financial statements in accordance with their purpose as a reduction of expense, a reduction of the cost of the capital investment or other income. The benefit of these incentives is recorded when received and all conditions as specified in the agreement are fulfilled.

There were \$ 86.6 million of government incentives received as cash payments related to the construction of the Company's new headquarters and research and development center in 2022. These government incentives were recorded as a reduction in the carrying amount of the respective assets under construction within Property, plant and equipment, net on the Consolidated Balance Sheets and within Other as an investing activity on the Statements of Consolidated Cash Flows. There were no material government incentives received in 2023 or 2021.

Supply Chain Financing

As part of our strategy to manage working capital, we have entered into agreements with various financial institutions that act as intermediaries between the Company and certain suppliers. The Company is not a party to agreements between the suppliers and the financial institutions. These arrangements provide participating suppliers the option to settle outstanding accounts payable incurred by the Company in the normal course of business early at a discount and do not impact our rights and obligations with suppliers, including amounts due and scheduled payment terms. Under the terms of our agreements, the Company confirms the validity of each supplier invoice to the respective financial institution upon receipt. On the invoice due date, the Company settles the outstanding amount with the respective financial institution. Liabilities associated with these

arrangements are recorded in Accounts payable on the Consolidated Balance Sheets and amounted to \$ 213.1 million, \$ 258.1 million and \$ 221.7 million at December 31, 2023, 2022 and 2021, respectively.

Earnings Per Share

Common stock held in a revocable trust (see Note 13) is not included in outstanding shares for basic or diluted income per share calculations. Basic and diluted net income per share are calculated using the treasury stock method in accordance with the Earnings Per Share Topic of the ASC. Basic net income per share amounts are computed based on the weighted-average number of shares outstanding during the year. Diluted net income per share amounts are computed based on the weighted-average number of shares outstanding plus all dilutive securities potentially outstanding during the year. See Note 22 for further details.

Reclassifications

Certain amounts in the consolidated financial statements and notes to the consolidated financial statements for 2022 and 2021 have been reclassified to conform to the 2023 presentation.

NOTE 2 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Adopted

Effective January 1, 2023, the Company adopted ASU 2022-04, "Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." This ASU requires disclosure about an entity's use of supplier finance programs, including the key terms of the programs and the obligations outstanding at the end of the reporting period. The adoption of ASU 2022-04 did not affect the Company's financial position, results of operations or cash flows as the standard only impacts financial statement footnote disclosures. See Note 1 for additional information. In addition, a required rollforward of activity within the programs will be disclosed prospectively beginning with the annual period ending December 31, 2024.

Effective January 1, 2023, the Company adopted ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Liabilities from Contracts with Customers." This ASU requires an acquiring entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The adoption of ASU 2021-08 did not have a material impact on the Company's financial position, results of operations, cash flows or financial statement footnote disclosures.

Not Yet Adopted

In March 2023, the FASB issued ASU 2023-02, "Investments - Equity Method and Joint Ventures (Topic 323): Accounting for investments in tax credit structures using the proportional amortization method." This ASU allows entities to apply the proportional amortization method to all tax equity investments if certain conditions are met. In addition, the ASU requires certain disclosures about the nature and financial implications of tax equity investments on an entity's financial position, results of operations and cash flows, including the impact of transition on the periods presented, if any. This ASU is effective for fiscal years and interim periods beginning after December 15, 2023, with early adoption permitted. The Company does not expect the adoption of this ASU to have a material impact on the Company's financial position, results of operations or cash flows and the Company will provide required disclosures, as applicable, in accordance with the provisions of the ASU.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU enhances reportable segment disclosures on both an annual and interim basis primarily in regards to the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within the reported measure(s) of segment profit or loss. In addition, the ASU requires disclosure, by segment, of other items included in the reported measure(s) of segment profit or loss, including qualitative information describing the composition, nature and type of each item. The ASU also expands disclosure requirements related to the CODM, including how the reported measure(s) of segment profit or loss are used to assess segment performance and allocate resources, the method used to allocate overhead for significant segment expenses and others. Lastly, all current required annual segment reporting disclosures under Topic 280 are now effective for interim periods. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of adopting this ASU.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU enhances income tax disclosures by providing information to better assess how an entity's operations, related tax risks, tax planning and operational opportunities affect its tax rate and prospects for future cash flows. This ASU requires additional disclosures to the annual effective tax rate reconciliation including specific categories and further disaggregated reconciling items that meet the quantitative threshold. Additionally, the ASU requires disclosures relating to income tax expense and payments made to federal, state, local and foreign jurisdictions. This ASU is effective for fiscal years and interim periods beginning after December 15, 2024. The Company is evaluating the impact of adopting this ASU.

NOTE 3 – ACQUISITIONS AND DIVESTITURES

Acquisitions

Closed in Current Year

In October 2023, the Company completed the acquisition of German-based SIC Holding GmbH, a Peter Möhrle Holding venture comprised of Oskar Nolte GmbH and Klumpp Coatings GmbH (SIC Holding). This business specializes in foil coatings as well as radiation-cured and waterbased industrial wood coatings for the board, furniture and flooring industry. The Company funded the acquisition with approximately \$ 265 million in cash. The purchase price is subject to certain closing conditions which are expected to be finalized in 2024. As of December 31, 2023, \$ 110.8 million of finite-lived intangible assets, \$ 154.2 million of goodwill, \$ 46.1 million of other assets, net of cash and \$ 46.7 million of liabilities were recognized from this transaction. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. SIC Holding is reported within the Company's Performance Coatings Group and the results of operations for the acquisition have been included in the consolidated financial statements since the acquisition date. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Closed in 2022

In April 2022, the Company completed the acquisition of the European industrial coatings business of Sika AG. In July 2022, the Company completed the acquisitions of Gross & Perthun GmbH, Dur-A-Flex, Inc. and Powdertech Oy Ltd. In December 2022, the Company completed the acquisition of Industria Chimica Adriatica S.p.A. (ICA). The aggregate purchase price for the acquisitions completed in 2022 was approximately \$ 1.024 billion, including amounts withheld as security for certain representations, warranties and obligations of the sellers. The purchase price for each acquisition was preliminarily allocated to identifiable assets and liabilities based on information available at the date of acquisition. As of December 31, 2022, \$ 282.8 million of intangible assets and \$ 565.8 million of goodwill were recognized from these transactions.

During 2023, the Company revised the purchase price allocation from Goodwill to the various net assets acquired through its 2022 acquisition of ICA. Goodwill decreased \$ 145.9 million and deferred tax liabilities increased \$ 57.4 million, partially offset by an increase in finite-lived intangible assets of \$ 195.9 million, with the remaining purchase price allocated to various other assets acquired and liabilities assumed in the transaction. There was no material impact on previously reported financial results from these adjustments. Furthermore, in accordance with certain purchase agreements, the Company paid \$ 29.2 million in 2023 related to holdbacks for acquisitions completed in prior years. The Company finalized the purchase price allocation for Sika AG, Gross & Perthun GmbH, Dur-A-Flex, Inc., Powdertech Oy Ltd. and ICA within the allowable measurement period. These businesses are reported within the Company's Performance Coatings Group and the results of operations for these acquisitions have been included in the consolidated financial statements since the respective acquisition dates. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Closed in 2021

In February 2021, the Company completed the acquisition of a domestic coatings company. The acquisition expanded the Company's platform for growth and portfolio of brands and technologies. In December 2021, the Company completed the acquisition of Specialty Polymers, Inc. (Specialty Polymers), a leading manufacturer and developer of water-based polymers used in architectural and industrial coatings and other applications. The acquisition added to the Company's existing internal resin manufacturing capabilities. The aggregate purchase price for acquisitions completed in 2021 was approximately \$ 227.0 million, including amounts withheld as security for certain representations, warranties and obligations of the sellers. The purchase price for each acquisition was preliminarily allocated to identifiable assets and liabilities based on information available at the date of acquisition. As of December 31, 2021, \$ 155.6 million of goodwill and \$ 11.3 million of intangible assets were recognized from these transactions.

During 2022, the Company made certain adjustments to the preliminary purchase accounting adjustments associated with the net assets acquired in its 2021 acquisition of Specialty Polymers. The fair value of finite-lived intangible assets increased by \$ 61.3 million and property, plant and equipment assets acquired increased by \$ 11.0 million, offset by a corresponding net decrease in goodwill. There was no material impact on previously reported financial results from these adjustments. The Company completed the preliminary purchase price allocation for the acquisitions completed in 2021 within the allowable measurement period. These businesses are reported within the Company's Performance Coatings Group and the results of operations for these acquisitions have been included in the consolidated financial statements since the respective acquisition dates. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Divestitures

Closed in Current Year

The Company completed the divestiture of a non-core domestic aerosol business within the Consumer Brands Group in April 2023. This transaction resulted in the recognition of a \$ 20.1 million gain within the Administrative segment. This gain was recorded within Other general expense (income) - net (see Note 20).

In April 2023, the Company signed a definitive agreement to divest the China architectural business within the Consumer Brands Group, with annual revenue of approximately \$ 100 million and 300 employees. The associated net assets were classified as held for sale at June 30, 2023 in accordance with the Property, Plant, and Equipment Topic of the ASC. Following the prescribed order of impairment testing, the Company first reviewed individual tangible and intangible assets under their applicable Topic of the ASC to determine if their carrying value was higher than their respective fair value. As a result, the Company recorded an impairment charge of \$ 6.9 million within the Consumer Brands Group related to China architectural trademarks. The Company then compared the updated carrying value of the assets and liabilities comprising the disposal group as a whole to its respective fair value which was determined to be equal to the selling price, less costs to sell. The fair value of the disposal group was classified as level 2 in the fair value hierarchy as it was based on a specific price and other observable inputs for similar items with no active market. As a result of this comparison, the Company recorded an additional impairment charge of \$ 27.1 million within the Administrative segment. During the third quarter of 2023, the Company completed the divestiture of the China architectural business. The Company expects to finalize an immaterial working capital adjustment during 2024.

These divestitures did not meet the criteria to be reported as discontinued operations in the consolidated financial statements as the Company's decision to divest these businesses did not represent a strategic shift that will have a major effect on the Company's operations and financial results.

Closed in 2021

In March 2021, the Company divested Wattyl within the Consumer Brands Group, an Australian and New Zealand manufacturer and seller of architectural and protective paint and coatings with annual revenue of approximately \$ 200 million. In connection with this transaction, the Company recognized a loss of \$ 111.9 million within the Administrative segment. This loss was recorded within Other general expense (income) - net (see Note 20). The Wattyl divestiture did not meet the criteria to be reported as discontinued operations in the consolidated financial statements as the Company's decision to divest this business did not represent a strategic shift that will have a major effect on the Company's operations and financial results.

NOTE 4 – RESTRUCTURING

In the fourth quarter of 2022, the Company announced a business restructuring plan (Restructuring Plan) to simplify the Company's operating model and portfolio of brands within the Consumer Brands Group and to reduce costs in all regions in the Consumer Brands Group, Performance Coatings Group and the Administrative segment. The actions taken under the Restructuring Plan better position the Company to continue to add long-term shareholder value. Key focus areas within the Consumer Brands Group included the China architectural business, aerosol portfolio and optimization of the overall retail portfolio. Multiple alternatives were considered to determine the course of action related to the focus areas. The Company ultimately determined that divestiture, rather than restructuring, of a non-core domestic aerosol business and the China architectural business was the highest and best use of resources to drive long-term shareholder value. For more information on these divestitures, see Note 3. As of December 31, 2023, the Restructuring Plan is complete and no further expense will be incurred.

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The following table summarizes the activity associated with the Restructuring Plan:

	Consumer Brands Group		Performance Coatings Group		Administrative		Total	
Balance at January 1, 2022	\$	—	\$	—	\$	—	\$	—
Provisions:								
Severance and related costs		14.5		19.5		—	34.0	
Other qualified costs		11.1		2.7		—	13.8	
Total		25.6		22.2		—	47.8	
Payments, currency, and other adjustments		—		(6.1)		—	(6.1)	
Balance at December 31, 2022		25.6		16.1		—	41.7	
Provisions:								
Severance and related costs		3.6		(0.2)		1.3	4.7	
Other qualified costs		10.6		—		—	10.6	
Total		14.2		(0.2)		1.3	15.3	
Payments, currency, and other adjustments		(39.8)		(15.9)		(1.3)	(57.0)	
Balance at December 31, 2023	\$	—	\$	—	\$	—	\$	—
Total expense incurred	\$	39.8	\$	22.0	\$	1.3	\$	63.1

In addition to the provisions above, which were primarily recorded in Cost of goods sold and Selling, general and administrative expense, trademark impairment related to the Restructuring Plan of \$ 15.5 million was also recorded in the Consumer Brands Group in 2022. See Note 7 for further information.

NOTE 5 – INVENTORIES

Included in Inventories were the following:

	2023	2022	2021
Finished goods	\$ 1,810.9	\$ 1,957.7	\$ 1,378.8
Work in process and raw materials	518.9	668.8	548.4
Inventories	\$ 2,329.8	\$ 2,626.5	\$ 1,927.2

Inventories were stated at the lower of cost or net realizable value, with cost primarily determined on the LIFO method. Management believes that the use of LIFO results in a better matching of costs and revenues.

The following table summarizes the extent to which the Company's Inventories use the LIFO cost method, and presents the effect on Inventories had the Company used the first-in, first-out (FIFO) inventory valuation method.

	2023	2022	2021
Percentage of total inventories on LIFO	74 %	74 %	70 %
Excess of FIFO over LIFO	\$ 668.0	\$ 792.7	\$ 593.0

During 2023 and 2021, certain inventories accounted for on the LIFO method were reduced, resulting in the liquidation of certain quantities carried at costs prevailing in prior years. The 2023 and 2021 liquidations increased Net income in those years by \$ 1.2 million and \$ 25.8 million, respectively.

The Company recorded a reserve for obsolescence of \$ 170.8 million, \$ 139.0 million and \$ 118.6 million at December 31, 2023, 2022 and 2021, respectively, to reduce Inventories to their estimated net realizable value.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Included in Property, plant and equipment, net were the following:

	2023	2022	2021
Land	\$ 257.5	\$ 263.0	\$ 257.7
Buildings	1,048.7	1,199.3	1,157.8
Machinery and equipment	3,459.8	3,230.2	3,043.6
Construction in progress	1,111.0	496.1	205.4
Property, plant and equipment, gross	5,877.0	5,188.6	4,664.5
Less allowances for depreciation	3,040.2	2,981.6	2,797.2
Property, plant and equipment, net	\$ 2,836.8	\$ 2,207.0	\$ 1,867.3

In accordance with the Property, Plant and Equipment Topic of the ASC, whenever events or changes in circumstances indicate that the carrying value of long-lived assets may not be recoverable or the useful life may have changed, impairment tests are to be performed. Undiscounted cash flows are used to calculate the recoverable value of long-lived assets to determine if such assets are not recoverable. If the carrying value of the assets is deemed to not be recoverable, the impairment to be recognized is the amount by which the carrying value of the assets exceeds the estimated fair value of the assets as determined in accordance with the Fair Value Topic of the ASC. See Note 3 for information on the impairment tests performed in the second quarter of 2023 for the assets held for sale prior to the divestiture of the China architectural business. No other material impairments of Property, plant and equipment were recorded in 2023, 2022 or 2021.

NOTE 7 – GOODWILL AND INTANGIBLE ASSETS

In October 2023, the Company completed the acquisition of SIC Holding, which resulted in the recognition of goodwill of \$ 154.2 million and finite-lived intangibles of \$ 110.8 million. The acquired intangibles are being amortized over a weighted-average useful life of approximately 15 years. In addition, during 2023, the Company divested a non-core domestic aerosol business and its China architectural business.

During 2022, the Company acquired five companies which resulted in the recognition of goodwill of \$ 565.8 million and finite-lived intangibles of \$ 282.8 million. As a result of certain adjustments to the preliminary purchase price accounting during 2023, goodwill decreased \$ 145.9 million and the fair value of finite-lived intangible assets increased by \$ 195.9 million. The acquired intangibles are being amortized over a weighted-average useful life of approximately 14 years.

During 2021, the Company acquired two companies which resulted in the recognition of goodwill of \$ 155.6 million and finite-lived intangibles of \$ 11.3 million. As a result of certain adjustments to the preliminary purchase accounting during 2022, goodwill decreased by \$ 72.3 million and the fair value of finite-lived intangibles assets increased by \$ 61.3 million. In addition, during 2021, the Company divested its Wattyl business in Australia and New Zealand. See Note 3 for additional information related to the acquisitions and divestitures.

In accordance with the Goodwill and Other Intangibles Topic of the ASC, goodwill at the reporting unit level and indefinite-lived intangible assets are tested for impairment annually. In addition, interim impairment tests are performed whenever required as a result of a specific event or circumstances which indicate potential impairment on a more likely than not basis. October 1 has been established for the annual impairment review. An optional qualitative assessment may alleviate the need to perform quantitative goodwill and indefinite-lived intangible asset impairment tests when there is no indication of impairment on a more likely than not basis. Should a quantitative impairment test be performed, values are estimated separately for goodwill and indefinite-lived intangible assets using applicable valuation models, incorporating discount rates commensurate with the risks involved for each group of assets.

As a result of the Latin America architectural paint business moving to the Consumer Brands Group reportable segment effective January 1, 2023, the Company performed a quantitative impairment analysis for the impacted reporting units and determined both before and after the change, there was no indication of impairment.

The annual impairment review performed as of October 1, 2023 resulted in no goodwill impairment and trademark impairment of \$ 23.9 million in the Consumer Brands Group primarily related to a trademark in Europe. The annual impairment review performed as of October 1, 2022, which incorporated the impact of the Restructuring Plan, resulted in trademark impairments totaling \$ 15.5 million in the Consumer Brands Group related to the discontinuation of an architectural paint brand and lower

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than anticipated sales of an acquired brand and no goodwill impairment. The annual impairment review performed as of October 1, 2021 did not result in any trademark or goodwill impairment.

A summary of changes in the Company's carrying value of goodwill by Reportable Segment is as follows:

Goodwill	Paint Stores Group	Consumer Brands Group	Performance		Consolidated Totals
			Coatings Group		
Balance at January 1, 2021 ⁽¹⁾	\$ 2,256.6	\$ 1,754.6	\$ 3,037.9	\$ 7,049.1	—
Reclassification related to segment change ⁽²⁾	(74.5)	74.5			
Acquisitions			155.6	155.6	
Currency and other adjustments		(45.7)	(24.4)	(70.1)	
Balance at December 31, 2021 ⁽¹⁾	2,182.1	1,783.4	3,169.1	7,134.6	
Acquisitions and acquisition adjustments	49.7	21.3	422.5	493.5	
Currency and other adjustments		(2.8)	(42.1)	(44.9)	
Balance at December 31, 2022 ⁽¹⁾	2,231.8	1,801.9	3,549.5	7,583.2	
Acquisitions and acquisition adjustments			8.3	8.3	
Currency and other adjustments		(9.1)	43.6	34.5	
Balance at December 31, 2023 ⁽¹⁾	<u>\$ 2,231.8</u>	<u>\$ 1,792.8</u>	<u>\$ 3,601.4</u>	<u>\$ 7,626.0</u>	

⁽¹⁾ Net of accumulated impairment losses of \$ 19.4 million (\$ 10.2 million in Paint Stores Group, \$ 8.4 million in Consumer Brands Group and \$ 0.8 million in Performance Coatings Group).

⁽²⁾ Effective January 1, 2023, the Company realigned its organizational structure to manage the Latin America architectural paint business within the Consumer Brands Group. Goodwill balances have been retrospectively adjusted to reflect the change. See Note 23.

A summary of the Company's carrying value of intangible assets is as follows:

	Finite-Lived Intangible Assets					Trademarks With Indefinite Lives ⁽¹⁾	Total Intangible Assets		
	Software	Customer Relationships	Intellectual Property	All Other	Subtotal				
December 31, 2023									
Gross	\$ 158.2	\$ 3,263.4	\$ 1,968.5	\$ 232.6	\$ 5,622.7				
Accumulated amortization	(152.8)	(1,310.6)	(644.4)	(152.9)	(2,260.7)				
Net value	<u>\$ 5.4</u>	<u>\$ 1,952.8</u>	<u>\$ 1,324.1</u>	<u>\$ 79.7</u>	<u>\$ 3,362.0</u>	<u>\$ 518.5</u>	<u>\$ 3,880.5</u>		
December 31, 2022									
Gross	\$ 180.2	\$ 3,121.2	\$ 1,732.5	\$ 427.5	\$ 5,461.4				
Accumulated amortization	(148.1)	(1,132.1)	(477.4)	(258.0)	(2,015.6)				
Net value	<u>\$ 32.1</u>	<u>\$ 1,989.1</u>	<u>\$ 1,255.1</u>	<u>\$ 169.5</u>	<u>\$ 3,445.8</u>	<u>\$ 556.2</u>	<u>\$ 4,002.0</u>		
December 31, 2021									
Gross	\$ 166.0	\$ 3,005.7	\$ 1,730.3	\$ 303.5	\$ 5,205.5				
Accumulated amortization	(149.3)	(961.6)	(396.5)	(279.7)	(1,787.1)				
Net value	<u>\$ 16.7</u>	<u>\$ 2,044.1</u>	<u>\$ 1,333.8</u>	<u>\$ 23.8</u>	<u>\$ 3,418.4</u>	<u>\$ 583.1</u>	<u>\$ 4,001.5</u>		

⁽¹⁾ Trademarks are net of accumulated impairment losses of \$163.8 million, \$139.9 million, and \$124.4 million as of December 31, 2023, 2022 and 2021, respectively.

Amortization of finite-lived intangible assets is estimated as follows for the next five years: \$ 329.4 million in 2024, \$ 321.7 million in 2025, \$ 318.0 million in 2026, \$ 314.0 million in 2027 and \$ 307.7 million in 2028.

Although the Company believes its estimates of fair value related to reporting units and indefinite-lived intangible assets are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such

estimates. Changes in assumptions concerning future financial results or other underlying assumptions could have a significant impact and future impairment charges may be required.

NOTE 8 – DEBT

Long-Term Debt

The table below summarizes the carrying value of the Company's outstanding debt, net of capitalized debt issuance costs and discounts:

	Due Date	2023	2022	2021
3.45 % Senior Notes	2027	\$ 1,493.9	\$ 1,492.1	\$ 1,490.4
4.50 % Senior Notes	2047	1,233.0	1,232.3	1,231.6
2.95 % Senior Notes	2029	794.6	793.6	792.6
4.05 % Senior Notes	2024	598.8	596.9	—
3.80 % Senior Notes	2049	543.6	543.2	543.0
3.125 % Senior Notes	2024	499.7	499.0	498.3
2.30 % Senior Notes	2030	497.1	496.7	496.2
2.20 % Senior Notes	2032	494.8	494.2	493.6
3.30 % Senior Notes	2050	494.3	494.1	493.9
2.90 % Senior Notes	2052	491.9	491.5	491.3
3.45 % Senior Notes	2025	399.4	399.1	398.7
4.25 % Senior Notes	2025	398.6	397.7	—
4.55 % Senior Notes	2045	395.2	395.0	394.7
3.95 % Senior Notes	2026	353.1	354.7	356.2
4.00 % Senior Notes	2042	297.0	296.9	296.7
3.30 % Senior Notes	2025	249.9	249.8	249.6
4.40 % Senior Notes	2045	240.9	240.5	240.0
0.53 % to 8.00 % Promissory Notes	Through 2026	0.9	1.6	2.0
7.375 % Debentures	2027	—	119.2	119.2
7.45 % Debentures	2097	—	3.5	3.5
2.75 % Senior Notes	2022	—	—	260.0
Total ⁽¹⁾		9,476.7	9,591.6	8,851.5
Less amounts due within one year		1,098.8	0.6	260.6
Long-term debt		\$ 8,377.9	\$ 9,591.0	\$ 8,590.9

⁽¹⁾ Net of capitalized debt issuance costs of \$ 49.3 million, \$ 57.3 million and \$ 57.6 million and net of discounts of \$ 25.2 million, \$ 25.7 million, and \$ 26.0 million at December 31, 2023, 2022 and 2021, respectively.

Maturities of long-term debt are as follows for the next five years: \$ 1.100 billion in 2024; \$ 1.051 billion in 2025; \$ 350.1 million in 2026; \$ 1.500 billion in 2027 and none in 2028. Interest expense on long-term debt was \$ 374.6 million, \$ 348.4 million and \$ 320.4 million for 2023, 2022 and 2021, respectively.

In December 2023, the Company exercised its call provision to make-whole the entire outstanding \$ 119.4 million aggregate principal amount of its 7.375 % Debentures due 2027 and the entire outstanding \$ 3.5 million aggregate principal amount of its 7.45 % Debentures due 2097. The retirement of the Debentures resulted in a loss of \$ 12.8 million recorded in Other general expense (income) - net. See Note 20.

In August 2022, the Company issued \$ 600.0 million of 4.05 % Senior Notes due August 2024 and \$ 400.0 million of 4.25 % Senior Notes due August 2025 in a public offering. The net proceeds from the issuance of these notes were used to repay borrowings outstanding under the Company's credit agreement dated May 9, 2016, as amended, and the domestic commercial paper program.

In November 2021, the Company issued \$ 500.0 million of 2.20 % Senior Notes due March 2032 and \$ 500.0 million of 2.90 % Senior Notes due March 2052 in a public offering. The net proceeds from the issuance of these notes were used to repay outstanding borrowings under the Company's domestic commercial paper program.

In October 2021, the Company exercised its optional redemption rights to redeem the entire outstanding \$ 400.0 million aggregate principal amount of its 4.20 % Senior Notes due 2022 and its 4.20 % Notes due 2022 initially issued by The Valspar Corporation (collectively, the 4.20 % Senior Notes). The 4.20 % Senior Notes were redeemed at a redemption price equal to 100 % of the principal amount, plus accrued interest, and resulted in a gain of \$ 1.4 million recorded in Other expense (income) - net. See Note 20.

Among other restrictions, the Company's notes, debentures and revolving credit agreement contain certain covenants relating to liens, ratings changes, merger and sale of assets, consolidated leverage and change of control, as defined in the agreements. In the event of default under any one of these arrangements, acceleration of the maturity of any one or more of these borrowings may result. The Company was in compliance with all covenants for all years presented.

Short-Term Borrowings

On August 30, 2022, the Company and two of its wholly-owned subsidiaries, Sherwin-Williams Canada Inc. (SW Canada) and Sherwin-Williams Luxembourg S.à r.l. (SW Luxembourg, together with the Company and SW Canada, the Borrowers), entered into a new five-year \$ 2.250 billion credit agreement (2022 Credit Agreement). The 2022 Credit Agreement may be used for general corporate purposes, including the financing of working capital requirements. The 2022 Credit Agreement replaced the \$ 2.000 billion credit agreement dated June 29, 2021, as amended, which was terminated effective August 30, 2022. The 2022 Credit Agreement will mature on August 30, 2027 and provides that the Company may request to extend the maturity date of the facility for two additional one-year periods. In addition, the 2022 Credit Agreement provides that the Borrowers may increase the aggregate size of the facility up to an additional amount of \$ 750.0 million, subject to the discretion of each lender to participate in the increase, and the Borrowers may request letters of credit in an amount of up to \$ 250.0 million.

On August 2, 2021, the Company entered into an amended and restated \$ 625.0 million credit agreement (2021 Credit Agreement), which amends and restates the five-year credit agreement entered into in September 2017. The 2021 Credit Agreement was subsequently amended on multiple dates to extend the maturity of commitments available for borrowing or letters of credit under the agreement.

On May 9, 2016, the Company entered into a five-year credit agreement (2016 Credit Agreement), subsequently amended on multiple dates to extend the maturity of commitments available for borrowing or letters of credit under the agreement. The 2016 credit agreement gives the Company the right to borrow and obtain letters of credit up to an aggregate availability of \$ 875.0 million. These credit agreements are being used for general corporate purposes.

At December 31, 2023, 2022 and 2021, there were no borrowings outstanding under these credit agreements.

The Company's available capacity under its committed credit agreements is reduced for amounts outstanding under its domestic commercial paper program and letters of credit. At December 31, 2023, the Company had unused capacity under its various credit agreements of \$ 3.332 billion. The table below summarizes the Company's Short-term borrowings:

	2023	2022	2021
Domestic commercial paper	\$ 347.7	\$ 938.5	\$ 739.9
Foreign facilities	26.5	39.6	23.6
Total	\$ 374.2	\$ 978.1	\$ 763.5
Weighted average interest rate:			
Domestic	5.5 %	4.6 %	0.3 %
Foreign	3.6 %	6.7 %	9.5 %

Interest expense on Short-term borrowings was \$ 42.9 million, \$ 42.4 million and \$ 14.3 million for 2023, 2022 and 2021, respectively.

NOTE 9 – PENSION, HEALTH CARE AND OTHER POSTRETIREMENT BENEFITS

The Company provides pension benefits to substantially all full-time employees through primarily noncontributory defined contribution or defined benefit pension plans and certain health care and life insurance benefits to domestic active employees and eligible retirees.

Health Care Plans

The Company provides certain domestic health care plans that are contributory and contain cost-sharing features such as deductibles and coinsurance. There were 31,327, 30,009 and 29,016 active employees covered by the benefits under these plans at December 31, 2023, 2022 and 2021, respectively. The cost of these benefits for active employees, which includes claims incurred but not reported, amounted to \$ 363.2 million, \$ 347.4 million and \$ 336.0 million for 2023, 2022 and 2021, respectively.

Defined Contribution Pension Plans

The Company's annual contribution for its domestic defined contribution pension plan was \$ 97.8 million, \$ 88.9 million and \$ 85.3 million for 2023, 2022 and 2021, respectively. The contribution percentage ranges from two percent to seven percent of compensation for covered employees based on an age and service formula. Assets in employee accounts of the domestic defined contribution pension plan are invested in various investment funds as directed by the participants. These investment funds did not own a significant number of shares of the Company's common stock for any year presented.

The Company's annual contributions for its foreign defined contribution pension plans, which are based on various percentages of compensation for covered employees up to certain limits, were \$ 19.5 million, \$ 19.4 million and \$ 17.9 million for 2023, 2022 and 2021, respectively. Assets in employee accounts of the foreign defined contribution pension plans are invested in various investment funds. These investment funds did not own a significant number of shares of the Company's common stock for any year presented.

Defined Benefit Pension Plans

At December 31, 2023, the domestic defined benefit pension plan was overfunded, with a projected benefit obligation of \$ 102.1 million, fair value of plan assets of \$ 135.1 million and excess plan assets of \$ 33.0 million. The plan was funded in accordance with all applicable regulations at December 31, 2023.

The Company has thirty-three foreign defined benefit pension plans. At December 31, 2023, twenty-six of the Company's foreign defined benefit pension plans were unfunded or underfunded, with combined accumulated benefit obligations, projected benefit obligations, fair values of net assets and deficiencies of plan assets of \$ 76.0 million, \$ 89.4 million, \$ 20.4 million and \$ 69.0 million, respectively.

The Company expects to make the following benefit payments for all domestic and foreign defined benefit pension plans: \$ 17.7 million in 2024; \$ 17.5 million in 2025; \$ 18.7 million in 2026; \$ 20.0 million in 2027; \$ 21.2 million in 2028; and \$ 133.1 million in 2029 through 2033. The Company expects to contribute \$ 6.1 million to the foreign defined benefit pension plans in 2024.

The estimated net actuarial gains and prior service costs for the defined benefit pension plans that are expected to be amortized from AOCI into net pension costs in 2024 are \$(1.4) million and \$ 1.8 million, respectively.

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The following table summarizes the components of the net pension costs and AOCI related to the defined benefit pension plans:

	Domestic Defined Benefit Pension Plan			Foreign Defined Benefit Pension Plans		
	2023	2022	2021	2023	2022	2021
Net pension cost:						
Service cost	\$ 3.0	\$ 4.6	\$ 4.9	\$ 4.4	\$ 6.3	\$ 7.4
Interest cost	4.6	3.2	2.7	11.8	7.3	5.7
Expected return on plan assets	(7.3)	(7.6)	(7.1)	(12.3)	(9.4)	(9.6)
Amortization of prior service cost (credit)	1.3	1.0	1.1	(0.2)	(0.2)	(0.1)
Amortization of actuarial (gains) losses				(1.5)	0.2	1.5
Ongoing pension cost	1.6	1.2	1.6	2.2	4.2	4.9
Settlement (credits) costs				(1.1)	(0.3)	0.3
Net pension cost	1.6	1.2	1.6	1.1	3.9	5.2
Other changes in plan assets and projected benefit obligation recognized in AOCI (before taxes):						
Net actuarial (gains) losses arising during the year	(8.6)	5.0	(10.5)	5.8	(29.6)	(44.9)
Prior service cost (credit) arising during the year	3.0	1.6	1.4	1.1	(0.3)	(1.0)
Amortization of actuarial gains (losses)				1.5	(0.2)	(1.5)
Amortization of prior service (cost) credit	(1.3)	(1.0)	(1.1)	0.2	0.2	0.1
Loss (gain) recognized for settlement				1.1	0.3	(0.3)
Exchange rate (loss) recognized during the year				(1.5)	(0.4)	(0.6)
Total recognized in AOCI	(6.9)	5.6	(10.2)	8.2	(30.0)	(48.2)
Total recognized in net pension cost and AOCI	\$ (5.3)	\$ 6.8	\$ (8.6)	\$ 9.3	\$ (26.1)	\$ (43.0)

Service cost is recorded in Cost of goods sold and Selling, general and administrative expense. All other components of Net pension costs are recorded in Other expense (income) - net.

The Company employs a total return investment approach for the domestic and foreign defined benefit pension plan assets. A mix of equities and fixed income investments are used to maximize the long-term return of assets for a prudent level of risk. In determining the expected long-term rate of return on defined benefit pension plan assets, management considers the historical rates of return, the nature of investments and an expectation of future investment strategies. The target allocations for plan assets are 30 % – 65 % equity securities, 35 % – 70 % fixed income securities and 0 % – 5 % other (including alternative investments and cash).

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The following tables summarize the fair value of the defined benefit pension plan assets at December 31, 2023, 2022 and 2021. The presentation is in accordance with the Fair Value Topic of the ASC.

	Fair Value at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets at fair value:				
Equity investments ⁽¹⁾	\$ 138.0	78.9	60.1	
Fixed income investments ⁽²⁾	188.9	36.8	152.1	
Other assets ⁽³⁾	34.6		34.6	
Investments in fair value hierarchy	<u>356.5</u>	<u>108.7</u>	<u>246.8</u>	
Assets measured at NAV or its equivalent ⁽⁴⁾	25.3			
Investments	<u><u>\$ 381.8</u></u>			
	Fair Value at December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets at fair value:				
Equity investments ⁽¹⁾	86.1	8.5	71.6	
Fixed income investments ⁽²⁾	117.6		117.6	
Other assets ⁽³⁾	34.4		34.4	
Investments in fair value hierarchy	<u>238.1</u>	<u>8.5</u>	<u>223.6</u>	
Assets measured at NAV or its equivalent ⁽⁴⁾	110.9			
Investments	<u><u>\$ 343.0</u></u>			
	Fair Value at December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets at fair value:				
Equity investments ⁽¹⁾	138.1	18.5	119.6	
Fixed income investments ⁽²⁾	172.1		172.1	
Other assets ⁽³⁾	36.7		36.7	
Investments in fair value hierarchy	<u>346.9</u>	<u>18.5</u>	<u>328.4</u>	
Assets measured at NAV or its equivalent ⁽⁴⁾	141.7			
Investments	<u><u>\$ 483.6</u></u>			

⁽¹⁾ This category includes actively managed equity assets that track primarily to the S&P 500 or an international equity index.

⁽²⁾ This category includes government and corporate bonds that track primarily to the Barclays Capital Aggregate Bond Index or an international bond index.

⁽³⁾ This category includes real estate and pooled investment funds.

⁽⁴⁾ This category includes pooled investment funds and private equity funds that are measured at NAV or its equivalent using the practical expedient. Therefore, these investments are not classified in the fair value hierarchy.

The following table summarizes the obligations, plan assets and assumptions used for the defined benefit pension plans, which are all measured as of December 31:

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	Domestic			Foreign		
	Defined Benefit Pension Plan			Defined Benefit Pension Plans		
	2023	2022	2021	2023	2022	2021
Accumulated benefit obligations at end of year	\$ 100.5	\$ 90.3	\$ 117.0	\$ 236.4	\$ 209.3	\$ 334.8
Projected benefit obligations:						
Balances at beginning of year	\$ 91.7	\$ 120.8	\$ 118.6	\$ 230.4	\$ 362.7	\$ 401.1
Service cost	3.0	4.6	4.9	4.4	6.3	7.4
Interest cost	4.6	3.2	2.7	11.8	7.3	5.7
Actuarial losses (gains)	2.8	(32.6)	(2.8)	8.8	(112.4)	(26.0)
Contributions and other	3.0	1.6	1.4	2.0	3.2	(4.6)
Settlements				(3.7)	(2.4)	(1.7)
Effect of foreign exchange				14.1	(28.8)	(9.8)
Benefits paid	(3.0)	(5.9)	(4.0)	(10.0)	(5.5)	(9.4)
Balances at end of year	102.1	91.7	120.8	257.8	230.4	362.7
Plan assets:						
Balances at beginning of year	119.4	155.2	144.3	223.6	328.4	318.2
Actual returns on plan assets	18.7	(29.9)	14.9	15.4	(73.4)	27.9
Contributions and other				8.6	5.8	(1.1)
Settlements				(3.7)	(2.4)	(1.7)
Effect of foreign exchange				12.8	(29.3)	(5.5)
Benefits paid	(3.0)	(5.9)	(4.0)	(10.0)	(5.5)	(9.4)
Balances at end of year	135.1	119.4	155.2	246.7	223.6	328.4
Excess (deficient) plan assets over projected benefit obligations	\$ 33.0	\$ 27.7	\$ 34.4	\$ (11.1)	\$ (6.8)	\$ (34.3)
Assets and liabilities recognized in the Consolidated Balance Sheets:						
Deferred pension assets	\$ 33.0	\$ 27.7	\$ 34.4	\$ 57.9	\$ 51.7	\$ 44.7
Other accruals				(3.4)	(3.0)	(3.3)
Other long-term liabilities				(65.6)	(55.5)	(75.7)
	\$ 33.0	\$ 27.7	\$ 34.4	\$ (11.1)	\$ (6.8)	\$ (34.3)
Amounts recognized in AOCI:						
Net actuarial gains	\$ 16.6	\$ 8.0	\$ 13.0	\$ 24.8	\$ 31.7	\$ 1.9
Prior service (costs) credits	(8.8)	(7.1)	(6.5)	0.3	1.6	1.4
	\$ 7.8	\$ 0.9	\$ 6.5	\$ 25.1	\$ 33.3	\$ 3.3
Weighted-average assumptions used to determine projected benefit obligations:						
Discount rate	5.09 %	5.27 %	3.12 %	4.81 %	5.06 %	2.26 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	3.33 %	3.39 %	3.25 %
Weighted-average assumptions used to determine net pension cost:						
Discount rate	5.27 %	3.12 %	2.85 %	5.06 %	2.26 %	1.63 %
Expected long-term rate of return on assets	6.25 %	5.00 %	5.00 %	5.48 %	3.19 %	3.17 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	3.39 %	3.25 %	2.91 %

Other Postretirement Benefits

Employees of the Company hired in the United States prior to January 1, 1993 who are not members of a collective bargaining unit, and certain groups of employees added through acquisitions, are eligible for health care and life insurance benefits upon retirement, subject to the terms of the unfunded plans. There were 3,367, 3,409 and 3,410 retired employees covered by these postretirement benefits at December 31, 2023, 2022 and 2021, respectively.

The following table summarizes the obligation and the assumptions used for other postretirement benefits:

	Other Postretirement Benefits		
	2023	2022	2021
Benefit obligation:			
Balance at beginning of year - unfunded	\$ 153.8	\$ 276.4	\$ 291.6
Service cost	0.6	1.2	1.4
Interest cost	7.4	6.0	4.9
Actuarial gain	(8.0)	(54.5)	(4.1)
Plan amendments		(62.8)	(2.2)
Benefits paid	(6.6)	(12.5)	(15.2)
Balance at end of year - unfunded	<u>\$ 147.2</u>	<u>\$ 153.8</u>	<u>\$ 276.4</u>
Liabilities recognized in the Consolidated Balance Sheets:			
Other accruals	\$ (14.0)	\$ (14.5)	\$ (17.0)
Postretirement benefits other than pensions	(133.2)	(139.3)	(259.4)
	<u>\$ (147.2)</u>	<u>\$ (153.8)</u>	<u>\$ (276.4)</u>
Amounts recognized in AOCI:			
Net actuarial gains (losses)	\$ 12.9	\$ 4.7	\$ (54.0)
Prior service credits	40.0	64.0	1.6
	<u>\$ 52.9</u>	<u>\$ 68.7</u>	<u>\$ (52.4)</u>
Weighted-average assumptions used to determine benefit obligation:			
Discount rate	4.97 %	5.16 %	2.83 %
Health care cost trend rate - pre-65	7.00 %	6.25 %	6.38 %
Health care cost trend rate - post-65	6.00 %	5.50 %	5.13 %
Prescription drug cost increases	9.00 %	8.25 %	8.25 %
Employer Group Waiver Plan (EGWP) trend rate	N/A	N/A	8.25 %
Weighted-average assumptions used to determine net periodic benefit cost:			
Discount rate	5.16 %	2.83 %	2.49 %
Health care cost trend rate - pre-65	6.25 %	6.38 %	6.06 %
Health care cost trend rate - post-65	5.50 %	5.13 %	5.13 %
Prescription drug cost increases	8.25 %	8.25 %	8.25 %

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The following table summarizes the components of the net periodic benefit cost and AOCI related to other postretirement benefits:

	Other Postretirement Benefits		
	2023	2022	2021
Net periodic benefit cost:			
Service cost	\$ 0.6	\$ 1.2	\$ 1.4
Interest cost	7.4	6.0	4.9
Amortization of actuarial losses	0.1	4.2	4.7
Amortization of prior service (credit) cost	(23.9)	(0.4)	0.3
Net periodic benefit cost	(15.8)	11.0	11.3
Other changes in projected benefit obligation recognized in AOCI (before taxes):			
Net actuarial gain arising during the year	(8.0)	(54.5)	(4.1)
Prior service (credit) arising during the year		(62.8)	(2.2)
Amortization of actuarial losses	(0.1)	(4.2)	(4.7)
Amortization of prior service credit (cost)	23.9	0.4	(0.3)
Total recognized in AOCI	15.8	(121.1)	(11.3)
Total recognized in net periodic benefit cost and AOCI	\$ —	\$ (110.1)	\$ —

The estimated net actuarial gains and prior service credits for other postretirement benefits that are expected to be amortized from AOCI into net periodic benefit cost in 2024 are \$(0.3) million and \$(23.9) million, respectively.

The assumed health care cost trend rate and prescription drug cost increases used to determine the net periodic benefit cost for postretirement health care benefits for 2024 both decrease in each successive year until reaching 4.5 % in 2032.

The Company expects to make retiree health care benefit cash payments as follows:

2024	\$ 14.0
2025	14.9
2026	14.8
2027	14.4
2028	13.7
2029 through 2033	53.4
Total expected benefit cash payments	\$ 125.2

NOTE 10 – LEASES

The Company leases retail stores, manufacturing and distribution facilities, office space and equipment under operating lease agreements. Operating lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of lease payments over the lease term. The majority of the ROU asset and lease liability balances relate to the retail operations of the Paint Stores Group.

Most leases include one or more options to renew. The exercise of lease renewal options is at the Company's discretion and is not reasonably certain at lease commencement. The Company does not account for lease and non-lease components of contracts separately for any underlying asset class. Some leases have variable payments, however, because they are not based on an index or rate, they are not included in the ROU assets and liabilities. Variable payments for real estate leases relate primarily to common area maintenance, insurance, taxes and utilities associated with the properties. Variable payments for equipment leases relate primarily to hours, miles or other quantifiable usage factors which are not determinable at the time the lease agreement is entered into by the Company. The Company has made an accounting policy election by underlying asset class to not apply the recognition requirements of ASC 842 to short-term leases. As a result, certain leases with a term of 12 months or less are not recorded on the Consolidated Balance Sheets and expense is recognized on a straight-line basis over the lease term.

Most leases do not contain an incremental borrowing rate which is readily determinable from their associated contract. Therefore, the Company uses its estimated incremental borrowing rate on a collateralized basis which is derived from information available at the lease commencement date, giving consideration to publicly available credit rating data, other risk characteristics and the term of the lease in determining the present value of lease payments.

Additional lease information is summarized below:

	2023	2022	2021
Operating lease cost	\$ 528.5	\$ 498.0	\$ 478.0
Short-term lease cost	58.5	47.1	43.8
Variable lease cost	104.1	89.9	84.4
Operating cash outflows from operating leases	\$ 513.8	\$ 480.1	\$ 461.4
Leased assets obtained in exchange for new operating lease liabilities	\$ 473.3	\$ 463.1	\$ 505.2
Weighted average remaining lease term	5.5 years	5.6 years	5.8 years
Weighted average discount rate	3.8 %	3.3 %	3.0 %

The following table reconciles the undiscounted cash flows for each of the next five years and thereafter to the operating lease liabilities recognized on the Consolidated Balance Sheets as of December 31, 2023. The reconciliation excludes short-term leases that are not recorded on the Consolidated Balance Sheets.

Year Ending December 31,	
2024	\$ 513.5
2025	449.3
2026	367.3
2027	279.7
2028	195.8
Thereafter	383.9
Total lease payments	2,189.5
Amount representing interest	(230.7)
Present value of operating lease liabilities	<u><u>\$ 1,958.8</u></u>

NOTE 11 – OTHER LONG-TERM LIABILITIES

Environmental Matters

The operations of the Company, like those of other companies in its industry, are subject to various domestic and foreign environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws, regulations and requirements and has implemented various programs designed to protect the environment and promote continued compliance.

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites (including sites which were previously owned and/or operated by businesses acquired by the Company). In addition, the Company, together with other parties, has been designated a potentially responsible party under federal and state environmental protection laws for the investigation and remediation of environmental contamination and hazardous waste at a number of third-party sites, primarily Superfund sites. In general, these laws provide that potentially responsible parties may be held jointly and severally liable for investigation and remediation costs regardless of fault. The Company may be similarly designated with respect to additional third-party sites in the future.

The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely than any other amount within the range, the minimum of the range is provided.

The Company routinely assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available, including as a result of sites progressing through investigation and remediation-related activities, upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. At December 31, 2023, 2022 and 2021, the Company had accruals reported on the balance sheet as Other long-term liabilities of \$ 230.8 million, \$ 240.2 million and \$ 277.4 million, respectively. Estimated costs of current investigation and remediation activities of \$ 88.1 million, \$ 50.2 million and \$ 45.9 million are included in Other accruals at December 31, 2023, 2022 and 2021, respectively.

Actual costs incurred may vary from the accrued estimates due to the inherent uncertainties involved including, among others, the number and financial condition of parties involved with respect to any given site, the volumetric contribution which may be attributed to the Company relative to that attributed to other parties, the nature and magnitude of the wastes involved, the various technologies that can be used for remediation and the determination of acceptable remediation with respect to a particular site. If the Company's future loss contingency is ultimately determined to be at the unaccrued maximum of the estimated range of possible outcomes for every site for which costs can be reasonably estimated, the Company's accrual for environmental-related activities would be \$ 94.7 million higher than the minimum accruals at December 31, 2023. Additionally, costs for environmental-related activities may not be reasonably estimable at early stages of investigation and therefore would not be included in the unaccrued maximum amount.

Four of the Company's currently and formerly owned manufacturing sites (Major Sites) account for the majority of the accrual for environmental-related activities and the unaccrued maximum of the estimated range of possible outcomes at December 31, 2023. At December 31, 2023, \$ 274.1 million, or 86.0 % of the total accrual, related directly to the Major Sites. In the aggregate unaccrued maximum of \$ 94.7 million at December 31, 2023, \$ 70.3 million, or 74.2 %, related to the Major Sites. The significant cost components of this liability continue to be related to remedy implementation, regulatory agency interaction and project management and other costs. While different for each specific environmental situation, these components generally each account for approximately 85 %, 10 %, and 5 %, respectively, of the accrued amount and those percentages are subject to change over time. While environmental investigations and remedial actions are in different stages at these sites, additional investigations, remedial actions and monitoring will likely be required at each site.

The largest and most complex of the Major Sites is the Gibbsboro, New Jersey site (Gibbsboro) which comprises the substantial majority of the environmental-related accrual. Gibbsboro, a former manufacturing plant, and related areas, which ceased operations in 1978, has had various areas included on the National Priorities List since 1999. This location has soil, sediment, surface water and groundwater contamination related to the historic operations of the facility. Gibbsboro has been divided by the Environmental Protection Agency (EPA) into six operable units (OUs) based on location and characteristics, whose investigation and remediation efforts are likely to occur over an extended period of time. To date, the Company has completed remedy construction on three of the six operable units. While there are administrative tasks to be completed before final agency

approval, the remediation phase of the work for these three OUs is effectively complete and future work for these OUs is anticipated to be limited. OUs are in various phases of investigation and remediation with the EPA that provide enough information to reasonably estimate cost ranges and record environmental-related accruals. The most significant assumptions underlying the reliability and precision of remediation cost estimates for the Gibbsboro site are the type and extent of future remedies to be selected by the EPA and the costs of implementing those remedies.

The remaining three Major Sites comprising the majority of the accrual include: (1) a multi-party Superfund site that (a) has received a record of decision from the federal EPA and is currently in the remedial design phase for one OU, (b) has received a record of decision from the federal EPA for an interim remedy for another OU, and (c) has a remedial investigation ongoing for another OU, (2) a closed paint manufacturing facility that is in the operation and maintenance phase of remediation under both federal and state EPA programs, and (3) a formerly-owned site containing warehouse and office space that is in the remedial/design investigation phase under a state EPA program. Each of these three Major Sites are in phases of investigation and remediation that provide sufficient information to reasonably estimate cost ranges and record environmental-related accruals.

Excluding the Major Sites discussed above, no sites are individually material to the total accrual balance. There are multiple, future events yet to occur, including further remedy selection and design, remedy implementation and execution and securing applicable governmental agency approvals, all of which have the potential to contribute to the uncertainty surrounding these future events. As these events occur and to the extent that the cost estimates of the environmental remediation change, the existing reserve will be adjusted.

Management cannot presently estimate the ultimate potential loss contingencies related to these sites or other less significant sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed. Unasserted claims could have a material effect on the Company's loss contingency as more information becomes available over time. At December 31, 2023, the Company did not have material loss contingency accruals related to unasserted claims. Management does not expect that a material portion of unrecognized loss contingencies will be recoverable through insurance, indemnification agreements or other sources. In the event any future loss contingency significantly exceeds the current amount accrued, the recording of the ultimate liability may result in a material impact on net income for the annual or interim period during which the additional costs are accrued. Moreover, management does not believe that any potential liability ultimately attributed to the Company for its environmental-related matters will have a material adverse effect on the Company's financial condition, liquidity or cash flow due to the extended length of time during which environmental investigation and remediation takes place. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties.

Management expects these contingent environmental-related liabilities to be resolved over an extended period of time. Management is unable to provide a more specific time frame due to the indeterminate amount of time to conduct investigation activities at any site, the indeterminate amount of time to obtain environmental agency approval, as necessary, with respect to investigation and remediation activities, and the indeterminate amount of time necessary to conduct remediation activities.

Asset Retirement Obligations

The Asset Retirement and Environmental Obligations Topic of the ASC requires a liability to be recognized for the fair value of a conditional asset retirement obligation if a settlement date and fair value can be reasonably estimated. The Company recognizes a liability for any conditional asset retirement obligation when sufficient information is available to reasonably estimate a settlement date to determine the fair value of such a liability. The Company has identified certain conditional asset retirement obligations at various current and closed manufacturing, distribution and store facilities. These obligations relate primarily to asbestos abatement, hazardous waste Resource Conservation and Recovery Act (RCRA) closures, well abandonment, transformers and used oil disposals and underground storage tank closures. Using investigative, remediation and disposal methods that are currently available to the Company, the estimated costs of these obligations were accrued and are not significant. The recording of additional liabilities for future conditional asset retirement obligations may result in a material impact on net income for the annual or interim period during which the costs are accrued. Management does not believe that any potential liability ultimately attributed to the Company for its conditional asset retirement obligations will have a material adverse effect on the Company's financial condition, liquidity or cash flow due to the extended period of time over which sufficient information may become available regarding the closure or modification of any one or group of the Company's facilities. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties.

Real Estate Financing

The Company has entered into certain sale-leaseback agreements that do not qualify as asset sales and were accounted for as real estate financing transactions. These arrangements primarily consist of the new headquarters currently under construction, for which the Company expects to receive total proceeds approximating \$ 800 million to \$ 850 million on an incremental basis until the completion of construction. In 2023 and 2022, the Company received \$ 305.0 million and \$ 210.0 million, respectively. The net proceeds from this transaction and other real estate financing transactions are recognized within the Financing Activities section of the Statements of Consolidated Cash Flows.

The corresponding financing obligation for the new headquarters was \$ 515.8 million and \$ 207.0 million at December 31, 2023 and 2022, respectively, on the Consolidated Balance Sheets. The short-term portion of the liability recorded in Other accruals was \$ 39.9 million and \$ 20.0 million at December 31, 2023 and 2022, respectively. During 2023, \$ 23.8 million of interest was capitalized with the long-term portion of the liability in Other long-term liabilities. Future payments are estimated to be \$ 40 million during the next twelve months, which is the remaining estimated construction period. At the completion of construction, the Company will calculate the remaining obligation under the terms of lease.

NOTE 12 – LITIGATION

In the course of its business, the Company is subject to a variety of claims and lawsuits, including, but not limited to, litigation relating to product liability and warranty, personal injury, environmental, intellectual property, commercial, contractual and antitrust claims that are inherently subject to many uncertainties regarding the possibility of a loss to the Company. These uncertainties will ultimately be resolved when one or more future events occur or fail to occur confirming the incurrence of a liability or the reduction of a liability. In accordance with the Contingencies Topic of the ASC, the Company accrues for these contingencies by a charge to income when it is both probable that one or more future events will occur confirming the fact of a loss and the amount of the loss can be reasonably estimated. In the event that the Company's loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the additional liability may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such additional liability is accrued. In those cases where no accrual is recorded because it is not probable that a liability has been incurred or the amount of any such loss cannot be reasonably estimated, any potential liability ultimately determined to be attributable to the Company may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such liability is accrued. In those cases where no accrual is recorded or exposure to loss exists in excess of the amount accrued, the Contingencies Topic of the ASC requires disclosure of the contingency when there is a reasonable possibility that a loss or additional loss may have been incurred.

Lead pigment and lead-based paint litigation. The Company's past operations included the manufacture and sale of lead pigments and lead-based paints. The Company, along with other companies, is and has been a defendant in a number of legal proceedings, including individual personal injury actions, purported class actions, and actions brought by various counties, cities, school districts and other government-related entities, arising from the manufacture and sale of lead pigments and lead-based paints. The plaintiffs' claims have been based upon various legal theories, including negligence, strict liability, breach of warranty, negligent misrepresentations and omissions, fraudulent misrepresentations and omissions, concert of action, civil conspiracy, violations of unfair trade practice and consumer protection laws, enterprise liability, market share liability, public nuisance, unjust enrichment and other theories. The plaintiffs have sought various damages and relief, including personal injury and property damage, costs relating to the detection and abatement of lead-based paint from buildings, costs associated with a public education campaign, medical monitoring costs and others. The Company has also been a defendant in legal proceedings arising from the manufacture and sale of non-lead-based paints that seek recovery based upon various legal theories, including the failure to adequately warn of potential exposure to lead during surface preparation when using non-lead-based paint on surfaces previously painted with lead-based paint. The Company believes that the litigation brought to date is without merit or subject to meritorious defenses and is vigorously defending such litigation. The Company expects that additional lead pigment and lead-based paint litigation may be filed against the Company in the future asserting similar or different legal theories and seeking similar or different types of damages and relief. The Company will continue to vigorously defend against any additional lead pigment and lead-based paint litigation that may be filed, including utilizing all avenues of appeal, if necessary.

Notwithstanding the Company's views on the merits, litigation is inherently subject to many uncertainties, and the Company ultimately may not prevail. Adverse court rulings or determinations of liability, among other factors, could affect the lead pigment and lead-based paint litigation against the Company and encourage an increase in the number and nature of future claims and proceedings. In addition, from time to time, various legislation and administrative regulations have been enacted, promulgated or proposed to impose obligations on present and former manufacturers of lead pigments and lead-based paints respecting asserted health concerns associated with such products or to overturn the effect of court decisions in which the Company and other manufacturers have been successful.

Due to the uncertainties involved, management is unable to predict the outcome of the lead pigment and lead-based paint litigation, the number or nature of possible future claims and proceedings or the effect that any legislation and/or administrative regulations may have on the litigation or against the Company. In addition, management cannot reasonably determine the scope or amount of the potential costs and liabilities related to such litigation or resulting from any such legislation and regulations. Except with respect to the litigation in the California Proceedings, discussed below, the Company has not accrued any amounts for such litigation because the Company does not believe it is probable that a loss has occurred, or the Company believes it is not possible to estimate the range of potential losses as there is no substantive information upon which an estimate could be based. In addition, any potential liability that may result from any changes to legislation and regulations cannot reasonably be estimated. Due to the uncertainties associated with the amount of any such liability and/or the nature of any other remedy which may be imposed in such litigation, any potential liability determined to be attributable to the Company arising out of such litigation may have a material adverse effect on the Company's results of operations, liquidity or financial condition. An estimate of the potential impact on the Company's results of operations, cash flow, liquidity or financial condition cannot be made due to the aforementioned uncertainties.

Public Nuisance Claim Litigation. The Company and other companies are or were defendants in legal proceedings seeking recovery based on public nuisance liability theories, among other theories, brought by the State of Rhode Island; the City of St. Louis, Missouri; various cities and counties in the State of New Jersey; various cities in the State of Ohio and the State of Ohio; the City of Chicago, Illinois; the City of Milwaukee, Wisconsin; the County of Santa Clara, California, and other public entities in the State of California (the California Proceedings); and Lehigh and Montgomery Counties in Pennsylvania (together, the Pennsylvania Proceedings). Except for the California Proceedings in which the Company reached a court-approved agreement in 2019 after nearly twenty years of litigation, all of the legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings.

Pennsylvania Proceedings. The Pennsylvania Proceedings were initiated in October 2018. The Pennsylvania counties of Montgomery and Lehigh filed complaints against the Company and several other former lead-based paint and lead pigment manufacturers in the Courts of Common Pleas of Montgomery County and Lehigh County, respectively. In both actions, the counties requested declaratory relief establishing the existence of a public nuisance and the defendants' contribution to it, the abatement of an ongoing public nuisance arising from the presence of lead-based paint in housing throughout the applicable county, an injunction against future illicit conduct, and the costs of litigation and attorneys' fees.

After the defendants removed both actions to federal court and the actions were remanded to state court, the defendants filed preliminary objections on December 21, 2020, seeking to dismiss both complaints with prejudice. The trial courts in both actions denied the defendants' preliminary objections, and the defendants filed petitions for permission to appeal the trial courts' orders to the Commonwealth Court, one of Pennsylvania's intermediate appellate courts.

The Commonwealth Court granted the defendants' petitions for permission to appeal in both actions on February 18, 2022, and stayed all proceedings in the trial courts pending the appellate court proceedings. The parties filed their respective briefs in both actions, and oral argument occurred on December 14, 2022. On May 5, 2023, the Commonwealth Court reversed both trial courts' orders denying the defendants' preliminary objections and remanded both actions to the trial courts for entry of orders dismissing both actions. Montgomery and Lehigh Counties each filed a petition for allowance to appeal with the Supreme Court of Pennsylvania, both of which the Supreme Court of Pennsylvania denied on November 20, 2023. Subsequently, the trial courts dismissed both the Montgomery County and the Lehigh County actions on January 9, 2024 and January 30, 2024, respectively.

Litigation seeking damages from alleged personal injury. The Company and other companies are or have been defendants in a number of legal proceedings seeking monetary damages and other relief from alleged personal injuries. The current proceedings include claims by children allegedly injured from ingestion of lead pigment or lead-containing paint. The plaintiffs generally seek compensatory damages and have invoked Wisconsin's risk contribution theory (which is similar to market share liability, except that liability can be joint and several) due to the plaintiff's inability to identify the manufacturer of any product that allegedly injured the plaintiff.

Wisconsin Proceedings. The United States District Court for the Eastern District of Wisconsin consolidated three cases (Ravon Owens v. American Cyanamid, et al., Cesar Sifuentes v. American Cyanamid, et al., and Glenn Burton, Jr. v. American Cyanamid, et al.) for purposes of trial. A trial was held in May 2019 and resulted in a jury verdict for the three plaintiffs in the amount of \$ 2.0 million each for a total of \$ 6.0 million against the Company and two other defendants (Armstrong Containers Inc. and E.I. du Pont de Nemours). Post-trial motions resulted in a reduced damages award to one plaintiff. Subsequently, the Company filed a notice of appeal with the Seventh Circuit with respect to each of the Owens, Sifuentes and Burton cases. On April 15, 2021, the Seventh Circuit reversed the judgments and held that the Company was entitled to judgment as a matter of law on all claims filed by the three plaintiffs. The plaintiffs filed a petition with the Seventh Circuit on April 27, 2021, seeking a

rehearing en banc and, in the alternative, a request for certification of questions to the Wisconsin Supreme Court. The plaintiffs' petition was denied.

On May 20, 2021, as a result of the Seventh Circuit's decision in favor of the Company in the Owens, Sifuentes and Burton cases, the Company and the three other defendants filed motions for summary judgment to dismiss all claims of the approximately 150+ plaintiffs then pending in the Eastern District of Wisconsin. On March 3, 2022, the district court granted summary judgment in favor of the Company and the other defendants on all claims then pending in the district court. On September 15, 2022, the plaintiffs filed notices of appeal with the Seventh Circuit, seeking to appeal the district court's summary judgment in favor of the Company and the other defendants. As part of the plaintiffs' appellate reply brief to the Seventh Circuit, the plaintiffs included a motion to certify issues to the Wisconsin Supreme Court. On February 9, 2024, the Seventh Circuit declined to certify any issues to the Wisconsin Supreme Court and affirmed the district court's summary judgment in favor of the Company and the other defendants in all claims except involving those filed by three plaintiffs, whose cases were remanded to the district court for further proceedings.

On August 24, 2021, the plaintiff in Arrieona Beal v. Armstrong Containers, Inc., et al. filed an amended complaint in Milwaukee County Circuit Court, naming the Company and other alleged former lead pigment manufacturers as defendants pursuant to the risk contribution liability theory. Plaintiff also sued her landlords. In March 2022, the Company removed the case to the Eastern District of Wisconsin. The plaintiff filed a motion to remand the case to the state circuit court, and on September 30, 2023, the case was remanded to state court. On January 3, 2024, the Company and some of the other manufacturing defendants filed a third-party complaint against NL Industries, Inc., and cross-claims against the landlord defendants. On January 10, 2024, one of the landlord defendants filed a counterclaim and cross-claim against all parties.

Insurance coverage litigation. The Company and its liability insurers, including certain underwriters at Lloyd's of London, initiated legal proceedings against each other to determine, among other things, whether the costs and liabilities associated with the abatement of lead pigment are covered under certain insurance policies issued to the Company. The insurers' action, which was filed on February 23, 2006 in the Supreme Court of the State of New York, County of New York, was dismissed. The Company's action, filed on March 3, 2006 in the Common Pleas Court, Cuyahoga County, Ohio, previously was stayed and inactive. On January 9, 2019, the Company filed an unopposed motion to lift the stay with the trial court, which was granted, allowing the case to proceed. On June 28, 2019, the Company and its liability insurers each filed separate motions for summary judgment seeking various forms of relief. The trial court entered an order on December 4, 2020, granting the insurers' motion for summary judgment, denying the Company's motion, and entering final judgment in favor of the insurers. The trial court sided with the Company on all of the issues presented, except one.

On December 21, 2020, the Company filed a notice of appeal to the Court of Appeals of Cuyahoga County, Ohio, Eighth Appellate District, and the insurers filed cross-appeals. On September 1, 2022, the appellate court reversed the trial court's grant of summary judgment, finding in favor of the Company on its appeal and against the insurers on their cross-appeal, and remanded the case to the trial court. On September 12, 2022, the insurers applied to the appellate court for reconsideration of its decision, en banc review, or certification of an appeal to the Ohio Supreme Court, which the appellate court denied. The insurers subsequently filed a notice of appeal to the Ohio Supreme Court, to which the Company filed its response. On May 9, 2023, the Ohio Supreme Court accepted the insurers' appeal. Oral argument was held on October 24, 2023.

An ultimate loss in the insurance coverage litigation would mean that insurance proceeds could be unavailable under the policies at issue to mitigate any ultimate abatement related costs and liabilities. The Company has not recorded any assets related to these insurance policies or otherwise assumed that proceeds from these insurance policies would be received in estimating any contingent liability accrual. Therefore, an ultimate loss in the insurance coverage litigation without a determination of liability against the Company in the lead pigment or lead-based paint litigation will have no impact on the Company's results of operation, liquidity or financial condition. As previously stated, however, except with respect to the litigation in California discussed above, the Company has not accrued any amounts for the lead pigment or lead-based paint litigation and any significant liability ultimately determined to be attributable to the Company relating to such litigation may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such liability is accrued.

Other litigation. On December 18, 2019, the New Jersey Department of Environmental Protection, the Commissioner of the New Jersey Department of Environmental Protection, and the Administrator of the New Jersey Spill Compensation Fund (collectively, the NJ DEP) filed a lawsuit against the Company in the Superior Court of New Jersey Law Division in Camden County, New Jersey. The NJ DEP seeks to recover natural resource damages, punitive damages, and litigation fees and costs, as well as other costs, damages, declaratory relief, and penalties pursuant to New Jersey state statutes and common law theories in connection with the alleged discharge of hazardous substances and pollutants at the Company's Gibbsboro, New Jersey site, a former manufacturing plant and related facilities. The court has scheduled a new trial date of October 15, 2024.

NOTE 13 – SHAREHOLDERS' EQUITY

Capital Stock

At December 31, 2023, there were 900,000,000 shares of common stock and 30,000,000 shares of serial preferred stock authorized for issuance. Of the authorized serial preferred stock, 3,000,000 shares are designated as cumulative redeemable serial preferred stock.

Under the 2006 Equity and Performance Incentive Plan (2006 Employee Plan), 71,100,000 shares may be issued or transferred. An aggregate of 15,830,386 , 17,939,143 and 19,135,222 shares of common stock at December 31, 2023, 2022 and 2021, respectively, were reserved for the exercise and future grants of option rights and future grants of restricted stock and restricted stock units. See Note 15 for additional information related to stock-based compensation.

Shares outstanding shown in the following table included 1,426,883 shares of common stock held in a revocable trust at December 31, 2023, 2022 and 2021. The revocable trust is used to accumulate assets for the purpose of funding the ultimate obligation of certain non-qualified benefit plans. Transactions between the Company and the trust are accounted for in accordance with the Deferred Compensation – Rabbi Trusts Subtopic of the Compensation Topic of the ASC, which requires the assets held by the trust be consolidated with the Company's accounts.

	Shares in Treasury	Shares Outstanding
Balance at January 1, 2021	1,138,692	268,676,631
Shares issued for exercise of option rights		2,365,168
Shares tendered as payment for option rights exercised	4,324	(4,324)
Shares issued for vesting of restricted stock units		276,948
Shares tendered in connection with vesting of restricted stock units	95,618	(95,618)
Treasury stock purchased	10,075,000	(10,075,000)
Balance at December 31, 2021	11,313,634	261,143,805
Shares issued for exercise of option rights		778,075
Shares tendered as payment for option rights exercised	3,861	(3,861)
Shares issued for vesting of restricted stock units		357,832
Shares tendered in connection with vesting of restricted stock units	124,852	(124,852)
Treasury stock purchased	3,350,000	(3,350,000)
Treasury stock sold ⁽¹⁾	(75,000)	75,000
Balance at December 31, 2022	14,717,347	258,875,999
Shares issued for exercise of option rights		1,081,815
Shares tendered as payment for option rights exercised	10,467	(10,467)
Shares issued for vesting of restricted stock units		302,713
Shares tendered in connection with vesting of restricted stock units	106,770	(106,770)
Treasury stock purchased	5,600,000	(5,600,000)
Balance at December 31, 2023	20,434,584	254,543,290

⁽¹⁾ During the year ended December 31, 2022, the Company sold treasury shares to fund Company contributions to the domestic defined contribution plan. The related proceeds were \$ 22.0 million.

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Dividends

The following table summarizes the dividends declared and paid on common stock:

	2023	2022	2021
Cash dividend per share	\$ 2.42	\$ 2.40	\$ 2.20
Total dividends (in millions)	623.7	618.5	587.1

Treasury Stock

The Company acquires its common stock for general corporate purposes through its publicly announced share repurchase program. As of December 31, 2023, the Company had remaining authorization from its Board of Directors to purchase 39.6 million shares of its common stock. The table below summarizes the Company's share repurchase activity:

	2023	2022	2021
Treasury stock purchases (in millions)	\$ 1,432.0	\$ 883.2	\$ 2,752.3
Treasury stock purchases (shares)	5,600,000	3,350,000	10,075,000
Average price per share	\$ 255.72	\$ 263.64	\$ 273.18

NOTE 14 – DEFINED CONTRIBUTION SAVINGS PLAN

As of December 31, 2023, 45,017 employees contributed to the Company's defined contribution savings plan, voluntary to all eligible salaried employees and any employee in a group of employees to which coverage has been extended on a non-discriminatory basis by the plan's Administration Committee. Participants are allowed to contribute, on a pretax or after-tax basis, up to the lesser of fifty percent of their annual compensation or the maximum dollar amount allowed under the Internal Revenue Code. The Company matches one hundred percent of all contributions up to six percent of eligible employee contributions. Such participant contributions may be invested in a variety of investment funds or a Company common stock fund and may be exchanged between investments as directed by the participant. Participants are permitted to diversify both future and prior Company matching contributions previously allocated to the Company common stock fund into a variety of investment funds.

The Company made contributions to the defined contribution savings plan on behalf of participating employees, representing amounts authorized by employees to be withheld from their earnings, of \$ 260.5 million, \$ 240.1 million and \$ 224.3 million in 2023, 2022 and 2021, respectively. The Company's matching contributions to the defined contribution savings plan charged to operations were \$ 153.9 million, \$ 140.0 million and \$ 133.7 million for 2023, 2022 and 2021, respectively.

At December 31, 2023, there were 18,680,108 shares of the Company's common stock being held by the defined contribution savings plan, representing 7.3 % of the total number of voting shares outstanding. Shares of Company common stock credited to each member's account under the defined contribution savings plan are voted by the trustee under instructions from each individual plan member. Shares for which no instructions are received are voted by the trustee in the same proportion as those for which instructions are received.

NOTE 15 – STOCK-BASED COMPENSATION

The 2006 Employee Plan authorizes the Board of Directors, or a committee of the Board of Directors, to issue or transfer up to an aggregate of 71,100,000 shares of common stock, plus any shares relating to awards that expire, are forfeited or canceled. The Company issues new shares upon exercise of option rights (options) and vesting of restricted stock units (RSUs). The 2006 Employee Plan permits the granting of options, appreciation rights, restricted stock, RSUs, performance shares and performance units to eligible employees. At December 31, 2023, no appreciation rights, performance shares or performance units had been granted under the 2006 Employee Plan. Shares available for future grants under the 2006 Employee Plan were 6,689,354 at December 31, 2023.

The 2006 Stock Plan for Nonemployee Directors (Nonemployee Director Plan) authorizes the Board of Directors, or a committee of the Board of Directors, to issue or transfer up to an aggregate of 600,000 shares of common stock, plus any shares relating to awards that expire, are forfeited or canceled. The Nonemployee Director Plan permits the granting of options, appreciation rights, restricted stock and RSUs to members of the Board of Directors who are not employees of the Company. At

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December 31, 2023, no options or appreciation rights had been granted under the Nonemployee Director Plan. Shares available for future grants under the Nonemployee Director Plan were 216,021 at December 31, 2023.

At December 31, 2023, the Company had total unrecognized stock-based compensation expense of \$ 169.3 million that is expected to be recognized over a weighted-average period of 1.08 years.

	2023	2022	2021
Stock-based compensation expense	\$ 115.9	\$ 99.7	\$ 97.7
Income tax benefit recognized	28.6	24.6	24.1

Excess tax benefits from share-based payments are recognized as an income tax benefit in the Statements of Consolidated Income when options are exercised and RSUs vest. For the years ended December 31, 2023, 2022 and 2021, the Company's excess tax benefit from options exercised and RSUs vested reduced the income tax provision by \$ 35.7 million, \$ 35.4 million and \$ 108.7 million, respectively.

Options

The fair value of the Company's options was estimated at the date of grant using a Black-Scholes-Merton option-pricing model with the following weighted-average assumptions for all options granted:

	2023	2022	2021
Risk-free interest rate	4.57 %	4.00 %	1.11 %
Expected life of options	5.02 years	5.05 years	5.05 years
Expected dividend yield of stock	.94 %	.92 %	.75 %
Expected volatility of stock	29.3 %	31.6 %	26.8 %

The risk-free interest rate is based upon the U.S. Treasury yield curve at the time of grant. The expected life of options was calculated using a scenario analysis model. Historical data was used to aggregate the holding period from actual exercises, post-vesting cancellations and hypothetical assumed exercises on all outstanding options. The expected dividend yield of stock is the Company's best estimate of the expected future dividend yield. Expected volatility of stock was calculated using historical and implied volatilities.

Grants of non-qualified and incentive stock options have been awarded to certain officers and key employees under the 2006 Employee Plan. The options generally become exercisable to the extent of one-third of the optioned shares for each full year following the date of grant and generally expire ten years after the date of grant. Unrecognized compensation expense with respect to options granted to eligible employees amounted to \$ 91.3 million at December 31, 2023. The unrecognized compensation expense is being amortized on a straight-line basis over the three-year vesting period, net of estimated forfeitures based on historical activity, and is expected to be recognized over a weighted-average period of 1.10 years.

The following table summarizes the Company's option activity:

	Optioned Shares	Exercise Price Per Share	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Term (in Years)
Outstanding at January 1, 2023	9,102,638	\$ 160.09	\$ 756.6		5.82
Granted	994,305	247.58			
Exercised	(1,086,468)	105.23			
Forfeited	(65,225)	245.11			
Expired	(20,239)	234.69			
Outstanding at December 31, 2023	<u>8,925,011</u>	<u>\$ 175.70</u>	<u>\$ 1,215.6</u>		5.64
Exercisable at December 31, 2023	7,002,046	\$ 156.54	\$ 1,087.8		4.69

The following table summarizes fair value and intrinsic value information for option activity:

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	2023	2022	2021
Weighted average grant date fair value per share	\$ 77.08	\$ 69.82	\$ 68.63
Total fair value of options vested	61.3	57.9	53.2
Total intrinsic value of options exercised	170.6	125.4	485.8

RSUs

The fair value of each RSU is equal to the market value of a share of the Company's stock on the grant date. Grants of time-based RSUs, which generally require three years of continuous employment from the date of grant before vesting and receiving the stock without restriction, have been awarded to certain officers and key employees under the 2006 Employee Plan. The February 2023, 2022 and 2021 grants of performance-based RSUs vest at the end of a three-year period based on the Company's achievement of specified financial and operating performance goals relating to earnings per share and return on net assets employed.

Unrecognized compensation expense with respect to grants of RSUs to eligible employees amounted to \$ 76.1 million at December 31, 2023. The unrecognized compensation expense is being amortized on a straight-line basis over the vesting period and is expected to be recognized over a weighted-average period of 1.01 years.

Grants of RSUs have been awarded to nonemployee directors under the Nonemployee Director Plan. These grants generally vest and stock is received without restriction to the extent of one-third of the RSUs for each year following the date of grant. Unrecognized compensation expense with respect to grants of RSUs to nonemployee directors amounted to \$ 1.9 million at December 31, 2023. The unrecognized compensation expense is being amortized on a straight-line basis over the three-year vesting period and is expected to be recognized over a weighted-average period of 0.94 years.

The following table summarizes the Company's RSU activity:

	Number of RSUs	Weighted		Aggregate Intrinsic Value	Weighted Average Remaining Term (in Years)
		Average Grant Date Fair Value	Per Share		
Outstanding at January 1, 2023	401,924	\$ 231.09	\$ 95.4		1.02
Granted	343,564	232.22			
Vested	(302,713)	194.37			
Forfeited	(7,901)	246.91			
Outstanding at December 31, 2023	<u>434,874</u>	<u>244.21</u>	<u>\$ 135.6</u>		1.26

The following table summarizes the fair value and intrinsic value information for RSU activity:

	2023	2022	2021
Weighted average grant date fair value per share	\$ 232.22	\$ 271.75	\$ 238.89
Intrinsic value of RSUs vested during year	68.5	97.5	66.3

NOTE 16 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI, including the reclassification adjustments for items that were reclassified from AOCI to Net income, are shown below.

	Foreign Currency Translation Adjustments ⁽¹⁾	Pension and Other Postretirement Benefits Adjustments ⁽²⁾	Unrealized Net Gains on Cash Flow Hedges ⁽³⁾	Total
Balance at January 1, 2021	\$ (671.5)	\$ (87.2)	\$ 40.4	\$ (718.3)
Amounts recognized in AOCI	(30.6)	48.7		18.1
Amounts reclassified from AOCI		6.3	(4.5)	1.8
Balance at December 31, 2021	(702.1)	(32.2)	35.9	(698.4)
Amounts recognized in AOCI	(108.7)	106.8		(1.9)
Amounts reclassified from AOCI		3.7	(4.0)	(0.3)
Balance at December 31, 2022	(810.8)	78.3	31.9	(700.6)
Amounts recognized in AOCI	93.9	3.9		97.8
Amounts reclassified from AOCI		(17.9)	(3.6)	(21.5)
Balance at December 31, 2023	<u>\$ (716.9)</u>	<u>\$ 64.3</u>	<u>\$ 28.3</u>	<u>\$ (624.3)</u>

⁽¹⁾ Includes changes in the fair value of cross currency swap contracts of \$(24.9) million, \$ 34.1 million, \$ 37.1 million in 2023, 2022 and 2021, respectively. See Note 17.

⁽²⁾ Net of taxes of \$ 3.1 million, \$(35.0) million, \$(14.7) million in 2023, 2022 and 2021, respectively. See Note 9.

⁽³⁾ Net of taxes of \$ 1.2 million, \$ 1.1 million and \$ 1.0 million in 2023, 2022 and 2021, respectively. See Statements of Consolidated Comprehensive Income.

NOTE 17 – DERIVATIVES AND HEDGING

The Company has entered into U.S. Dollar to Euro cross currency swap contracts with various counterparties to hedge the Company's net investment in its European operations. During the term of the contracts, the Company will pay fixed-rate interest in Euros and receive fixed-rate interest in U.S. Dollars, thereby effectively converting a portion of the Company's U.S. Dollar denominated fixed-rate debt to Euro denominated fixed-rate debt. The outstanding contracts as of December 31, 2023 are summarized in the table below.

Contract Date	Notional Value	Maturity Date
February 13, 2020	\$ 500.0	June 1, 2024
November 8, 2021	162.7	June 1, 2027
March 28, 2023	150.0	August 8, 2024
June 28, 2023	200.0	August 8, 2025
December 7, 2023	150.0	August 15, 2029

In December 2023, the Company settled its \$ 100.0 million U.S. Dollar to Euro cross currency swap contract entered into on August 1, 2023. At the time of settlement, an immaterial unrealized gain was recognized in AOCI.

The following table summarizes the balance sheet location of the cross currency swap contracts. See Note 18 for additional information on the fair value of these contracts.

	December 31, 2023	December 31, 2022	December 31, 2021
Other assets	\$ —	\$ 9.1	\$ —
Other accruals	(12.0)	—	—
Other long-term liabilities	(12.4)	—	36.5

The changes in fair value of the cross currency swap contracts are recognized in the foreign currency translation adjustments component of AOCI. See Note 16. The following table summarizes the unrealized (losses) gains for the years ended December 31:

	2023	2022	2021
(Losses) gains	\$ (33.1)	\$ 45.2	\$ 49.3
Tax effect	8.2	(11.1)	(12.2)
(Losses) gains, net of taxes	<u><u>\$ (24.9)</u></u>	<u><u>\$ 34.1</u></u>	<u><u>\$ 37.1</u></u>

NOTE 18 – FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the ASC applies to the Company's financial and non-financial assets and liabilities. The guidance applies when other standards require or permit the fair value measurement of assets and liabilities. Under the guidance, assets and liabilities measured at fair value are categorized as follows:

Level 1: Quoted prices in active markets for identical assets

Level 2: Significant other observable inputs

Level 3: Significant unobservable inputs

There were no assets and liabilities measured at fair value on a recurring basis classified as Level 3 at December 31, 2023, 2022 and 2021. Except for the acquisition-related fair value measurements and assets held for sale prior to divestiture described in Note 3 and the reporting unit impairment analysis and trademark quantitative impairment test described in Note 7, there were no assets and liabilities measured at fair value on a nonrecurring basis. The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis, categorized using the fair value hierarchy.

	December 31, 2023			December 31, 2022			December 31, 2021		
	Total	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:									
Deferred compensation plan	\$ 84.7	\$ 84.7	—	\$ 74.1	\$ 43.7	\$ 30.4	\$ 80.4	\$ 43.1	\$ 37.3
Qualified replacement plan	—	—	—	29.8	29.8	—	98.8	98.8	—
Net investment hedges	—	—	—	9.1	9.1	—	—	—	—
	<u><u>\$ 84.7</u></u>	<u><u>\$ 84.7</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 113.0</u></u>	<u><u>\$ 73.5</u></u>	<u><u>\$ 39.5</u></u>	<u><u>\$ 179.2</u></u>	<u><u>\$ 141.9</u></u>	<u><u>\$ 37.3</u></u>
Liabilities:									
Net investment hedges	<u><u>\$ 24.4</u></u>	<u><u>\$ 24.4</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 36.5</u></u>	<u><u>\$ 36.5</u></u>	<u><u>\$ 36.5</u></u>

The deferred compensation plan assets consist of the investment funds maintained for future payments under the Company's executive deferred compensation plans, which are structured as rabbi trusts. The investments are marketable securities accounted for under the Debt and Equity Securities Topic of the ASC. The level 1 investments are valued using quoted market prices multiplied by the number of shares. The level 2 investments are valued based on vendor or broker models. As of December 31, 2023, \$ 6.4 million of deferred compensation plan assets were held in partnership funds measured using NAV (or its equivalent) as a practical expedient. These investments are not classified in the fair value hierarchy. The cost basis of all investments within the deferred compensation plan and qualified replacement plan was \$ 76.3 million, \$ 67.2 million, and \$ 63.0 million at December 31, 2023, 2022 and 2021, respectively.

The qualified replacement plan assets consisted of investment funds maintained for future contributions to the Company's domestic defined contribution pension plan. See Note 9. During the first quarter of 2023, the remaining balance was fully utilized to fund the Company's domestic defined contribution pension plan. The cost basis of the investment funds was \$ 29.8 million and \$ 86.9 million at December 31, 2022 and 2021, respectively.

The net investment hedge asset and liability represent the fair value of the cross currency swaps. See Note 17. The fair value is based on a valuation model that uses observable inputs, including interest rate curves and the Euro foreign currency rate.

The carrying amounts reported for Cash and cash equivalents and Short-term borrowings approximate fair value.

The fair value of the Company's publicly traded debt is based on quoted market prices. The fair value of the Company's non-publicly traded debt is estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The Company's publicly traded debt and non-traded debt are classified as level 1 and level 2, respectively, in the fair value hierarchy. The following table summarizes the carrying amounts and fair values of the Company's publicly traded debt and non-traded debt.

	December 31,					
	2023		2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Publicly traded debt	\$ 9,475.8	\$ 8,615.1	\$ 9,590.0	\$ 8,382.3	\$ 8,849.6	\$ 9,777.4
Non-traded debt	0.9	0.8	1.6	1.5	1.9	1.9

NOTE 19 – REVENUE

The Company manufactures and sells paint, stains, supplies, equipment and floor covering through company-operated stores, branded and private label products through retailers, and a broad range of industrial coatings directly to global manufacturing customers through company-operated branches. A large portion of the Company's revenue is recognized at a point in time and made to customers who are not engaged in a long-term supply agreement or any form of contract with the Company. These sales are paid for at the time of sale in cash, credit card or on account with the vast majority of customers having terms between 30 and 60 days, not to exceed one year. Many customers who purchase on account take advantage of early payment discounts offered by paying within 30 days of being invoiced. The Company estimates variable consideration for these sales on the basis of both historical information and current trends to estimate the expected amount of discounts to which customers are likely to be entitled.

The remaining revenue is governed by long-term supply agreements and related purchase orders ("contracts") that specify shipping terms and aspects of the transaction price including rebates, discounts and other sales incentives, such as advertising support. Contracts are at standalone pricing. The performance obligation in these contracts is determined by each of the individual purchase orders and the respective stated quantities, with revenue being recognized at a point in time when obligations under the terms of the agreement are satisfied. This generally occurs with the transfer of control of our products to the customer. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

Refer to Note 23 for the Company's disaggregation of Net sales by Reportable Segment. As the Reportable Segments are aligned by similar economic factors, trends and customers, this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Approximately 80 % of the Company's net external sales are in the Company's North America region (which is comprised of the United States, Canada and the Caribbean region), slightly less than 10 % in the EMEA region (Europe, Middle East, Africa and India), with the remaining global regions accounting for the residual balance. No individual country outside of the United States is individually significant.

The Company has made payments or given credits for various incentives at the beginning of a long-term contract where future revenue is expected and before satisfaction of performance obligations. Under these circumstances, the Company recognizes a contract asset and amortizes these prepayments over the expected benefit life of the long-term contract, typically on a straight-line basis.

The majority of variable consideration in the Company's contracts include a form of volume rebate, discounts, and other incentives, where the customer receives a retrospective percentage rebate based on the amount of their purchases. In these situations, the rebates are accrued as a fixed percentage of sales and recorded as a reduction of net sales until paid to the customer per the terms of the contract. Forms of variable consideration such as tiered rebates, whereby a customer receives a retrospective price decrease dependent on the volume of their purchases, are calculated using a forecasted percentage to determine the most likely amount to accrue. Management creates a baseline calculation using historical sales and then utilizing forecast information, estimates the anticipated sales volume each quarter to calculate the expected reduction to sales. The remainder of the transaction price is fixed as agreed upon with the customer, limiting estimation of revenues, including constraints.

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The Company's Accounts receivable and current and long-term contract assets and liabilities are summarized in the following table.

	Accounts		Contract Assets (Current)	Contract Assets (Long-Term)	Contract Liabilities		Contract Liabilities	
	Receivable, Less Allowance	Other current assets			(Current)	(Long-Term)		
	Accounts receivable	Other assets	Other accruals	Other liabilities				
<i>Balance sheet caption:</i>								
Balance at December 31, 2022	\$ 2,563.6	\$ 43.8	\$ 117.7	\$ 292.9	\$ 7.1			
Balance at December 31, 2023	2,467.9	46.2	151.7	365.7				3.8

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing difference between the contractual performance obligation and the associated payment.

Provisions for estimated returns are established and the expected costs continue to be recognized as contra-revenue per ASC 606 when the products are sold. The Company only offers an assurance type warranty on products sold, and there is no material service to the customer beyond fixing defects that existed at the time of sale and no warranties are sold separately.

Warranty liabilities are excluded from the table above. Amounts recognized during the year from deferred revenue were not material. The Company records a right of return liability within each of its operations to accrue for expected customer returns. Historical actual returns are used to estimate future returns as a percentage of current sales. Obligations for returns and refunds were not material individually or in the aggregate.

Allowance for Current Expected Credit Losses

The following table summarizes the movement in the Company's allowance for current expected credit losses:

	2023	2022	2021
Beginning balance	\$ 56.6	\$ 48.9	\$ 53.5
Bad debt expense	67.9	65.3	33.8
Uncollectible accounts written off, net of recoveries	(64.9)	(57.6)	(38.4)
Ending balance	\$ 59.6	\$ 56.6	\$ 48.9

NOTE 20 – OTHER EXPENSE (INCOME)

Other General Expense (Income) - Net

Included in Other general expense (income) - net were the following:

	2023	2022	2021
Provisions for environmental matters - net	\$ 80.7	\$ (7.1)	\$ (4.0)
(Gain) loss on divestiture of businesses (see Note 3)	(20.1)	—	111.9
Loss (gain) on sale or disposition of assets	0.9	(17.8)	(6.1)
Other	5.6	—	—
Total	\$ 67.1	\$ (24.9)	\$ 101.8

Provisions for environmental matters – net represent initial provisions for site-specific estimated costs of environmental investigation or remediation and increases or decreases to environmental-related accruals. These provisions are recorded or adjusted as information becomes available upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. During 2023, provisions for environmental matters - net increased primarily due to new information which impacted the estimate of required remediation at certain Major Sites and other Company locations. See Note 11 for further details on the Company's environmental-related activities.

The loss (gain) on sale or disposition of assets represents the net realized loss (gain) associated with the sale or disposal of property, plant and equipment and intangible assets previously used in the conduct of the primary business of the Company.

Other Expense (Income) - Net

Included in Other expense (income) - net were the following:

	2023	2022	2021
Investment (gains) losses	\$ (22.9)	\$ 9.7	\$ (30.4)
Loss (gain) on extinguishment of debt (see Note 8)	12.8	—	(1.4)
Net expense from banking activities	15.0	12.2	10.3
Foreign currency transaction related losses - net	80.5	33.6	12.0
Miscellaneous pension and benefit (income) expense	(21.1)	4.0	4.4
Other income	(48.5)	(39.6)	(29.0)
Other expense	49.7	27.1	14.6
Total	\$ 65.5	\$ 47.0	\$ (19.5)

Investment (gains) losses primarily relate to the change in market value of the investments held in the deferred compensation plan and qualified replacement plan. See Note 18 for additional information on the fair value of these investments.

Foreign currency transaction related losses - net include the impact from foreign currency transactions, including from highly inflationary economies such as Argentina, and net realized losses from foreign currency option and forward contracts. During 2023, foreign currency transaction related losses - net increased primarily as a result of the significant devaluation of the Argentine Peso in December 2023 as part of economic reforms implemented by the government of Argentina. As a result of these actions in Argentina, the Company incurred a loss of \$ 41.8 million. There were no material foreign currency option and forward contracts outstanding at December 31, 2023, 2022 and 2021.

Miscellaneous pension and benefit (income) expense consists of the non-service components of net periodic pension and benefit cost. See Note 9.

Other income and other expense included items of revenue, gains, expenses and losses that were unrelated to the primary business purpose of the Company. There were no items within other income or other expense that were individually significant at December 31, 2023, 2022 and 2021.

NOTE 21 – INCOME TAXES

Significant components of the provisions for income taxes were as follows:

	2023	2022	2021
Current:			
Federal	\$ 553.4	\$ 505.5	\$ 331.2
Foreign	147.6	90.3	86.5
State and local	109.0	102.0	46.8
Total current	810.0	697.8	464.5
Deferred:			
Federal	(39.9)	(81.7)	(36.5)
Foreign	(51.5)	(47.3)	(40.4)
State and local	2.5	(15.8)	(3.4)
Total deferred	(88.9)	(144.8)	(80.3)
Total provisions for income taxes	\$ 721.1	\$ 553.0	\$ 384.2

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A reconciliation of the statutory federal income tax rate to the effective tax rate follows:

	2023	2022	2021
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Effect of:			
State and local income taxes	3.0	2.8	2.2
Investment vehicles	(0.5)	(0.4)	(0.8)
Employee share-based payments	(1.1)	(1.4)	(4.8)
Research and development credits	(0.4)	(0.6)	(0.6)
Amended returns and refunds	0.2	0.4	0.2
Taxes on non-U.S. earnings	0.8	0.2	(0.4)
Other - net	0.2	(0.5)	0.3
Reported effective tax rate	<u>23.2 %</u>	<u>21.5 %</u>	<u>17.1 %</u>

The increase in the effective tax rate for 2023 compared to 2022 was primarily related to an unfavorable change in the jurisdictional mix of earnings.

Significant components of income before income taxes as used for income tax purposes, were as follows:

	2023	2022	2021
Domestic	\$ 2,817.0	\$ 2,427.6	\$ 2,106.8
Foreign	292.9	145.5	141.8
	<u>\$ 3,109.9</u>	<u>\$ 2,573.1</u>	<u>\$ 2,248.6</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using the enacted tax rates and laws that are currently in effect.

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Deferred tax assets:			
Environmental and other similar items	\$ 72.0	\$ 66.4	\$ 73.2
Employee related and benefit items	162.1	157.1	170.3
Operating lease liabilities	483.2	478.1	463.1
Research and development capitalization	81.5	52.6	
Other items	205.6	204.1	192.0
Total deferred tax assets	<u>1,004.4</u>	<u>958.3</u>	<u>898.6</u>
Deferred tax liabilities:			
Intangible assets and Property, plant, and equipment	1,001.1	973.4	1,053.7
LIFO inventories	115.2	97.3	68.6
Operating lease right-of-use assets	465.6	460.5	448.4
Other items	28.6	31.7	33.3
Total deferred tax liabilities	<u>1,610.5</u>	<u>1,562.9</u>	<u>1,604.0</u>
Net deferred tax liabilities	<u>\$ 606.1</u>	<u>\$ 604.6</u>	<u>\$ 705.4</u>

As of December 31, 2023, the Company's net deferred income tax liability relates primarily to deferred tax liabilities recorded for intangible assets acquired through the Valspar acquisition.

Netted against the Company's other deferred tax assets were valuation allowances of \$ 106.6 million, \$ 97.5 million and \$ 97.2 million at December 31, 2023, 2022 and 2021, respectively. The Company has \$ 14.6 million of domestic net operating loss

carryforwards acquired through acquisitions that have expiration dates through tax year 2037, foreign tax credits of \$ 26.5 million that expire in calendar years 2028 through 2033 and foreign net operating losses of \$ 361.7 million. The foreign net operating losses are related to various jurisdictions that provide for both indefinite carryforward periods and others with carryforward periods that expire between tax years 2023 to 2043.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. The Company finalized the IRS audit for the 2011 and 2013 through 2016 income tax returns and paid the tax assessment for 2013 through 2016 in the fourth quarter. The Company expects to pay the remaining assessment related to tax and interest in 2024. The IRS is currently auditing the Company's 2017, 2018 and 2019 income tax returns. As of December 31, 2023, the U.S. federal statute of limitations has not expired for the 2013 through 2023 tax years.

As of December 31, 2023, the Company is subject to non-U.S. income tax examinations for the tax years of 2014 through 2023. In addition, the Company is subject to state and local income tax examinations for the tax years 1998 through 2023.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2023	2022	2021
Balance at beginning of year	\$ 242.4	\$ 228.5	\$ 227.0
Additions based on tax positions related to the current year	14.2	18.7	14.0
Additions for tax positions of prior years	12.6	10.6	23.1
Reductions for tax positions of prior years	(16.9)	(6.0)	(22.1)
Settlements	(123.2)	(1.7)	(5.6)
Lapses of statutes of limitations	(7.3)	(7.7)	(7.9)
Balance at end of year	<u>\$ 121.8</u>	<u>\$ 242.4</u>	<u>\$ 228.5</u>

The decrease in unrecognized tax benefits was primarily settlements related to federal renewable energy tax credit funds with DC Solar Solutions, Inc. and certain of its affiliates and other adjustments with the IRS in each of the tax years 2011 and 2013 through 2016. There were also additions in unrecognized tax benefits related to the reversal of benefits recognized from certain positions taken on current and prior year income tax returns filed in U.S. federal and various state jurisdictions. These additions were primarily offset by various positions taken on prior year income tax returns filed in U.S. and various foreign jurisdictions that were no longer deemed to be at risk. At December 31, 2023, 2022 and 2021, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$ 109.4 million, \$ 230.3 million and \$ 218.9 million, respectively.

Included in the balance of unrecognized tax benefits at December 31, 2023 is \$ 8.4 million related to tax positions for which it is reasonably possible that the total amounts could significantly change during the next twelve months. This amount represents a decrease in unrecognized tax benefits comprised primarily of items related to federal audits of partnership investments and expiring statutes in federal, foreign and state jurisdictions.

The Company classifies all income tax related interest and penalties as income tax expense. During the year ended December 31, 2023, there was an increase in income tax interest and penalties of \$ 5.9 million. During the years ended December 31, 2022 and 2021, there was a increase (decrease) in income tax interest and penalties of \$ 10.3 million and \$(2.7) million, respectively. The Company accrued \$ 20.4 million, \$ 36.6 million and \$ 26.4 million at December 31, 2023, 2022 and 2021, respectively, for the potential payment of interest and penalties.

NOTE 22 – NET INCOME PER SHARE

Basic and diluted net income per share are calculated using the treasury stock method.

	2023	2022	2021
Basic			
Net income	\$ 2,388.8	\$ 2,020.1	\$ 1,864.4
Weighted average shares outstanding	255.4	258.0	262.5
Basic net income per share	<u>\$ 9.35</u>	<u>\$ 7.83</u>	<u>\$ 7.10</u>
Diluted			
Net income	\$ 2,388.8	\$ 2,020.1	\$ 1,864.4
Weighted average shares outstanding assuming dilution:			
Weighted average shares outstanding	255.4	258.0	262.5
Stock options and other contingently issuable shares ⁽¹⁾	2.9	3.8	4.6
Weighted average shares outstanding assuming dilution	<u>258.3</u>	<u>261.8</u>	<u>267.1</u>
Diluted net income per share	<u>\$ 9.25</u>	<u>\$ 7.72</u>	<u>\$ 6.98</u>

⁽¹⁾ Stock options and other contingently issuable shares excludes 2.8 million, 1.9 million and 0.9 million shares at December 31, 2023, 2022 and 2021, respectively, due to their anti-dilutive effect.

NOTE 23 – REPORTABLE SEGMENT INFORMATION

The Company reports its segment information in the same way that management internally organizes its business for assessing performance and making decisions regarding the allocation of resources in accordance with the Segment Reporting Topic of the ASC. During 2023, the Company realigned its organizational structure to manage the Latin America architectural paint business within the Consumer Brands Group due to the Latin America architectural demand and service models shifting to align more closely with the Consumer Brands Group's strategy. Previously, the Latin America architectural paint business was managed within The Americas Group. As a result of this change, The Americas Group was renamed the Paint Stores Group. All reported segment results have been adjusted retrospectively to reflect this change.

The Company has three reportable operating segments: Paint Stores Group, Consumer Brands Group and Performance Coatings Group (individually, a Reportable Segment and collectively, the Reportable Segments). Factors considered in determining the three Reportable Segments of the Company include the nature of business activities, the management structure directly accountable to the Company's CODM for operating and administrative activities, availability of discrete financial information and information presented to the Board of Directors. The Company reports all other business activities and immaterial operating segments that are not reportable in the Administrative segment.

The Company's CODM has been identified as the Chief Executive Officer because they have the final authority over performance assessment and resource allocation decisions. Because of the diverse operations of the Company, the CODM regularly receives discrete financial information about each Reportable Segment as well as a significant amount of additional financial information about certain divisions, business units or subsidiaries of the Company. The CODM uses all such financial information for performance assessments and resource allocation decisions. The CODM evaluates the performance of and allocates resources to the Reportable Segments based on segment profit or loss and cash generated from operations. The accounting policies of the Reportable Segments are the same as those described in Note 1.

The Paint Stores Group consisted of 4,694 company-operated specialty paint stores in the United States, Canada, and the Caribbean region at December 31, 2023. Each store in this segment is engaged in servicing the needs of architectural and industrial paint contractors and do-it-yourself homeowners. These stores market and sell Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products. The majority of these products are produced by manufacturing facilities in the Consumer Brands Group. In addition, each store sells select purchased associated products. The loss of any single customer would not have a material adverse effect on the business of this segment. During 2023, this segment opened 70 net new stores, consisting of 76 new stores opened and 6 stores closed. In 2022 and 2021, this segment opened 75 and 73 net new stores, respectively. The CODM uses discrete financial information about the Paint Stores Group, supplemented with information by geographic region, product type and customer type, to assess the performance of and allocate resources to the Paint Stores Group as a whole. In accordance with ASC

280-10-50-9, the Paint Stores Group as a whole is considered the operating segment, and because it meets the criteria in ASC 280-10-50-10, it is also considered a Reportable Segment.

The Consumer Brands Group manufactures and supplies a broad portfolio of branded and private-label architectural paint, stains, varnishes, industrial products, wood finishes products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulk and adhesives to retailers, including home centers and hardware stores, dedicated dealers and distributors throughout North America, Latin America and Europe. During 2023, the Company divested a non-core domestic aerosol business and the China architectural business, both part of the Consumer Brands Group (see Note 3). In 2022, the Consumer Brands Group had a \$ 15.5 million pre-tax loss for trademark impairments related to the Restructuring Plan (see Note 7). Sales and marketing of certain controlled brand and private-label products is performed by a direct sales staff. The products distributed through third-party customers are intended for resale to the ultimate end-user of the product. The Consumer Brands Group also consisted of 318 company-operated specialty paint stores in Latin America at December 31, 2023. Each store in this segment is engaged in servicing the needs of home, commercial and industrial projects to contractors and do-it-yourself customers in Latin America. These stores market and sell Sherwin-Williams® and other controlled brand architectural paint and coatings, protective and marine products, OEM product finishes and related products which are branded for the Latin America market. In addition, each store sells select purchased associated products. The Consumer Brands Group had sales to certain customers that, individually, may be a significant portion of the sales and related profitability of the segment. During 2023, the segment opened 11 net new stores, consisting of 17 stores opened and 6 stores closed. In 2022 and 2021, this segment (closed) opened (3) and 12 net new stores, respectively.

The Consumer Brands Group also supports the Company's other businesses around the world with new product research and development, manufacturing, distribution and logistics. Approximately 61 % of the total sales of the Consumer Brands Group in 2023 were intersegment transfers of products primarily sold through the Paint Stores Group. This segment incurred most of the Company's capital expenditures related to ongoing environmental compliance measures, manufacturing capacity expansion, operational efficiencies and maintenance projects at sites currently in operation. The CODM uses discrete financial information about the Consumer Brands Group, supplemented with information by geographic region, product type and customer type, to assess the performance of and allocate resources to the Consumer Brands Group as a whole. In accordance with ASC 280-10-50-9, the Consumer Brands Group as a whole is considered the operating segment, and because it meets the criteria in ASC 280-10-50-10, it is also considered a Reportable Segment.

The Performance Coatings Group develops and sells industrial coatings for wood finishing and general industrial (metal and plastic) applications, automotive refinish, protective and marine coatings, coil coatings, packaging coatings and performance-based resins and colorants worldwide. This segment licenses certain technology and trade names worldwide, including Sherwin-Williams® and other controlled brand products which are distributed through the Paint Stores Group, this segment's 322 company-operated branches and by a direct sales staff and outside sales representatives to retailers, dealers, jobbers, licensees and other third-party distributors. The Performance Coatings Group had sales to certain customers that, individually, may be a significant portion of the sales of the segment. However, the loss of any single customer would not have a material adverse effect on the overall profitability of the segment. During 2023, the segment added 5 net new branches, consisting of 8 opened or acquired branches and 3 branches closed. The CODM uses discrete financial information about the Performance Coatings Group, supplemented with information about geographic divisions, business units and subsidiaries, to assess the performance of and allocate resources to the Performance Coatings Group as a whole. In accordance with ASC 280-10-50-9, the Performance Coatings Group as a whole is considered the operating segment, and because it meets the criteria in ASC 280-10-50-10, it is also considered a Reportable Segment.

The Administrative segment includes the administrative expenses of the Company's corporate headquarters site and the operations of a real estate management unit that is responsible for the ownership, management and leasing of non-retail properties held primarily for use by the Company, including the Company's current global headquarters, and disposal of idle facilities. Also included in the Administrative segment was interest expense, interest and investment income, certain expenses related to closed facilities and environmental-related matters, and other expenses that were not directly associated with the Reportable Segments. The Administrative segment included a \$ 20.1 million pre-tax gain on the divestiture of a non-core domestic aerosol business and a \$ 27.1 million pre-tax loss for the impairment of assets related to the divestiture of China architectural business in 2023 and a \$ 111.9 million pre-tax loss on the Wattyl divestiture in 2021. See Notes 3, 4 and 20 for additional information. Sales of this segment represented external leasing revenue. The Administrative segment did not include any significant foreign operations. Gains and losses from the sale of property were not a significant operating factor in determining the performance of the Administrative segment.

Net external sales of all consolidated foreign subsidiaries were \$ 4.428 billion, \$ 4.294 billion and \$ 4.223 billion for 2023, 2022 and 2021, respectively.

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Long-lived assets consisted of Property, plant and equipment, net, Goodwill, Intangible assets, net, Operating lease right-of-use assets, deferred pension assets and Other assets. The aggregate total of long-lived assets for the Company was \$ 17.441 billion, \$ 16.686 billion and \$ 15.613 billion at December 31, 2023, 2022 and 2021, respectively. Long-lived assets of consolidated foreign subsidiaries totaled \$ 3.586 billion, \$ 3.369 billion and \$ 2.785 billion at December 31, 2023, 2022 and 2021, respectively.

Total Assets of the Company were \$ 22.954 billion, \$ 22.594 billion and \$ 20.667 billion at December 31, 2023, 2022 and 2021, respectively. Total assets of consolidated foreign subsidiaries were \$ 5.718 billion, \$ 5.337 billion and \$ 4.653 billion, which represented 24.9 %, 23.6 % and 22.5 % of the Company's total assets at December 31, 2023, 2022 and 2021, respectively.

No single geographic area outside the United States was significant relative to consolidated Net sales or consolidated long-lived assets. Export sales and sales to any individual customer were each less than 10 percent of consolidated sales to unaffiliated customers during all years presented.

In the reportable segment financial information that follows, Segment profit represents each segment's Income before income taxes. Due to the nature of the Company's integrated manufacturing operations and centralized administrative and information technology support, a substantial amount of allocations are made to determine segment financial information. Domestic intersegment transfers are primarily accounted for at the approximate fully absorbed manufactured cost, based on normal capacity volumes, plus customary distribution costs for paint products. Non-paint domestic and all international intersegment transfers are primarily accounted for at values comparable to normal unaffiliated customer sales. All intersegment transfers are eliminated within the Administrative segment. In 2023, the absorbed manufactured cost standards utilized for domestic intersegment transfers were established inclusive of forecasted cost reductions from planned initiatives. Deviations from the forecasted cost reductions were recognized within the Consumer Brands Group. Identifiable assets were those directly identified with each Reportable Segment. The Administrative segment assets consisted primarily of cash and cash equivalents, investments, deferred pension assets and property, plant and equipment related to the new global headquarters currently under construction. The segment results in the tables below reflect the segment change described above.

	2023				
	Performance				Consolidated
	Paint Stores Group	Consumer Brands Group	Coatings Group	Administrative	Totals
Net sales	\$ 12,839.5	\$ 3,365.6	\$ 6,843.1	\$ 3.7	\$ 23,051.9
Intersegment transfers		5,234.0	197.8	(5,431.8)	—
Total net sales and intersegment transfers	\$ 12,839.5	\$ 8,599.6	\$ 7,040.9	\$ (5,428.1)	\$ 23,051.9
Segment profit	\$ 2,860.8	\$ 309.3	\$ 991.6		\$ 4,161.7
Interest expense				\$ (417.5)	(417.5)
Administrative expenses and other				(634.3)	(634.3)
Income before income taxes	\$ 2,860.8	\$ 309.3	\$ 991.6	\$ (1,051.8)	\$ 3,109.9
% to net sales	22.3 %	9.2 %	14.5 %		13.5 %
Identifiable assets	\$ 5,745.3	\$ 6,631.8	\$ 8,266.6	\$ 2,310.7	\$ 22,954.4
Capital expenditures	111.4	309.6	32.6	434.8	888.4
Depreciation	79.0	151.4	26.0	35.9	292.3
Amortization	3.3	72.4	253.0	1.5	330.2

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2022						
	Performance			Consolidated		
	Paint Stores Group	Consumer Brands Group	Coatings Group	Administrative	Totals	
Net sales	\$ 11,963.3	\$ 3,388.4	\$ 6,793.5	\$ 3.7	\$ 22,148.9	
Intersegment transfers		5,214.8	203.7	(5,418.5)		—
Total net sales and intersegment transfers	\$ 11,963.3	\$ 8,603.2	\$ 6,997.2	\$ (5,414.8)	\$ 22,148.9	
Segment profit	\$ 2,348.1	\$ 314.2	\$ 734.9		\$ 3,397.2	
Interest expense				\$ (390.8)		(390.8)
Administrative expenses and other				(433.3)		(433.3)
Income before income taxes	\$ 2,348.1	\$ 314.2	\$ 734.9	\$ (824.1)	\$ 2,573.1	
% to net sales	19.6 %	9.3 %	10.8 %			11.6 %
Identifiable assets	\$ 5,873.6	\$ 6,749.6	\$ 8,296.8	\$ 1,674.0	\$ 22,594.0	
Capital expenditures	87.3	295.0	38.7	223.5		644.5
Depreciation	73.9	126.2	29.1	34.8		264.0
Amortization	3.3	79.8	232.0	2.0		317.1
2021						
	Performance			Consolidated		
	Paint Stores Group	Consumer Brands Group	Coatings Group	Administrative	Totals	
Net sales	\$ 10,616.2	\$ 3,322.4	\$ 6,003.8	\$ 2.2	\$ 19,944.6	
Intersegment transfers		4,183.6	149.7	(4,333.3)		—
Total net sales and intersegment transfers	\$ 10,616.2	\$ 7,506.0	\$ 6,153.5	\$ (4,331.1)	\$ 19,944.6	
Segment profit	\$ 2,182.2	\$ 415.3	\$ 486.2		\$ 3,083.7	
Interest expense				\$ (334.7)		(334.7)
Administrative expenses and other				(500.4)		(500.4)
Income before income taxes	\$ 2,182.2	\$ 415.3	\$ 486.2	\$ (835.1)	\$ 2,248.6	
% to net sales	20.6 %	12.5 %	8.1 %			11.3 %
Identifiable assets	\$ 5,501.3	\$ 5,287.7	\$ 8,388.6	\$ 1,489.1	\$ 20,666.7	
Capital expenditures	77.6	125.5	90.8	78.1		372.0
Depreciation	71.3	88.8	66.2	36.8		263.1
Amortization	3.5	83.9	218.9	3.2		309.5

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our President and Chief Executive Officer and our Senior Vice President – Finance and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended (Exchange Act). Based upon that evaluation, our President and Chief Executive Officer and our Senior Vice President – Finance and Chief Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and accumulated and communicated to our management, including our President and Chief Executive Officer and our Senior Vice President – Finance and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The “Report of Management on Internal Control over Financial Reporting” and the “Report of the Independent Registered Public Accounting Firm on Internal Control over Financial Reporting” are set forth in Item 8.

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

ITEM 9B. OTHER INFORMATION

Trading Arrangements

During the quarter ended December 31, 2023, none of the Company’s directors or “officers,” as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The information regarding our directors and director nominees is set forth in our Proxy Statement under the caption "Proposal 1 – Election of 11 Directors" and is incorporated herein by reference.

There have been no material changes to the procedures by which security holders may recommend nominees to our Board of Directors. Please refer to the information set forth in our Proxy Statement under the caption "Board Committees," which is incorporated herein by reference.

Executive Officers

The information regarding our executive officers is set forth under the caption "Information About Our Executive Officers" in Part I of this report, which is incorporated herein by reference.

Section 16(a) Beneficial Ownership Reporting Compliance

To the extent disclosure of any delinquent form under Section 16(a) of the Securities Exchange Act of 1934 is made by the Company, such disclosure will be set forth in our Proxy Statement under the caption "Delinquent Section 16(a) Reports" and is incorporated herein by reference.

Audit Committee

The information regarding the Audit Committee of our Board of Directors and audit committee financial experts is set forth in our Proxy Statement under the caption "Board Committees" and is incorporated herein by reference.

Code of Ethics

We have adopted a Code of Conduct, which applies to all directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions, of Sherwin-Williams and our subsidiaries wherever located. Our Code of Conduct contains the general guidelines and principles for conducting Sherwin-Williams' business consistent with the highest standards of business ethics.

We have also adopted a Code of Ethics for Senior Financial Management, pursuant to which our chief executive officer, chief financial officer and senior financial management are responsible for creating and maintaining a culture of high ethical standards and of commitment to compliance throughout our Company to ensure the fair and timely reporting of Sherwin-Williams' financial results and condition. Senior financial management includes the controller, the treasurer, the principal financial/accounting personnel in our operating groups and divisions, and all other financial/accounting personnel within our corporate departments and operating groups and divisions with staff supervision responsibilities.

Our Code of Conduct and Code of Ethics for Senior Financial Management are available on our Investor Relations website, investors.sherwin.com.

We intend to disclose on our Investor Relations website, investors.sherwin.com, any amendment to, or waiver from, a provision of our Code of Conduct or Code of Ethics for Senior Financial Management that applies to our directors and executive officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, or any persons performing similar functions, and that is required to be publicly disclosed pursuant to the rules of the SEC.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is set forth in our Proxy Statement under the captions "2023 Director Compensation Table," "Director Compensation Program," "Executive Compensation," "Executive Compensation Tables" and "2023 CEO Pay Ratio" and is incorporated herein by reference (other than the Compensation Committee Report, which will be deemed furnished).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information regarding security ownership of certain beneficial owners and management is set forth in our Proxy Statement under the captions "Security Ownership of Management, Directors and Director Nominees" and "Security Ownership of Certain Beneficial Owners" and is incorporated herein by reference.

The information regarding securities authorized for issuance under the Company's equity compensation plans is set forth in our Proxy Statement under the caption "Equity Compensation Plan Information" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is set forth in our Proxy Statement under the captions "Certain Relationships and Transactions with Related Persons" and "Director Independence" and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is set forth in our Proxy Statement under the caption "Matters Relating to the Independent Registered Public Accounting Firm" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

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Statements of Consolidated Comprehensive Income	49
Consolidated Balance Sheets	50
Statements of Consolidated Cash Flows	51
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(2) Financial Statement Schedule

Schedule II — Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2023, 2022 and 2021 is set forth below. All other schedules for which provision is made in the applicable SEC accounting regulations are not required under the related instructions or are inapplicable and therefore have been omitted.

Valuation and Qualifying Accounts and Reserves (Schedule II)

Changes in deferred tax asset valuation allowances were as follows:

<i>(millions of dollars)</i>	2023	2022	2021
Beginning balance	\$ 97.5	\$ 97.2	\$ 104.6
Additions (deductions) ⁽¹⁾	9.1	0.3	(7.4)
Ending balance	\$ 106.6	\$ 97.5	\$ 97.2

⁽¹⁾ Additions (deductions) did not have a material impact on the Income Statement in 2023, 2022 or 2021.

(3) Exhibits

3.
 - (a) [Amended and Restated Articles of Incorporation of the Company, as amended through February 18, 2015, filed as Exhibit 3 to the Company's Current Report on Form 8-K dated February 18, 2015, and incorporated herein by reference.](#)
 - (b) [Amendment to the Amended and Restated Articles of Incorporation of the Company, as amended through February 18, 2015, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 3, 2021, and incorporated herein by reference.](#)
 - (c) [Regulations of the Company \(As Amended and Restated July 19, 2023\), filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated July 18, 2023, and incorporated herein by reference.](#)
4.
 - (a) [Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934 filed as Exhibit 4\(a\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and incorporated herein by reference.](#)
 - (b) [Indenture between the Company and The Bank of New York Mellon \(as successor to Chemical Bank\), as trustee, dated as of February 1, 1996, filed as Exhibit 4\(a\) to Form S-3 Registration Statement Number 333-01093 dated February 20, 1996, and incorporated herein by reference.](#)
 - (c) [Third Supplemental Indenture by and between the Company and The Bank of New York Mellon, as trustee \(including Form of Note\), dated as of December 7, 2012, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 4, 2012, and incorporated herein by reference.](#)
 - (d) [Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated July 31, 2015, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 28, 2015, and incorporated herein by reference.](#)
 - (e) [First Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated July 31, 2015, \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated July 28, 2015, and incorporated herein by reference.](#)
 - (f) [Second Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated July 31, 2015, \(including Form of Note\), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated July 28, 2015, and incorporated herein by reference.](#)
 - (g) [Fifth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated May 16, 2017 \(including Form of Note\), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated May 16, 2017, and incorporated herein by reference.](#)
 - (h) [Sixth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated May 16, 2017 \(including Form of Note\), filed as Exhibit 4.4 to the Company's Current Report on Form 8-K dated May 16, 2017, and incorporated herein by reference.](#)
 - (i) [Seventh Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated May 16, 2017 \(including Form of Note\), filed as Exhibit 4.5 to the Company's Current Report on Form 8-K dated May 16, 2017, and incorporated herein by reference.](#)
 - (j) [Tenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated June 2, 2017 \(including Form of Note\), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated June 2, 2017, and incorporated herein by reference.](#)
 - (k) [Eleventh Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated June 2, 2017 \(including Form of Note\), filed as Exhibit 4.4 to the Company's Current Report on Form 8-K dated June 2, 2017, and incorporated herein by reference.](#)
 - (l) [Twelfth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated June 2, 2017 \(including Form of Note\), filed as Exhibit 4.5 to the Company's Current Report on Form 8-K dated June 2, 2017, and incorporated herein by reference.](#)
 - (m) [Thirteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated August 26, 2019 \(including Form of Note\), filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 26, 2019, and incorporated herein by reference.](#)
 - (n) [Fourteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated August 26, 2019 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 26, 2019, and incorporated herein by reference.](#)
 - (o) [Fifteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated March 17, 2020 \(including Form of Note\), filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 17, 2020, and incorporated herein by reference.](#)

- (p) [Sixteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated March 17, 2020 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 17, 2020, and incorporated herein by reference.](#)
- (q) [Seventeenth Supplemental Indenture by and between the Company and U.S. Bank National Association, as trustee, dated November 10, 2021 \(including Form of Note\), filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 10, 2021, and incorporated herein by reference.](#)
- (r) [Eighteenth Supplemental Indenture by and between the Company and U.S. Bank National Association, as Trustee, dated November 10, 2021 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 10, 2021, and incorporated herein by reference.](#)
- (s) [Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated August 10, 2022, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 10, 2022, and incorporated herein by reference.](#)
- (t) [First Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated August 10, 2022 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 10, 2022, and incorporated herein by reference.](#)
- (u) [Second Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated August 10, 2022 \(including Form of Note\), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated August 10, 2022, and incorporated herein by reference.](#)
- (v) [Credit Agreement, dated as of August 30, 2022, by and among the Company, Sherwin-Williams Canada Inc. and Sherwin-Williams Luxembourg S.à r.l., as borrowers, the lenders party thereto, the issuing lenders party thereto and Citibank, N.A., as administrative agent, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 31, 2022, and incorporated herein by reference.](#)
- (w) [Credit Agreement, dated as of May 9, 2016, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 9, 2016, and incorporated herein by reference.](#)
- (x) [Agreement for Letter of Credit, dated as of May 9, 2016, by and between the Company and Citibank, N.A. filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 9, 2016, and incorporated herein by reference.](#)
- (y) [Amendment No. 1 to the Credit Agreement, dated as of May 12, 2016, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 12, 2016, and incorporated herein by reference.](#)
- (z) [Amendment No. 2 to the Credit Agreement, dated as of June 20, 2016, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 20, 2016, and incorporated herein by reference.](#)
- (aa) [Amendment No. 3 to the Credit Agreement, dated as of August 1, 2016, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 1, 2016, and incorporated herein by reference.](#)
- (bb) [Amendment No. 4 to the Credit Agreement, dated as of January 31, 2017, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated January 31, 2017, and incorporated herein by reference.](#)
- (cc) [Amendment No. 5 to the Credit Agreement, dated as of February 13, 2017, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 13, 2017, and incorporated herein by reference.](#)
- (dd) [Amendment No. 6 to the Credit Agreement, dated as of February 27, 2017, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 27, 2017, and incorporated herein by reference.](#)
- (ee) [Amendment No. 7 to the Credit Agreement, dated as of May 8, 2017, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 8, 2017, and incorporated herein by reference.](#)

- (ff) [Amendment No. 8 to the Credit Agreement, dated as of May 11, 2017, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 11, 2017, and incorporated herein by reference.](#)
- (gg) [Amendment No. 9 to the Credit Agreement, dated as of February 27, 2018, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 27, 2018, and incorporated herein by reference.](#)
- (hh) [Amendment No. 10 to the Credit Agreement, dated as of July 26, 2018, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 26, 2018, and incorporated herein by reference.](#)
- (ii) [Amendment No. 11 to the Credit Agreement, dated as of September 14, 2020, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 14, 2020, and incorporated herein by reference.](#)
- (jj) [Amendment No. 12 to the Credit Agreement, dated as of November 9, 2020, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 9, 2020, and incorporated herein by reference.](#)
- (kk) [Amendment No. 13 to the Credit Agreement, dated as of December 7, 2020, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 7, 2020, and incorporated herein by reference.](#)
- (ll) [Amendment No. 14 to the Credit Agreement, dated as of February 16, 2021, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 16, 2021, and incorporated herein by reference.](#)
- (mm) [Amendment No. 15 to the Credit Agreement, dated as of May 3, 2021, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 3, 2021, and incorporated herein by reference.](#)
- (nn) [Amendment No. 16 to the Credit Agreement, dated as of May 23, 2022, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 23, 2022, and incorporated herein by reference.](#)
- (oo) [Amendment No. 17 to the Credit Agreement, dated as of October 31, 2022, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 31, 2022, and incorporated herein by reference.](#)
- (pp) [Amendment No. 18 to the Credit Agreement, dated as of November 28, 2022, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 28, 2022, and incorporated herein by reference.](#)
- (qq) [Amendment No. 19 to the Credit Agreement, dated as of May 1, 2023, by and among the Company, Citicorp USA, Inc., as administrative agent and issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 1, 2023, and incorporated herein by reference.](#)
- (rr) [Amendment No. 1 to the Agreement for Letter of Credit, dated as of July 26, 2018, by and between the Company and Citibank, N.A., filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, and incorporated herein by reference.](#)
- (ss) [Amended and Restated Credit Agreement, dated as of August 2, 2021, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 2, 2021, and incorporated herein by reference.](#)

(tt) [Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of August 6, 2021, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 6, 2021, and incorporated herein by reference.](#)

(uu) [Amendment No. 2 to the Amended and Restated Credit Agreement, dated as of November 18, 2021, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 18, 2021, and incorporated herein by reference.](#)

(vv) [Amendment No. 3 to the Amended and Restated Credit Agreement, dated as of November 30, 2021, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 30, 2021, and incorporated herein by reference.](#)

(ww) [Amendment No. 4 to the Amended and Restated Credit Agreement, dated as of August 15, 2022, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 15, 2022, and incorporated herein by reference.](#)

(xx) [Amendment No. 5 to the Amended and Restated Credit Agreement, dated as of August 26, 2022, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 26, 2022, and incorporated herein by reference.](#)

(yy) [Amendment No. 6 to the Amended and Restated Credit Agreement, dated as of September 8, 2022, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 8, 2022, and incorporated herein by reference.](#)

(zz) [Amendment No. 7 to the Amended and Restated Credit Agreement, dated as of September 14, 2022, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 14, 2022, and incorporated herein by reference.](#)

(aaa) [Amendment No. 8 to the Amended and Restated Credit Agreement, dated as of February 28, 2023, by and among the Company, Goldman Sachs Bank USA, as administrative agent, Goldman Sachs Mortgage Company, as issuing bank, and the lenders party thereto, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 28, 2023, and incorporated herein by reference.](#)

10. [**\(a\) Forms of Amended and Restated Severance Agreements \(filed herewith\).](#)

[**\(b\) Schedule of Executive Officers who are Parties to the Amended and Restated Severance Agreements in the forms referred to in Exhibit 10\(a\) above \(filed herewith\).](#)

[**\(c\) Form of Director, Executive Officer and Corporate Officer Indemnity Agreement \(filed herewith\).](#)

[**\(d\) Amended and Restated Aircraft Time Sharing Agreement between the Company and John G. Morikis, dated October 1, 2019, filed as Exhibit 10\(c\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and incorporated herein by reference.](#)

[**\(e\) Aircraft Time Sharing Agreement between the Company and Heidi G. Petz, dated January 2, 2024 \(filed herewith\).](#)

[**\(f\) The Sherwin-Williams Company 2005 Deferred Compensation Savings and Pension Equalization Plan \(Amended and Restated Effective as of January 1, 2016\) filed as Exhibit 10\(e\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and incorporated herein by reference.](#)

[**\(g\) The Sherwin-Williams Company 2005 Key Management Deferred Compensation Plan \(Amended and Restated Effective as of October 13, 2023\) \(filed herewith\).](#)

[**\(h\) The Sherwin-Williams Company 2005 Director Deferred Fee Plan \(Amended and Restated Effective as of March 1, 2023\) filed as Exhibit 10\(a\) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, and incorporated herein by reference.](#)

[**\(i\) The Sherwin-Williams Company Executive Disability Income Plan filed as Exhibit 10\(g\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991 \(SEC File Number 001-04851\), and incorporated herein by reference.](#)

- **(j) [Amendment Number One to The Sherwin-Williams Company Executive Disability Income Plan filed as Exhibit 10\(l\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and incorporated herein by reference.](#)
- **(k) [Summary of The Sherwin-Williams Company Revised Executive Disability Plan filed as Exhibit 10\(o\) to the Company 's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and incorporated herein by reference.](#)
- **(l) [The Sherwin-Williams Company 2008 Amended and Restated Executive Life Insurance Plan filed as Exhibit 10\(m\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and incorporated herein by reference.](#)
- **(m) [The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan \(Amended and Restated as of October 13, 2023\) \(filed herewith\).](#)
- **(n) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(z\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and incorporated herein by reference.](#)
- **(o) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(x\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and incorporated herein by reference.](#)
- **(p) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, and incorporated herein by reference.](#)
- **(q) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(p\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and incorporated herein by reference.](#)
- **(r) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(x\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and incorporated herein by reference.](#)
- **(s) [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan \(filed herewith\).](#)
- **(t) [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(aa\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and incorporated herein by reference.](#)
- **(u) [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(w\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and incorporated herein by reference.](#)
- **(v) [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan filed as Exhibit 10\(x\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and incorporated herein by reference.](#)
- **(w) [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan \(filed herewith\).](#)
- **(x) [The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors \(Amended and Restated as of April 20, 2016\) filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, and incorporated herein by reference.](#)
- **(y) [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors filed as Exhibit 10\(gg\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and incorporated herein by reference.](#)
- **(z) [The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan \(Amended and Restated as of October 13, 2023\) \(filed herewith\).](#)
- **(aa) [The Sherwin-Williams Company Key Employee Separation Plan as Amended and Restated Effective October 13, 2023 \(filed herewith\).](#)

21. [Subsidiaries \(filed herewith\).](#)

23. [Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm \(filed herewith\).](#)

24. (a) [Powers of Attorney \(filed herewith\).](#)

- (b) [Certified Resolution Authorizing Signature by Power of Attorney \(filed herewith\).](#)
- 31. (a) [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Executive Officer \(filed herewith\).](#)
(b) [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Financial Officer \(filed herewith\).](#)
- 32. (a) [Section 1350 Certification of Chief Executive Officer \(furnished herewith\).](#)
(b) [Section 1350 Certification of Chief Financial Officer \(furnished herewith\).](#)
- 97. [The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy, Effective October 10, 2023 \(filed herewith\).](#)
- 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 this Annual Report on Form 10-K for the fiscal year ended December 31, 2023, formatted in Inline XBRL and contained in Exhibit 101.

* Certain exhibits and schedules have been omitted in accordance with Item 601(a)(5) of Regulation S-K and the Company agrees to furnish supplementally to the SEC a copy of any omitted exhibits and schedules upon request.

** Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 20, 2024.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2024.

THE SHERWIN-WILLIAMS COMPANY

By: /S/ MARY L. GARCEAU
Mary L. Garceau, Secretary

* HEIDI G. PETZ	President and Chief Executive Officer, Director (Principal Executive Officer)
Heidi G. Petz	
* JOHN G. MORIKIS	Executive Chairman, Director
John G. Morikis	
* ALLEN J. MISTYSYN	Senior Vice President – Finance and Chief Financial Officer (Principal Financial Officer)
Allen J. Mistysyn	
* JANE M. CRONIN	Senior Vice President – Enterprise Finance (Principal Accounting Officer)
Jane M. Cronin	
* KERRII B. ANDERSON	Director
Kerrii B. Anderson	
* ARTHUR F. ANTON	Director
Arthur F. Anton	
* JEFF M. FETTIG	Director
Jeff M. Fettig	
* CHRISTINE A. POON	Director
Christine A. Poon	
* AARON M. POWELL	Director
Aaron M. Powell	
* MARTA R. STEWART	Director
Marta R. Stewart	
* MICHAEL H. THAMAN	Director
Michael H. Thaman	
* MATTHEW THORNTON III	Director
Matthew Thornton III	
* THOMAS L. WILLIAMS	Director
Thomas L. Williams	

* The undersigned, by signing her name hereto, does sign this report on behalf of the designated officers and directors of the Company pursuant to powers of attorney executed on behalf of each such officer and director and filed as an exhibit to this report.

By: /S/ MARY L. GARCEAU
Mary L. Garceau, Attorney-in-fact

February 20, 2024

THE SHERWIN-WILLIAMS COMPANY
FORM A - AMENDED AND RESTATED SEVERANCE AGREEMENT
(2.99 Times Base Pay Amount)

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of _____, _____ (the "Effective Date"), is made and entered into by and between **THE SHERWIN-WILLIAMS COMPANY**, an Ohio corporation ("Company"), and _____ ("Executive").

RECITALS:

- A. Executive is a senior executive of Company or one or more of its Subsidiaries (as defined below) and has made and is expected to continue to make major contributions to the short- and long-term profitability, growth and financial strength of Company.
- B. Company recognizes that the possibility of a Change of Control (as defined below) exists and that such possibility, and the uncertainty it may create among management, may result in the distraction or departure of management personnel, to the detriment of Company and its stockholders.
- C. Company desires to assure itself of both present and future continuity of management and desires to establish certain minimum severance benefits for certain of its senior executives, including Executive, applicable in the event of a Change of Control.
- D. Company wishes to ensure that its senior executives are not unduly distracted by the circumstances attendant to the possibility of a Change of Control and to encourage the continued attention and dedication of such executives, including Executive, to their assigned duties with Company.
- E. Company desires to provide additional inducement for Executive to continue to remain in the employ of Company.

NOW, THEREFORE, Company and Executive agree as follows:

1. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

- (a) "Base Pay" means Executive's annual base salary rate as in effect from time to time.
- (b) "Board" means the Board of Directors of Company.
- (c) "Cause" means that, prior to any termination pursuant to Section 3(a)(iii), Executive shall have:

- (i) been convicted of a criminal violation involving, in each case, fraud, embezzlement or theft in connection with Executive's duties or in the course of Executive's employment with Company or any Subsidiary;
- (ii) committed intentional wrongful damage to property of Company or any Subsidiary; or
- (iii) committed intentional wrongful disclosure of secret processes or confidential information of Company or any Subsidiary;

and any such act shall have been demonstrably and materially harmful to Company. For purposes of this Agreement, no act or failure to act on the part of Executive will be deemed "intentional" if it was due primarily to an error in judgment or negligence, but will be deemed "intentional" only if done or omitted to be done by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of Company. Notwithstanding the foregoing, Executive will not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board then in office (excluding Executive if Executive is then a member of the Board) at a meeting of the Board called and held for such purpose, after reasonable notice to Executive and an opportunity for Executive, together with Executive's counsel (if Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, Executive had committed an act constituting "Cause" as herein defined and specifying the particulars thereof in reasonable detail. Nothing herein will limit the right of Executive or Executive's beneficiaries to contest the validity or propriety of any such determination.

(d) "Change of Control" means the occurrence during the Term of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of Company; provided, however, that:

(1) for purposes of this Section 1(d)(i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from Company that is approved by a majority of the Incumbent Directors, (B) any acquisition of Voting Stock by Company or any Subsidiary, (C) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by Company or any Subsidiary, and (D) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii) below;

(2) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (A) of Section 1(d)(i)(1) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are

treated equally, such subsequent acquisition shall be treated as a Change of Control;

(3) a Change of Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally; and

(4) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Board a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change of Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns Company or all or substantially all of Company's assets either directly or through one or more subsidiaries), (B) no Person (other than Company, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) the consummation of the complete liquidation or dissolution of Company, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii).

(v) For purposes of this Section 1(d), the term "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director initially elected or nominated as a director as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies by or on behalf of such director,

including any director nominated or elected to the Board pursuant to any proxy access procedures included in Company's organizational documents) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

- (e) "Code" means the Internal Revenue Code of 1986, as amended.
- (f) "Common Shares" means shares of common stock, par value \$0.33-1/3 per share, of Company.
- (g) "Employee Benefits" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which Executive is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change of Control.
- (h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.
- (i) "Good Reason" means the occurrence of one or more of the following events:
 - (i) Failure to elect or reelect or otherwise to maintain Executive in the office or the position, or a substantially equivalent or better office or position, of or with Company and/or a Subsidiary (or any successor thereto by operation of law or otherwise), as the case may be, which Executive held immediately prior to a Change of Control, or the removal of Executive as a Director of Company and/or a Subsidiary (or any successor thereto) if Executive shall have been a Director of Company and/or a Subsidiary immediately prior to the Change of Control;
 - (ii) Failure of Company to remedy any of the following within 10 calendar days after receipt by Company of written notice thereof from Executive: (A) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with Company and any Subsidiary which Executive held immediately prior to the Change of Control, (B) a reduction in Executive's Base Pay received from Company and any Subsidiary, (C) a reduction in Executive's Incentive Pay opportunity as compared with the Incentive Pay opportunity most recently paid prior to the Change of Control, or (D) the termination or denial of Executive's rights to Employee Benefits or a reduction in the scope or value thereof;
 - (iii) The liquidation, dissolution, merger, consolidation or reorganization of Company or the transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been

transferred (by operation of law or otherwise) assumed all duties and obligations of Company under this Agreement pursuant to Section 10(a);

(iv) Company requires Executive to have Executive's principal location of work changed to any location that is in excess of 30 miles from the location thereof immediately prior to the Change of Control, or requires Executive to travel away from Executive's office in the course of discharging Executive's responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three full years immediately prior to the Change of Control without, in either case, Executive's prior written consent; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by Company or any successor thereto.

(j) "Incentive Pay" means an annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of Company or a Subsidiary, or any successor thereto. "Incentive Pay" does not include any stock option, stock appreciation, stock purchase, restricted stock, private equity, long-term incentive or similar plan, program, arrangement or grant, whether or not provided under a plan, program or arrangement described in the preceding sentence.

(k) "Severance Period" means the period of time commencing on the date of the first occurrence of a Change of Control and continuing until the earlier of (i) the second anniversary of the occurrence of the Change of Control, or (ii) Executive's death;

(l) "Subsidiary" means a corporation, company or other entity (i) at least 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but at least 50% of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

(m) "Term" means the period commencing as of the Effective Date and expiring on the close of business on December 31, ____; provided, however, that (i) commencing on January 1, ____ and each January 1 thereafter, the term of this Agreement will automatically be extended for an additional year unless, not later than September 30 of the immediately preceding year, Company or Executive shall have given notice that Company or Executive, as the case may be, does not wish to have the Term extended; and (ii) if a Change of Control occurs during the Term, the Term will expire on the last day of the Severance Period. For purposes of this Section 1(m), the Executive shall not be deemed to have ceased to be an employee of Company and any Subsidiary by reason of the transfer of the Executive's employment between Company and any Subsidiary, or among any Subsidiaries.

(n) "Termination Date" means the date on which Executive's employment is terminated (the effective date of which will be the date of termination, or such other date that may be specified by Executive if the termination is pursuant to Section 3(b)).

(o) "Voting Stock" means the voting securities of Company which have the right to vote on the election of members of the Board.

2. Operation of Agreement. This Agreement will be effective and binding immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, except as provided in Section 3(c), this Agreement will not be operative unless and until a Change of Control occurs. Upon the

occurrence of a Change of Control at any time during the Term, without further action, this Agreement will become immediately operative.

3. Termination Following a Change of Control

(a) In the event of the occurrence of a Change of Control, Executive's employment may be terminated by Company or a Subsidiary during the Severance Period (or pursuant to Section 3(c)) and Executive will be entitled to the benefits provided by Section 4 unless such termination is the result of the occurrence of one or more of the following events:

(i) Executive's death;

(ii) If Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, Executive immediately prior to the Change of Control; or

(iii) Cause.

If, during the Severance Period, Executive's employment is terminated by Company or any Subsidiary other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), Executive will be entitled to the benefits provided by Section 4.

(b) In the event of the occurrence of a Change of Control, Executive may terminate employment with Company and any Subsidiary during the Severance Period for Good Reason with the right to severance compensation as provided in Section 4 regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment.

(c) Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and not more than 90 days prior to the date on which the Change of Control occurs, Executive's employment with Company is terminated by Company, such termination of employment will be deemed to be a termination of employment immediately after a Change of Control for purposes of determining whether Executive is entitled to benefits under this Agreement if Executive has reasonably demonstrated that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control, or (ii) otherwise arose in connection with or in anticipation of a Change of Control.

(d) A termination of employment pursuant to Section 3(a), 3(b) or 3(c) will not affect any rights that Executive may have pursuant to any agreement, policy, plan, program or arrangement of Company or Subsidiary providing Employee Benefits, which rights will be governed by the terms thereof. Notwithstanding the foregoing, any severance benefits received by Executive pursuant to Section 4 of this Agreement shall be in lieu of any severance benefits to which Executive would otherwise be entitled under any severance plan, including, without limitation, The Sherwin-Williams Company Key Employee Separation Plan (as may be amended and restated from time to time), and any severance program, policy or practice or contract or agreement of Company or its affiliates (other than a retirement plan or other deferred compensation arrangement, equity award, welfare benefit plan or any similar plan or agreement which may contain provisions that become operative on, or that may incidentally refer to accelerated vesting or accelerated payment upon, a termination of Executive's employment).

4. Severance and Other Compensation.

(a) If, following the occurrence of a Change of Control, Company or Subsidiary terminates Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if Executive terminates Executive's employment pursuant to Section 3(b), or, prior to a Change of Control, Executive's employment terminates as described in Section 3(c), Company will be obligated to make the following payments and provide the following benefits to Executive.

(i) Within ten business days after the occurrence of an event described in Section 4(a) above (or in the case of an event described in Section 3(c), within ten business days after the Change in Control), Company shall pay, in a lump sum, an amount equal to 2.99 times the sum of (A) Base Pay (at the highest rate in effect for any period within three years prior to the Termination Date), plus (B) an amount equal to the greater of: (x) the average of the Incentive Pay earned or received by Executive during the three year period immediately preceding the Termination Date, or (y) the Executive's target Incentive Pay for the year in which the Termination Date occurs (assuming the Executive achieves 100% of any stated goals); provided, however, that if payment to Executive would constitute a "deferral of compensation" under Section 409A of the Code, Executive (or Executive's beneficiary) will receive payment of the amounts described in this Section 4(a)(i) upon the earlier of (i) six (6) months following Executive's "separation from service" with Company (as such phrase is defined in Section 409A of the Code) or (ii) within 90 days after Executive's death.

(ii) For a period of eighteen (18) months following the Termination Date (the "Continuation Period"), Company shall arrange to provide Executive, at no cost to Executive, with medical and dental benefits substantially similar to those that Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 1(i)(ii)). The Continuation Period shall be considered to be the period during which Executive shall be eligible for continuation coverage under Section 4980B of the Code, and Company shall reimburse Executive for the amount of the premiums for such continuation coverage; provided, however that without otherwise limiting the purposes or effect of Section 6, the benefits otherwise receivable by Executive pursuant to this Section 4(a)(ii) will be reduced to the extent comparable welfare benefits are actually received by Executive from another employer during the Continuation Period following Executive's Termination Date, and any such benefits actually received by Executive shall be reported by Executive to Company. If any benefit described in this Section 4(a)(ii) is subject to tax, Company will pay to Executive an additional amount such that after payment by Executive or Executive's dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes.

(iii) Executive shall be entitled to outplacement services by a firm selected by Executive, at the expense of Company in an amount not to exceed ten percent (10%) of Base Pay; provided, however, that all such outplacement services must be completed, and all payments by Company must be made, by December 31 of the second calendar year following the calendar year in which the Termination Date occurs.

(b) Without limiting the rights of Executive at law or in equity, if Company fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as set forth from time to time during the relevant period in The Wall Street Journal "Money Rates" column. Such interest will be payable at the time the related payment or benefit is paid to Executive. Any change in such prime rate will be effective on and as of the date of such change.

(c) Unless otherwise expressly provided by the applicable plan, program or agreement, after the occurrence of a Change of Control, Company will pay in cash to Executive a lump

sum amount equal to the sum of (i) any unpaid Incentive Pay that would have been earned, accrued, allocated or awarded to Executive for any performance period ending prior to the Change of Control (regardless of whether (x) payment of such compensation is contingent on the continuing performance of services by Executive or (y) the bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement pursuant to which such Incentive Pay would otherwise be payable permits pro-ration), plus (ii) the value of any annual bonus or Incentive Pay (including, without limitation, incentive-based annual cash bonuses and performance units, but not including any equity-based compensation or compensation provided under a qualified plan) payable pursuant to any performance period that is outstanding on the date of the Change of Control. Such payment will be made at the earlier of (x) the date prescribed for payment pursuant to the applicable plan, program or agreement, and (y) within five business days after the Change of Control. In the case of clauses (i) and (ii), any applicable vesting requirements will be disregarded. In the case of clause (ii), the amount will be calculated at the greater of (1) the plan target or payout rate and (2) the amount determined based on Company's actual results relative to the applicable performance criteria as if the performance period had ended on the date of the Change of Control, which amount will be prorated on the basis of the number of days of Executive's participation during the applicable performance period to which the incentive pay related divided by the aggregate number of days in such performance period, taking into account service rendered through the payment date.

5. Parachute Payments. In the event that the payments made to Executive under Section 4 of the Agreement constitute "parachute payments" within the meaning of Section 280G of the Code, and such parachute payments would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the payments shall be made to the Executive based on an after-tax basis (taking into account the applicable federal, state, local taxes and the Excise Tax), of either:

- (a) payments delivered in full (including Excise Tax), or
- (b) payments delivered after reducing the payment \$1 below the safe harbor limit (as set forth in Section 280G(b)(2)(A)(ii) of the Code) which would result in no portion of the payment being subject to the Excise Tax.

The determination of whether any reduction in or repayment of such payments or benefits to be provided under this Agreement is required will be made at the expense of Company by a nationally recognized accounting firm or benefits consulting firm, if requested by Executive or Company. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced or repaid pursuant to this Section 5, the reduction shall be made by reducing the amounts to be paid or provided under the following section of this Agreement in the following order: (i) Section 4(a)(i), (ii) Section 4(c), (iii) Section 4(a)(iii), and (iv) Section 4(a)(ii).

6. No Mitigation Obligation. Company hereby acknowledges that it will be difficult and may be impossible for Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the compensation by Company to Executive in accordance with the terms of this Agreement is hereby acknowledged by Company to be reasonable, and Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of Executive hereunder or otherwise.

7. Legal Fees and Expenses.

- (a) It is the intent of Company that Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights in

connection with any dispute arising under this Agreement because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder. Accordingly, if it should appear to Executive that Company has failed to comply with any of its obligations under this Agreement or in the event that Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any proceeding designed to deny, or to recover from, Executive the benefits provided or intended to be provided to Executive hereunder, Company irrevocably authorizes Executive from time to time to retain counsel of Executive's choice, at the expense of Company as hereafter provided, to advise and represent Executive in connection with any such dispute or proceeding. Notwithstanding any existing or prior attorney-client relationship between Company and such counsel, Company irrevocably consents to Executive's entering into an attorney-client relationship with such counsel, and in that connection Company and Executive agree that a confidential relationship will exist between Executive and such counsel. Without respect to whether Executive prevails, in whole or in part, in connection with any of the foregoing, Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Executive at any time from the Effective Date through Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date) in connection with any of the foregoing. Such payments will be made within five business days after delivery of Executive's written requests for payment, accompanied by such evidence of fees and expenses incurred as Company may reasonably require; provided that Executive shall have submitted all required documentation at least 14 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred.

(b) In order to secure the benefits to be received by Executive pursuant to this Agreement and similar arrangements with other executives, Company shall establish one or more trust funds (the "Trust"). Company will deposit in such Trust, within five business days after the occurrence of an event that in the reasonable opinion of the Board will likely result in a Change of Control, an amount equal to approximately the maximum aggregate benefits that could be payable to Executive under the terms of this Agreement; provided, however, that (i) the Trust shall not be funded if the funding thereof would result in taxable income to Executive by reason of Section 409A(b) of the Code; and (ii) in no event shall any Trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code. Any funds which may be placed into the Trust under this Agreement shall continue for all purposes to be a part of the general funds of Company subject to the claims of Company's creditors in the event of Company's insolvency and no person shall by virtue of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of Company. Executive shall be entitled to receive distributions from the funds held in the Trust pursuant to the terms and conditions of this Agreement and the agreement establishing the Trust between Company and the trustee. If prior to the date of a Change of Control, the Board has actual knowledge that all third parties have abandoned or terminated their efforts to effect a Change of Control and a Change of Control at that time is unlikely and the Board so advises Executive, the trust funds and interest earned thereon, if any, shall be returned to Company by the trustee. Notwithstanding the provisions of this Section 7(b), failure by Company to place such funds in Trust in no way relieves Company from its financial obligations and responsibilities to Executive under the terms of this Agreement.

(c) All benefits to be paid pursuant to this Agreement, including any amounts paid pursuant to Section 7(a) which were not paid through the Trust established pursuant to Section 7(b), shall be paid from the general assets of the Company.

8. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of Company or Executive to have Executive remain in the employment of Company or any Subsidiary prior to or following any Change of Control.

9. Withholding of Taxes. Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as Company is required to withhold pursuant to any applicable law, regulation or ruling.

10. Successors and Binding Agreement.

(a) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of Company, by agreement in form and substance reasonably satisfactory to Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of Company and any successor to Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by Company.

(b) This Agreement will inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 10(a) and 10(b). Without limiting the generality or effect of the foregoing, Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 10(c), Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

11. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx or UPS, addressed to Company (to the attention of the Secretary of Company) at its principal executive office and to Executive at Executive's principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

12. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Ohio and federal law, without giving effect to the principles of conflict of laws of such State, except as expressly provided herein.

13. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid or otherwise unenforceable, the remainder of this Agreement

and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid or otherwise unenforceable will be reformed to the extent (and only to the extent) necessary to make it enforceable or valid.

14. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The headings used in this Agreement are intended for convenience or reference only and will not in any manner amplify, limit, modify or otherwise be used in the construction or interpretation of any provision of this Agreement. References to Sections are to Sections of this Agreement. Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

15. Effect on Prior Agreements. This Agreement shall expressly supersede and render null, void and invalid any prior severance pay agreement or agreements of a similar nature previously entered into by and between Company and Executive with respect to the specific subject matter of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the parties hereby agree that severance payments or benefits payable hereunder shall be subject to the terms and conditions of The Sherwin-Williams Company Policy Concerning Severance Agreements with Senior Executives (as it may be amended and restated from time to time), if applicable, and the severance limit provided therein.

16. Dispute Resolution. Any dispute between the parties under this Agreement will be resolved (except as provided below) through informal arbitration by an arbitrator selected under the rules of the American Arbitration Association for arbitration of employment disputes (located in the city in which Company's principal executive offices in the United States are based) and the arbitration will be conducted in that location under the rules of said Association. Each party will be entitled to present evidence and argument to the arbitrator. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions, except as expressly provided in Section 13. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. The expenses of arbitration will be borne equally by Company and Executive or as the arbitrator equitably determines consistent with the application of state or federal law; provided, however, that Executive's share of such expenses will not exceed the maximum permitted by law. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Ohio and, where applicable, federal law, without giving effect to the principles of conflict of laws of such State.

17. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(d), 4, 5, 7, 9, 10(b), 16, 18, 20 and 21 will survive any termination or expiration of this Agreement or the termination of Executive's employment following a Change of Control for any reason whatsoever.

18. Beneficiaries. Executive will be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable

hereunder following Executive's death, and may change such election, in either case by giving Company written notice thereof in accordance with Section 11. In the event of Executive's death or a judicial determination of Executive's incompetence, reference in this Agreement to "Executive" will be deemed, where appropriate, to Executive's beneficiary, estate or other legal representative.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

20. Section 409A of the Code.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code ("Section 409A") or are exempt therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies Company (with specificity as to the reason therefore) that Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A and Company concurs with such belief or Company (without any obligation whatsoever to do so) independently makes such determination, Company shall, after consulting with Executive, reform such provision in a manner that is economically neutral to Company to attempt to comply with Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and Executive is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Company or its affiliates as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and (iii) such payments shall be made on or before the last day of the calendar year immediately following the calendar year in which the expense occurred, or such earlier date as required hereunder.

(d) With regard to any provision herein that provides for a gross-up payment or other reimbursement for Executive's taxes (or audit or litigation expenses attributable to the tax gross-up or reimbursement), the applicable taxes or related expenses shall be reimbursed no later than the earlier of (i) the date specified for payment under the Arrangement, or (ii) the end of the calendar year immediately following the calendar year in which the applicable taxes are remitted or, in the case of reimbursement of expenses incurred due to a tax audit or litigation to which there is no remittance of taxes, the end of the calendar year following the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

(e) Notwithstanding anything contained in this Agreement to the contrary, if Executive is a "specified employee," as determined under Company's policy for identifying specified employees on the Termination Date, then to the extent required in order to comply with Section 409A, all payments, benefits, tax gross-ups or other reimbursements paid or provided under this Agreement that

constitute a “deferral of compensation” within the meaning of Section 409A, that are provided as a result of a “separation from service” within the meaning of Section 409A and that would otherwise be paid or provided during the first six months following such Termination Date shall be accumulated through and paid or provided (together with interest at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect on the Termination Date), within 30 days after the first business day that is more than six months after the date of his separation from service (or, if Executive dies during such six-month period, within 90 days after Executive’s death).

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within 30 days after the Termination Date”), the actual date of payment within the specified period shall be within the sole discretion of Company. For purposes of Section 409A, Executive’s right to receive any “installment” payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

21. Clawback. To the extent The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the “Executive Clawback Policy”) or The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the “Key Employee Clawback Policy”) is applicable to you, such policies create additional rights for the Company with respect to certain compensation paid or payable to you. Notwithstanding any provisions of this Agreement to the contrary, to the extent applicable, any compensation paid or payable hereunder or under other plans and arrangements maintained by the Company and its affiliates will be subject to potential mandatory cancellation, forfeiture and/or repayment by you to the Company to the extent that you are, or in the future become, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations, or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to certain compensation paid or payable to you and the recovery of amounts relating thereto. By executing this Agreement, you consent to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agree and acknowledge that you are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup any compensation paid or payable under this Agreement or any other applicable compensation that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from you of any such amounts, including from your accounts or from any other compensation, to the extent permissible under Section 409A.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

THE SHERWIN-WILLIAMS COMPANY

EXECUTIVE

THE SHERWIN-WILLIAMS COMPANY

FORM B - AMENDED AND RESTATED SEVERANCE AGREEMENT
(2.5 Times Base Pay Amount)

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of _____, ____ (the "Effective Date"), is made and entered into by and between THE SHERWIN-WILLIAMS COMPANY, an Ohio corporation ("Company"), and _____ ("Executive").

RECITALS:

- F. Executive is a senior executive of Company or one or more of its Subsidiaries (as defined below) and has made and is expected to continue to make major contributions to the short- and long-term profitability, growth and financial strength of Company.
- G. Company recognizes that the possibility of a Change of Control (as defined below) exists and that such possibility, and the uncertainty it may create among management, may result in the distraction or departure of management personnel, to the detriment of Company and its stockholders.
- H. Company desires to assure itself of both present and future continuity of management and desires to establish certain minimum severance benefits for certain of its senior executives, including Executive, applicable in the event of a Change of Control.
- I. Company wishes to ensure that its senior executives are not unduly distracted by the circumstances attendant to the possibility of a Change of Control and to encourage the continued attention and dedication of such executives, including Executive, to their assigned duties with Company.
- J. Company desires to provide additional inducement for Executive to continue to remain in the employ of Company.

NOW, THEREFORE, Company and Executive agree as follows:

22. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

- (a) "Base Pay" means Executive's annual base salary rate as in effect from time to time.
- (b) "Board" means the Board of Directors of Company.
- (c) "Cause" means that, prior to any termination pursuant to Section 3(a)(iii), Executive shall have:
 - (i) been convicted of a criminal violation involving, in each case, fraud, embezzlement or theft in connection with Executive's duties or in the course of Executive's employment with Company or any Subsidiary;

- (ii) committed intentional wrongful damage to property of Company or any Subsidiary; or
- (iii) committed intentional wrongful disclosure of secret processes or confidential information of Company or any Subsidiary;

and any such act shall have been demonstrably and materially harmful to Company. For purposes of this Agreement, no act or failure to act on the part of Executive will be deemed "intentional" if it was due primarily to an error in judgment or negligence, but will be deemed "intentional" only if done or omitted to be done by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of Company. Notwithstanding the foregoing, Executive will not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board then in office (excluding Executive if Executive is then a member of the Board) at a meeting of the Board called and held for such purpose, after reasonable notice to Executive and an opportunity for Executive, together with Executive's counsel (if Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, Executive had committed an act constituting "Cause" as herein defined and specifying the particulars thereof in reasonable detail. Nothing herein will limit the right of Executive or Executive's beneficiaries to contest the validity or propriety of any such determination.

(d) "Change of Control" means the occurrence during the Term of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of Company; provided, however, that:

(1) for purposes of this Section 1(d)(i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from Company that is approved by a majority of the Incumbent Directors, (B) any acquisition of Voting Stock by Company or any Subsidiary, (C) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by Company or any Subsidiary, and (D) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii) below;

(2) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (A) of Section 1(d)(i)(1) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be treated as a Change of Control;

(3) a Change of Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally; and

(4) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Board a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change of Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns Company or all or substantially all of Company's assets either directly or through one or more subsidiaries), (B) no Person (other than Company, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) the consummation of the complete liquidation or dissolution of Company, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii).

(v) For purposes of this Section 1(d), the term "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director initially elected or nominated as a director as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies by or on behalf of such director, including any director nominated or elected to the Board pursuant to any proxy access procedures included in Company's organizational documents) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the

directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Common Shares" means shares of common stock, par value \$0.33-1/3 per share, of Company.

(g) "Employee Benefits" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which Executive is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change of Control.

(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" means the occurrence of one or more of the following events:

(i) Failure to elect or reelect or otherwise to maintain Executive in the office or the position, or a substantially equivalent or better office or position, of or with Company and/or a Subsidiary (or any successor thereto by operation of law or otherwise), as the case may be, which Executive held immediately prior to a Change of Control, or the removal of Executive as a Director of Company and/or a Subsidiary (or any successor thereto) if Executive shall have been a Director of Company and/or a Subsidiary immediately prior to the Change of Control;

(ii) Failure of Company to remedy any of the following within 10 calendar days after receipt by Company of written notice thereof from Executive: (A) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with Company and any Subsidiary which Executive held immediately prior to the Change of Control, (B) a reduction in Executive's Base Pay received from Company and any Subsidiary, (C) a reduction in Executive's Incentive Pay opportunity as compared with the Incentive Pay opportunity most recently paid prior to the Change of Control, or (D) the termination or denial of Executive's rights to Employee Benefits or a reduction in the scope or value thereof;

(iii) The liquidation, dissolution, merger, consolidation or reorganization of Company or the transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (by operation of law or otherwise) assumed all duties and obligations of Company under this Agreement pursuant to Section 10(a);

(iv) Company requires Executive to have Executive's principal location of work changed to any location that is in excess of 30 miles from the location thereof immediately prior to the Change of Control, or requires Executive to travel away from Executive's office in the course of discharging Executive's responsibilities or duties

hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three full years immediately prior to the Change of Control without, in either case, Executive's prior written consent; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by Company or any successor thereto.

(j) "Incentive Pay" means an annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of Company or a Subsidiary, or any successor thereto. "Incentive Pay" does not include any stock option, stock appreciation, stock purchase, restricted stock, private equity, long-term incentive or similar plan, program, arrangement or grant, whether or not provided under a plan, program or arrangement described in the preceding sentence.

(k) "Severance Period" means the period of time commencing on the date of the first occurrence of a Change of Control and continuing until the earlier of (i) the second anniversary of the occurrence of the Change of Control, or (ii) Executive's death;

(l) "Subsidiary" means a corporation, company or other entity (i) at least 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but at least 50% of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

(m) "Term" means the period commencing as of the Effective Date and expiring on the close of business on December 31, ____; provided, however, that (i) commencing on January 1, ____ and each January 1 thereafter, the term of this Agreement will automatically be extended for an additional year unless, not later than September 30 of the immediately preceding year, Company or Executive shall have given notice that Company or Executive, as the case may be, does not wish to have the Term extended; and (ii) if a Change of Control occurs during the Term, the Term will expire on the last day of the Severance Period. For purposes of this Section 1(m), the Executive shall not be deemed to have ceased to be an employee of Company and any Subsidiary by reason of the transfer of the Executive's employment between Company and any Subsidiary, or among any Subsidiaries.

(n) "Termination Date" means the date on which Executive's employment is terminated (the effective date of which will be the date of termination, or such other date that may be specified by Executive if the termination is pursuant to Section 3(b)).

(o) "Voting Stock" means the voting securities of Company which have the right to vote on the election of members of the Board.

23. Operation of Agreement. This Agreement will be effective and binding immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, except as provided in Section 3(c), this Agreement will not be operative unless and until a Change of Control occurs. Upon the occurrence of a Change of Control at any time during the Term, without further action, this Agreement will become immediately operative.

24. Termination Following a Change of Control

(a) In the event of the occurrence of a Change of Control, Executive's employment may be terminated by Company or a Subsidiary during the Severance Period (or pursuant to Section 3(c)) and Executive will be entitled to the benefits provided by Section 4 unless such termination is the result of the occurrence of one or more of the following events:

(i) Executive's death;

(ii) If Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, Executive immediately prior to the Change of Control; or

(iii) Cause.

If, during the Severance Period, Executive's employment is terminated by Company or any Subsidiary other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), Executive will be entitled to the benefits provided by Section 4.

(b) In the event of the occurrence of a Change of Control, Executive may terminate employment with Company and any Subsidiary during the Severance Period for Good Reason with the right to severance compensation as provided in Section 4 regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment.

(c) Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and not more than 90 days prior to the date on which the Change of Control occurs, Executive's employment with Company is terminated by Company, such termination of employment will be deemed to be a termination of employment immediately after a Change of Control for purposes of determining whether Executive is entitled to benefits under this Agreement if Executive has reasonably demonstrated that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control, or (ii) otherwise arose in connection with or in anticipation of a Change of Control.

(d) A termination of employment pursuant to Section 3(a), 3(b) or 3(c) will not affect any rights that Executive may have pursuant to any agreement, policy, plan, program or arrangement of Company or Subsidiary providing Employee Benefits, which rights will be governed by the terms thereof. Notwithstanding the foregoing, any severance benefits received by Executive pursuant to Section 4 of this Agreement shall be in lieu of any severance benefits to which Executive would otherwise be entitled under any severance plan, including, without limitation, The Sherwin-Williams Company Key Employee Separation Plan (as may be amended and restated from time to time), and any severance program, policy or practice or contract or agreement of Company or its affiliates (other than a retirement plan or other deferred compensation arrangement, equity award, welfare benefit plan or any similar plan or agreement which may contain provisions that become operative on, or that may incidentally refer to accelerated vesting or accelerated payment upon, a termination of Executive's employment).

25. Severance and Other Compensation.

(a) If, following the occurrence of a Change of Control, Company or Subsidiary terminates Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if Executive terminates Executive's employment pursuant to Section 3(b), or, prior to a Change of Control, Executive's employment terminates as described in Section 3(c), Company will be obligated to make the following payments and provide the following benefits to Executive.

(i) Within ten business days after the occurrence of an event described in Section 4(a) above (or in the case of an event described in Section 3(c), within ten business days after the Change in Control), Company shall pay, in a lump sum, an amount equal to 2.5 times the sum of (A) Base Pay (at the highest rate in effect for any period within three years prior to the Termination Date), plus (B) an amount equal to the greater of: (x) the average of the Incentive Pay earned or received by Executive during the three year period immediately preceding the Termination Date, or (y) the Executive's target Incentive Pay for the year in which the Termination Date occurs (assuming the Executive achieves 100% of any stated goals); provided, however, that if payment to Executive would constitute a "deferral of compensation" under Section 409A of the Code, Executive (or Executive's beneficiary) will receive payment of the amounts described in this Section 4(a)(i) upon the earlier of (i) six (6) months following Executive's "separation from service" with Company (as such phrase is defined in Section 409A of the Code) or (ii) within 90 days after Executive's death.

(ii) For a period of eighteen (18) months following the Termination Date (the "Continuation Period"), Company shall arrange to provide Executive, at no cost to Executive, with medical and dental benefits substantially similar to those that Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 1(i)(ii)). The Continuation Period shall be considered to be the period during which Executive shall be eligible for continuation coverage under Section 4980B of the Code, and Company shall reimburse Executive for the amount of the premiums for such continuation coverage; provided, however that without otherwise limiting the purposes or effect of Section 6, the benefits otherwise receivable by Executive pursuant to this Section 4(a)(ii) will be reduced to the extent comparable welfare benefits are actually received by Executive from another employer during the Continuation Period following Executive's Termination Date, and any such benefits actually received by Executive shall be reported by Executive to Company. If any benefit described in this Section 4(a)(ii) is subject to tax, Company will pay to Executive an additional amount such that after payment by Executive or Executive's dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes.

(iii) Executive shall be entitled to outplacement services by a firm selected by Executive, at the expense of Company in an amount not to exceed ten percent (10%) of Base Pay; provided, however, that all such outplacement services must be completed, and all payments by Company must be made, by December 31 of the second calendar year following the calendar year in which the Termination Date occurs.

(b) Without limiting the rights of Executive at law or in equity, if Company fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as set forth from time to time during the relevant period in The Wall Street Journal "Money Rates" column. Such interest will be payable at the time the related payment or benefit is paid to Executive. Any change in such prime rate will be effective on and as of the date of such change.

(c) Unless otherwise expressly provided by the applicable plan, program or agreement, after the occurrence of a Change of Control, Company will pay in cash to Executive a lump sum amount equal to the sum of (i) any unpaid Incentive Pay that would have been earned, accrued, allocated or awarded to Executive for any performance period ending prior to the Change of Control (regardless of whether (x) payment of such compensation is contingent on the continuing performance of services by Executive or (y) the bonus, incentive, profit-sharing, performance, discretionary pay or

similar agreement, policy, plan, program or arrangement pursuant to which such Incentive Pay would otherwise be payable permits pro-ration), plus (ii) the value of any annual bonus or Incentive Pay (including, without limitation, incentive-based annual cash bonuses and performance units, but not including any equity-based compensation or compensation provided under a qualified plan) payable pursuant to any performance period that is outstanding on the date of the Change of Control. Such payment will be made at the earlier of (x) the date prescribed for payment pursuant to the applicable plan, program or agreement, and (y) within five business days after the Change of Control. In the case of clauses (i) and (ii), any applicable vesting requirements will be disregarded. In the case of clause (ii), the amount will be calculated at the greater of (1) the plan target or payout rate and (2) the amount determined based on Company's actual results relative to the applicable performance criteria as if the performance period had ended on the date of the Change of Control, which amount will be prorated on the basis of the number of days of Executive's participation during the applicable performance period to which the incentive pay related divided by the aggregate number of days in such performance period, taking into account service rendered through the payment date.

26. Parachute Payments. In the event that the payments made to Executive under Section 4 of the Agreement constitute "parachute payments" within the meaning of Section 280G of the Code, and such parachute payments would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the payments shall be made to the Executive based on an after-tax basis (taking into account the applicable federal, state, local taxes and the Excise Tax), of either:

(a) payments delivered in full (including Excise Tax), or

(b) payments delivered after reducing the payment \$1 below the safe harbor limit (as set forth in Section 280G(b)(2)(A)(ii) of the Code) which would result in no portion of the payment being subject to the Excise Tax.

The determination of whether any reduction in or repayment of such payments or benefits to be provided under this Agreement is required will be made at the expense of Company by a nationally recognized accounting firm or benefits consulting firm, if requested by Executive or Company. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced or repaid pursuant to this Section 5, the reduction shall be made by reducing the amounts to be paid or provided under the following section of this Agreement in the following order: (i) Section 4(a)(i), (ii) Section 4(c), (iii) Section 4(a)(iii), and (iv) Section 4(a)(ii).

27. No Mitigation Obligation. Company hereby acknowledges that it will be difficult and may be impossible for Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the compensation by Company to Executive in accordance with the terms of this Agreement is hereby acknowledged by Company to be reasonable, and Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of Executive hereunder or otherwise.

28. Legal Fees and Expenses.

(a) It is the intent of Company that Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights in connection with any dispute arising under this Agreement because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder. Accordingly, if it should appear to Executive that Company has failed to comply with any of its obligations under this Agreement or in the event that Company or any other person takes or threatens to take any action to

declare this Agreement void or unenforceable, or institutes any proceeding designed to deny, or to recover from, Executive the benefits provided or intended to be provided to Executive hereunder, Company irrevocably authorizes Executive from time to time to retain counsel of Executive's choice, at the expense of Company as hereafter provided, to advise and represent Executive in connection with any such dispute or proceeding. Notwithstanding any existing or prior attorney-client relationship between Company and such counsel, Company irrevocably consents to Executive's entering into an attorney-client relationship with such counsel, and in that connection Company and Executive agree that a confidential relationship will exist between Executive and such counsel. Without respect to whether Executive prevails, in whole or in part, in connection with any of the foregoing, Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Executive at any time from the Effective Date through Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date) in connection with any of the foregoing. Such payments will be made within five business days after delivery of Executive's written requests for payment, accompanied by such evidence of fees and expenses incurred as Company may reasonably require; provided that Executive shall have submitted all required documentation at least 14 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred.

(b) In order to secure the benefits to be received by Executive pursuant to this Agreement and similar arrangements with other executives, Company shall establish one or more trust funds (the "Trust"). Company will deposit in such Trust, within five business days after the occurrence of an event that in the reasonable opinion of the Board will likely result in a Change of Control, an amount equal to approximately the maximum aggregate benefits that could be payable to Executive under the terms of this Agreement; provided, however, that (i) the Trust shall not be funded if the funding thereof would result in taxable income to Executive by reason of Section 409A(b) of the Code; and (ii) in no event shall any Trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code. Any funds which may be placed into the Trust under this Agreement shall continue for all purposes to be a part of the general funds of Company subject to the claims of Company's creditors in the event of Company's insolvency and no person shall by virtue of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of Company. Executive shall be entitled to receive distributions from the funds held in the Trust pursuant to the terms and conditions of this Agreement and the agreement establishing the Trust between Company and the trustee. If prior to the date of a Change of Control, the Board has actual knowledge that all third parties have abandoned or terminated their efforts to effect a Change of Control and a Change of Control at that time is unlikely and the Board so advises Executive, the trust funds and interest earned thereon, if any, shall be returned to Company by the trustee. Notwithstanding the provisions of this Section 7(b), failure by Company to place such funds in Trust in no way relieves Company from its financial obligations and responsibilities to Executive under the terms of this Agreement.

(c) All benefits to be paid pursuant to this Agreement, including any amounts paid pursuant to Section 7(a) which were not paid through the Trust established pursuant to Section 7(b), shall be paid from the general assets of the Company.

29. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of Company or Executive to have Executive remain in the employment of Company or any Subsidiary prior to or following any Change of Control.

30. Withholding of Taxes. Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as Company is required to withhold pursuant to any applicable law, regulation or ruling.

31. Successors and Binding Agreement.

(a) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of Company, by agreement in form and substance reasonably satisfactory to Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of Company and any successor to Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by Company.

(b) This Agreement will inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 10(a) and 10(b). Without limiting the generality or effect of the foregoing, Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 10(c), Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

32. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx or UPS, addressed to Company (to the attention of the Secretary of Company) at its principal executive office and to Executive at Executive's principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

33. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Ohio and federal law, without giving effect to the principles of conflict of laws of such State, except as expressly provided herein.

34. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid or otherwise unenforceable, the remainder of this Agreement

and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid or otherwise unenforceable will be reformed to the extent (and only to the extent) necessary to make it enforceable or valid.

35. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The headings used in this Agreement are intended for convenience or reference only and will not in any manner amplify, limit, modify or otherwise be used in the construction or interpretation of any provision of this Agreement. References to Sections are to Sections of this Agreement. Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

36. Effect on Prior Agreements. This Agreement shall expressly supersede and render null, void and invalid any prior severance pay agreement or agreements of a similar nature previously entered into by and between Company and Executive with respect to the specific subject matter of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the parties hereby agree that severance payments or benefits payable hereunder shall be subject to the terms and conditions of The Sherwin-Williams Company Policy Concerning Severance Agreements with Senior Executives (as it may be amended and restated from time to time), if applicable, and the severance limit provided therein.

37. Dispute Resolution. Any dispute between the parties under this Agreement will be resolved (except as provided below) through informal arbitration by an arbitrator selected under the rules of the American Arbitration Association for arbitration of employment disputes (located in the city in which Company's principal executive offices in the United States are based) and the arbitration will be conducted in that location under the rules of said Association. Each party will be entitled to present evidence and argument to the arbitrator. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions, except as expressly provided in Section 13. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. The expenses of arbitration will be borne equally by Company and Executive or as the arbitrator equitably determines consistent with the application of state or federal law; provided, however, that Executive's share of such expenses will not exceed the maximum permitted by law. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Ohio and, where applicable, federal law, without giving effect to the principles of conflict of laws of such State.

38. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(d), 4, 5, 7, 9, 10(b), 16, 18, 20 and 21 will survive any termination or expiration of this Agreement or the termination of Executive's employment following a Change of Control for any reason whatsoever.

39. Beneficiaries. Executive will be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable

hereunder following Executive's death, and may change such election, in either case by giving Company written notice thereof in accordance with Section 11. In the event of Executive's death or a judicial determination of Executive's incompetence, reference in this Agreement to "Executive" will be deemed, where appropriate, to Executive's beneficiary, estate or other legal representative.

40. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

41. Section 409A of the Code.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code ("Section 409A") or are exempt therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies Company (with specificity as to the reason therefore) that Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A and Company concurs with such belief or Company (without any obligation whatsoever to do so) independently makes such determination, Company shall, after consulting with Executive, reform such provision in a manner that is economically neutral to Company to attempt to comply with Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and Executive is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Company or its affiliates as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and (iii) such payments shall be made on or before the last day of the calendar year immediately following the calendar year in which the expense occurred, or such earlier date as required hereunder.

(d) With regard to any provision herein that provides for a gross-up payment or other reimbursement for Executive's taxes (or audit or litigation expenses attributable to the tax gross-up or reimbursement), the applicable taxes or related expenses shall be reimbursed no later than the earlier of (i) the date specified for payment under the Arrangement, or (ii) the end of the calendar year immediately following the calendar year in which the applicable taxes are remitted or, in the case of reimbursement of expenses incurred due to a tax audit or litigation to which there is no remittance of taxes, the end of the calendar year following the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

(e) Notwithstanding anything contained in this Agreement to the contrary, if Executive is a "specified employee," as determined under Company's policy for identifying specified employees on the Termination Date, then to the extent required in order to comply with Section 409A, all payments, benefits, tax gross-ups or other reimbursements paid or provided under this Agreement that

constitute a “deferral of compensation” within the meaning of Section 409A, that are provided as a result of a “separation from service” within the meaning of Section 409A and that would otherwise be paid or provided during the first six months following such Termination Date shall be accumulated through and paid or provided (together with interest at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect on the Termination Date), within 30 days after the first business day that is more than six months after the date of his separation from service (or, if Executive dies during such six-month period, within 90 days after Executive’s death).

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within 30 days after the Termination Date”), the actual date of payment within the specified period shall be within the sole discretion of Company. For purposes of Section 409A, Executive’s right to receive any “installment” payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

42. Clawback. To the extent The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the “Executive Clawback Policy”) or The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the “Key Employee Clawback Policy”) is applicable to you, such policies create additional rights for the Company with respect to certain compensation paid or payable to you. Notwithstanding any provisions of this Agreement to the contrary, to the extent applicable, any compensation paid or payable hereunder or under other plans and arrangements maintained by the Company and its affiliates will be subject to potential mandatory cancellation, forfeiture and/or repayment by you to the Company to the extent that you are, or in the future become, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations, or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to certain compensation paid or payable to you and the recovery of amounts relating thereto. By executing this Agreement, you consent to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agree and acknowledge that you are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup any compensation paid or payable under this Agreement or any other applicable compensation that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from you of any such amounts, including from your accounts or from any other compensation, to the extent permissible under Section 409A.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

THE SHERWIN-WILLIAMS COMPANY

EXECUTIVE

THE SHERWIN-WILLIAMS COMPANY

FORM C - AMENDED AND RESTATED SEVERANCE AGREEMENT
(3 Times Base Pay Amount)

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of _____, _____, is made and entered into by and between THE SHERWIN-WILLIAMS COMPANY, an Ohio corporation ("Company") and _____ ("Executive").

RECITALS:

- A. Executive is a senior executive of Company or one or more of its Subsidiaries (as defined below) and has made and is expected to continue to make major contributions to the short- and long-term profitability, growth and financial strength of Company.
- B. Company recognizes that the possibility of a Change in Control (as defined below) exists and that such possibility, and the uncertainty it may create among management, may result in the distraction or departure of management personnel, to the detriment of Company and its stockholders.
- C. Company desires to assure itself of both present and future continuity of management and desires to establish certain minimum severance benefits for certain of its senior executives, including Executive, applicable in the event of a Change in Control.
- D. Company wishes to ensure that its senior executives are not unduly distracted by the circumstances attendant to the possibility of a Change in Control and to encourage the continued attention and dedication of such executives, including Executive, to their assigned duties with Company.
- E. Company desires to provide additional inducement for Executive to continue to remain in the employ of Company.
- F. Company and Executive are parties to a Severance Agreement dated as of February 1, 2007 (the "Effective Date"), which agreement is hereby amended, restated and replaced in its entirety with this Agreement in order to comply with the final regulations issued under Section 409A of the Code.

NOW, THEREFORE, Company and Executive agree as follows:

43. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

- (a) "Base Pay" means Executive's annual base salary rate as in effect from time to time.
- (b) "Board" means the Board of Directors of Company.
- (c) "Cause" means that, prior to any termination pursuant to Section 3(a)(iii), Executive shall have:

- (i) been convicted of a criminal violation involving, in each case, fraud, embezzlement or theft in connection with Executive's duties or in the course of Executive's employment with Company or any Subsidiary;
- (ii) committed intentional wrongful damage to property of Company or any Subsidiary; or
- (iii) committed intentional wrongful disclosure of secret processes or confidential information of Company or any Subsidiary;

and any such act shall have been demonstrably and materially harmful to Company. For purposes of this Agreement, no act or failure to act on the part of Executive will be deemed "intentional" if it was due primarily to an error in judgment or negligence, but will be deemed "intentional" only if done or omitted to be done by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of Company. Notwithstanding the foregoing, Executive will not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board then in office (excluding Executive if Executive is then a member of the Board) at a meeting of the Board called and held for such purpose, after reasonable notice to Executive and an opportunity for Executive, together with Executive's counsel (if Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, Executive had committed an act constituting "Cause" as herein defined and specifying the particulars thereof in reasonable detail. Nothing herein will limit the right of Executive or Executive's beneficiaries to contest the validity or propriety of any such determination.

(d) "Change in Control" means the occurrence during the Term of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of Company; provided, however, that:

(1) for purposes of this Section 1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition of Voting Stock directly from Company that is approved by a majority of the Incumbent Directors, (B) any acquisition of Voting Stock by Company or any Subsidiary, (C) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by Company or any Subsidiary, and (D) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii) below;

(2) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (A) of Section 1(d)(i)(1) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by Company in

which all holders of Voting Stock are treated equally, such subsequent acquisition shall be treated as a Change in Control;

(3) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally; and

(4) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Board a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change in Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns Company or all or substantially all of Company's assets either directly or through one or more subsidiaries), (B) no Person (other than Company, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) approval by the shareholders of Company of a complete liquidation or dissolution of Company, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 1(d)(iii).

(v) For purposes of this Section 1(d), the term "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director initially elected or nominated as a director as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies by or on behalf of such director) whose election by the Board or nomination for election by the Company's shareholders was

approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Common Shares" means shares of common stock, no par value, of Company.

(g) "Employee Benefits" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which Executive is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change in Control.

(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" means the occurrence of one or more of the following events:

(i) Failure to elect or reelect or otherwise to maintain Executive in the office or the position, or a substantially equivalent or better office or position, of or with Company and/or a Subsidiary (or any successor thereto by operation of law or otherwise), as the case may be, which Executive held immediately prior to a Change in Control, or the removal of Executive as a Director of Company and/or a Subsidiary (or any successor thereto) if Executive shall have been a Director of Company and/or a Subsidiary immediately prior to the Change in Control;

(ii) Failure of Company to remedy any of the following within 10 calendar days after receipt by Company of written notice thereof from Executive: (A) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with Company and any Subsidiary which Executive held immediately prior to the Change in Control, (B) a reduction in Executive's Base Pay received from Company and any Subsidiary, (C) a reduction in Executive's Incentive Pay opportunity as compared with the Incentive Pay opportunity most recently paid prior to the Change in Control, or (D) the termination or denial of Executive's rights to Employee Benefits or a reduction in the scope or value thereof;

(iii) The liquidation, dissolution, merger, consolidation or reorganization of Company or the transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (by operation of law or otherwise) assumed all duties and obligations of Company under this Agreement pursuant to Section 10(a);

(iv) Company requires Executive to have Executive's principal location of work changed to any location that is in excess of 30 miles from the location thereof immediately prior to the Change in Control, or requires Executive to travel away from Executive's office in the

course of discharging Executive's responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three full years immediately prior to the Change in Control without, in either case, Executive's prior written consent; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by Company or any successor thereto.

(j) "Incentive Pay" means an annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of Company or a Subsidiary, or any successor thereto. "Incentive Pay" does not include any stock option, stock appreciation, stock purchase, restricted stock, private equity, long-term incentive or similar plan, program, arrangement or grant, whether or not provided under a plan, program or arrangement described in the preceding sentence.

(k) "Severance Period" means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the second anniversary of the occurrence of the Change in Control, or (ii) Executive's death;

(l) "Subsidiary" means an entity in which Company directly or indirectly beneficially owns 50% or more of the outstanding voting stock of such entity.

(m) "Term" means the period commencing as of the Effective Date and expiring on the close of business on December 31, 2008; provided, however, that (i) commencing on January 1, 2008 and each January 1 thereafter, the term of this Agreement will automatically be extended for an additional year unless, not later than September 30 of the immediately preceding year, Company or Executive shall have given notice that Company or Executive, as the case may be, does not wish to have the Term extended; (ii) if a Change in Control occurs during the Term, the Term will expire on the last day of the Severance Period; and (iii) subject to Section 3(c), if, prior to a Change in Control, the Executive ceases for any reason to be a corporate officer or operating president of Company and any Subsidiary, thereupon without further action the Term shall be deemed to have expired and this Agreement will immediately terminate and be of no further effect; provided however, that this Section 1(m)(iii) shall not apply to terminate the Agreement with respect to any Executive who had a Severance Pay Agreement or Amended and Restated Severance Pay Agreement between Company and Executive in effect on February 20, 2007 and who entered into this Agreement effective February 21, 2007. For purposes of this Section 1(m), the Executive shall not be deemed to have ceased to be an employee of Company and any Subsidiary by reason of the transfer of the Executive's employment between Company and any Subsidiary, or among any Subsidiaries.

(n) "Termination Date" means the date on which Executive's employment is terminated (the effective date of which will be the date of termination, or such other date that may be specified by Executive if the termination is pursuant to Section 3(b)).

(o) "Voting Stock" means at any time, the then-outstanding securities entitled to vote generally in the election of directors of Company.

44. Operation of Agreement. This Agreement will be effective and binding immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, except as provided in Section 3(c), this Agreement will not be operative unless and until a Change in Control occurs. Upon the

occurrence of a Change in Control at any time during the Term, without further action, this Agreement will become immediately operative.

45. Termination Following a Change in Control.

(a) In the event of the occurrence of a Change in Control, Executive's employment may be terminated by Company or a Subsidiary during the Severance Period (or pursuant to Section 3(c)) and Executive will be entitled to the benefits provided by Section 4 unless such termination is the result of the occurrence of one or more of the following events:

(i) Executive's death;

(ii) If Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, Executive immediately prior to the Change in Control; or

(iii) Cause.

If, during the Severance Period, Executive's employment is terminated by Company or any Subsidiary other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), Executive will be entitled to the benefits provided by Section 4.

(b) In the event of the occurrence of a Change in Control, Executive may terminate employment with Company and any Subsidiary during the Severance Period for Good Reason with the right to severance compensation as provided in Section 4 regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment.

(c) Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and not more than 90 days prior to the date on which the Change in Control occurs, Executive's employment with Company is terminated by Company, such termination of employment will be deemed to be a termination of employment immediately after a Change in Control for purposes of determining whether Executive is entitled to benefits under this Agreement if Executive has reasonably demonstrated that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control, or (ii) otherwise arose in connection with or in anticipation of a Change in Control.

(d) A termination of employment pursuant to Section 3(a), 3(b) or 3(c) will not affect any rights that Executive may have pursuant to any agreement, policy, plan, program or arrangement of Company or Subsidiary providing Employee Benefits, which rights will be governed by the terms thereof. Notwithstanding the foregoing, any severance benefits received by Executive pursuant to Section 4 of this Agreement shall be in lieu of any severance benefits to which Executive would otherwise be entitled under any severance plan, program, policy or practice or contract or agreement of Company or its affiliates (other than a retirement plan or other deferred compensation arrangement, equity award, welfare benefit plan or any similar plan or agreement which may contain provisions that become operative on, or that may incidentally refer to accelerated vesting or accelerated payment upon, a termination of Executive's employment).

46. Severance Compensation.

(a) If, following the occurrence of a Change in Control, Company or Subsidiary terminates Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if Executive terminates Executive's employment pursuant to Section 3(b),

Company will be obligated to make the following payments and provide the following benefits to Executive.

(i) Within ten business days after the occurrence of an event described in Section 4(a) above (or in the case of an event described in Section 3(c), within 10 business days after the Change in Control), Company shall pay, in a lump sum, an amount equal to three (3) times the sum of (A) Base Pay (at the highest rate in effect for any period within three years prior to the Termination Date), plus (B) an amount equal to the greater of: (x) the average of the Incentive Pay earned or received by Executive during the three year period immediately preceding the Termination Date, or (y) the Executive's target Incentive Pay for the year in which the Termination Date occurs (assuming the Executive achieves 100% of any stated goals); provided, however, that if payment to Executive would constitute a "deferral of compensation" under Section 409A of the Code, Executive (or Executive's beneficiary) will receive payment of the amounts described in this Section 4(a)(i) upon the earlier of (i) six (6) months following Executive's "separation from service" with Company (as such phrase is defined in Section 409A of the Code) or (ii) within 90 days after Executive's death.

(ii) For a period of eighteen (18) months following the Termination Date (the "Continuation Period"), Company shall arrange to provide Executive, at no cost to Executive, with medical and dental benefits substantially similar to those that Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 1(i)(ii)). The Continuation Period shall be considered to be the period during which Executive shall be eligible for continuation coverage under Section 4980B of the Code, and Company shall reimburse Executive for the amount of the premiums for such continuation coverage; provided, however that without otherwise limiting the purposes or effect of Section 6, the benefits otherwise receivable by Executive pursuant to this Section 4(a)(ii) will be reduced to the extent comparable welfare benefits are actually received by Executive from another employer during the Continuation Period following Executive's Termination Date, and any such benefits actually received by Executive shall be reported by Executive to Company. If any benefit described in this Section 4(a)(ii) is subject to tax, Company will pay to Executive an additional amount such that after payment by Executive or Executive's dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes.

(iii) Executive shall be entitled to outplacement services by a firm selected by Executive, at the expense of Company in an amount not to exceed ten percent (10%) of Base Pay; provided, however, that all such outplacement services must be completed, and all payments by Company must be made, by December 31 of the second calendar year following the calendar year in which the Termination Date occurs.

(b) Without limiting the rights of Executive at law or in equity, if Company fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as set forth from time to time during the relevant period in The Wall Street Journal "Money Rates" column. Such interest will be payable at the time the related payment or benefit is paid to Executive. Any change in such prime rate will be effective on and as of the date of such change.

(c) Unless otherwise expressly provided by the applicable plan, program or agreement, after the occurrence of a Change in Control, Company will pay in cash to Executive a lump sum amount equal to the sum of (i) any unpaid Incentive Pay that would have been earned, accrued,

allocated or awarded to Executive for any performance period ending prior to the Change in Control (regardless of whether (x) payment of such compensation is contingent on the continuing performance of services by Executive or (y) the bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement pursuant to which such Incentive Pay would otherwise be payable permits pro-ration), plus (ii) the value of any annual bonus or long-term Incentive Pay (including, without limitation, incentive-based annual cash bonuses and performance units, but not including any equity-based compensation or compensation provided under a qualified plan) payable pursuant to any performance period that is outstanding on the date of the Change in Control. Such payment will be made at the earlier of (x) the date prescribed for payment pursuant to the applicable plan, program or agreement, and (y) within five business days after the Change in Control. In the case of clauses (i) and (ii), any applicable vesting requirements will be disregarded. In the case of clause (ii), the amount will be calculated at the greater of (1) the plan target or payout rate and (2) the amount determined based on Company's actual results relative to the applicable performance criteria as if the performance period had ended on the date of the Change in Control, which amount will be prorated on the basis of the number of days of Executive's participation during the applicable performance period to which the incentive pay related divided by the aggregate number of days in such performance period, taking into account service rendered through the payment date.

47. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, but subject to Paragraph 7 of Annex A, in the event that this Agreement becomes operative and it is determined (as hereafter provided) that any payment (other than the Gross-Up payments provided for in this Section 5 and Annex A) or distribution by Company or any of its affiliates to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, performance share, performance unit, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being considered "contingent on a change in ownership or control" of Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then Executive will be entitled to receive an additional payment or payments (collectively, a "Gross-Up Payment"); provided, however, that no Gross-up Payment will be made with respect to the Excise Tax, if any, attributable to (i) any incentive stock option, as defined by Section 422 of the Code ("ISO") granted prior to the execution of this Agreement, or (ii) any stock appreciation or similar right, whether or not limited, granted in tandem with any ISO described in clause (i). The Gross-Up Payment will be in an amount such that, after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) The obligations set forth in Section 5(a) will be subject to the procedural provisions described in Annex A.

48. No Mitigation Obligation. Company hereby acknowledges that it will be difficult and may be impossible for Executive to find reasonably comparable employment following Termination Date. Accordingly, the payment of the severance compensation by Company to Executive in accordance with the terms of this Agreement is hereby acknowledged by Company to be reasonable, and Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any

profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of Executive hereunder or otherwise.

49. Legal Fees and Expenses.

(a) It is the intent of Company that Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights in connection with any dispute arising under this Agreement because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder. Accordingly, if it should appear to Executive that Company has failed to comply with any of its obligations under this Agreement or in the event that Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any proceeding designed to deny, or to recover from, Executive the benefits provided or intended to be provided to Executive hereunder, Company irrevocably authorizes Executive from time to time to retain counsel of Executive's choice, at the expense of Company as hereafter provided, to advise and represent Executive in connection with any such dispute or proceeding. Notwithstanding any existing or prior attorney-client relationship between Company and such counsel, Company irrevocably consents to Executive's entering into an attorney-client relationship with such counsel, and in that connection Company and Executive agree that a confidential relationship will exist between Executive and such counsel. Without respect to whether Executive prevails, in whole or in part, in connection with any of the foregoing, Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Executive at any time from the Effective Date through Executive's remaining lifetime, (or, if longer, through the 20th anniversary of the Effective Date) in connection with any of the foregoing. Such payments will be made within five business days after delivery of Executive's written requests for payment, accompanied by such evidence of fees and expenses incurred as Company may reasonably require; provided that Executive shall have submitted all required documentation at least 14 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred.

(b) In order to secure the benefits to be received by Executive pursuant to this Agreement and similar arrangements with other executives, Company shall establish one or more trust funds (the "Trust"). Company will deposit in such Trust, within five (5) business days after the occurrence of an event that in the reasonable opinion of the Board will likely result in a Change in Control, an amount equal to approximately the maximum aggregate benefits that could be payable to Executive under the terms of this Agreement; provided, however, that (i) the Trust shall not be funded if the funding thereof would result in taxable income to Executive by reason of Section 409A(b) of the Code; and (ii) in no event shall any Trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code. Any funds which may be placed into the Trust under this Agreement shall continue for all purposes to be a part of the general funds of Company subject to the claims of Company's creditors in the event of Company's insolvency and no person shall by virtue of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of Company. Executive shall be entitled to receive distributions from the funds held in the Trust pursuant to the terms and conditions of this Agreement and the agreement establishing the Trust between Company and the trustee. If prior to the date of a Change in Control, the Board has actual knowledge that all third parties have abandoned or terminated their efforts to effect a Change in Control and a Change in Control at that time is unlikely and the Board so advises Executive, the trust funds and interest earned thereon, if any, shall be returned to Company by the trustee. Notwithstanding the provisions of this Section 6(b), failure by Company to place such funds in Trust in

no way relieves Company from its financial obligations and responsibilities to Executive under the terms of this Agreement.

(c) All benefits to be paid pursuant to this Agreement, including any amounts paid pursuant to Section 6(a) which were not paid through the Trust established pursuant to Section 6(b), shall be paid from the general assets of the Company.

50. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of Company or Executive to have Executive remain in the employment of Company or any Subsidiary prior to or following any Change in Control.

51. Withholding of Taxes. Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as Company is required to withhold pursuant to any applicable law, regulation or ruling.

52. Successors and Binding Agreement

(a) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of Company, by agreement in form and substance reasonably satisfactory to Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of Company and any successor to Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by Company.

(b) This Agreement will inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 10(a) and 10(b). Without limiting the generality or effect of the foregoing, Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 10(c), Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

53. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx or UPS, addressed to Company (to the attention of the Secretary of Company) at its principal executive office and to Executive at Executive's principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

54. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Ohio and federal law, without giving effect to the principles of conflict of laws of such State, except as expressly provided herein.

55. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid or otherwise unenforceable, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid or otherwise unenforceable will be reformed to the extent (and only to the extent) necessary to make it enforceable or valid.

56. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The headings used in this Agreement are intended for convenience or reference only and will not in any manner amplify, limit, modify or otherwise be used in the construction or interpretation of any provision of this Agreement. References to Sections are to Sections of this Agreement. Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

57. Effect on Prior Agreements. This Agreement shall expressly supersede and render null, void and invalid any prior severance pay agreement or agreements of a similar nature previously entered into by and between Company and Executive with respect to the subject matter of this Agreement, including but not limited to any Amended and Restated Severance Pay Agreement, effective as of April 23, 1997, Severance Agreement between the Company and Executive dated as of February 21, 2007, or Severance Pay Agreement effective as of a subsequent date but prior to the effective date of this Agreement, between Company and Executive.

58. Dispute Resolution. Any dispute between the parties under this Agreement will be resolved (except as provided below) through informal arbitration by an arbitrator selected under the rules of the American Arbitration Association for arbitration of employment disputes (located in the city in which Company's principal executive offices in the United States are based) and the arbitration will be conducted in that location under the rules of said Association. Each party will be entitled to present evidence and argument to the arbitrator. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions, except as expressly provided in Section 13. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. The expenses of arbitration will be borne equally by Company and Executive or as the arbitrator equitably determines consistent with the application of state or federal law; provided, however, that Executive's share of such expenses will not exceed the maximum permitted by law. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Ohio and, where applicable, federal law, without giving effect to the principles of conflict of laws of such State.

59. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(d), 4, 5, 7, 9, 10(b), 16, 18 and 20 will survive any

termination or expiration of this Agreement or the termination of Executive's employment following a Change in Control for any reason whatsoever.

60. Beneficiaries. Executive will be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death, and may change such election, in either case by giving Company written notice thereof in accordance with Section 11. In the event of Executive's death or a judicial determination of Executive's incompetence, reference in this Agreement to "Executive" will be deemed, where appropriate, to Executive's beneficiary, estate or other legal representative.

61. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

62. Section 409A of the Code.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code ("Section 409A") or are exempt therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies Company (with specificity as to the reason therefor) that Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A and Company concurs with such belief or Company (without any obligation whatsoever to do so) independently makes such determination, Company shall, after consulting with Executive, reform such provision in a manner that is economically neutral to Company to attempt to comply with Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and Executive is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Company or its affiliates as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and (iii) such payments shall be made on or before the last day of the calendar year immediately following the calendar year in which the expense occurred, or such earlier date as required hereunder.

(d) With regard to any provision herein that provides for a gross-up payment or other reimbursement for Executive's taxes (or audit or litigation expenses attributable to the tax gross-up or reimbursement), the applicable taxes or related expenses shall be reimbursed no later than the earlier of (i) the date specified for payment under the Arrangement, or (ii) the end of the calendar year immediately following the calendar year in which the applicable taxes are remitted or, in the case of reimbursement of expenses incurred due to a tax audit or litigation to which there is no remittance of taxes, the end of the

calendar year following the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

(e) Notwithstanding anything contained in this Agreement to the contrary, if Executive is a "specified employee," as determined under Company's policy for identifying specified employees on the Termination Date, then to the extent required in order to comply with Section 409A, all payments, benefits, tax gross-ups or other reimbursements paid or provided under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A, that are provided as a result of a "separation from service" within the meaning of Section 409A and that would otherwise be paid or provided during the first six months following such Termination Date shall be accumulated through and paid or provided (together with interest at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect on the Termination Date), within 30 days after the first business day that is more than six months after the date of his separation from service (or, if Executive dies during such six-month period, within 90 days after Executive's death).

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days after the Termination Date"), the actual date of payment within the specified period shall be within the sole discretion of Company. For purposes of Section 409A, Executive's right to receive any "installment" payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

THE SHERWIN-WILLIAMS COMPANY

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EXECUTIVE

Annex A

EXCISE TAX GROSS-UP PROCEDURAL PROVISIONS

(1) Subject to the provisions of Paragraph 5, all determinations required to be made under Section 5 and Annex A, including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by Company to Executive and the amount of such Gross-Up Payment, if any, will be made by a nationally recognized accounting firm or benefits consulting firm (the "National Firm") selected by the Executive in Executive's sole discretion. Executive will direct the National Firm to submit its determination and detailed supporting calculations to both Company and Executive within 30 calendar days after the Termination Date, if applicable, and any such other time or times as may be requested by Company or Executive. If the National Firm determines that any Excise Tax is payable by Executive, Company will pay the required Gross-Up Payment to Executive within 5 business days after receipt of such determination and calculations with respect to any Payment to Executive. If the National Firm determines that no Excise Tax is payable by Executive with respect to any material benefit or amount (or portion thereof), it will, at the same time as it makes such determination, furnish Company and Executive with an opinion that Executive has substantial authority not to report any Excise Tax on Executive's federal, state or local income or other tax return with respect to such benefit or amount. As a result of the uncertainty in the application of Section 4999 of the Code and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the National Firm hereunder, it is possible that Gross-Up Payments that will not have been made by Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that Company exhausts or fails to pursue its remedies pursuant to Paragraph 5 and Executive thereafter is required to make a payment of any Excise Tax, Executive will direct the National Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both Company and Executive as promptly as possible. Any such Underpayment will be promptly paid by Company to, or for the benefit of, Executive within 5 business days after receipt of such determination and calculations.

(2) Company and Executive will each provide the National Firm access to and copies of any books, records and documents in the possession of Company or Executive, as the case may be, reasonably requested by the National Firm, and otherwise cooperate with the National Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Paragraph 1. Any determination by the National Firm as to the amount of the Gross-Up Payment will be binding upon Company and Executive.

(3) The federal, state and local income or other tax returns filed by Executive will be prepared and filed on a consistent basis with the determination of the National Firm with respect to the Excise Tax payable by Executive. Executive will report and make proper payment of the amount of any Excise Tax, and at the request of Company, provide to Company true and correct copies (with any amendments) of Executive's federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by Company, evidencing such payment. If prior to the filing of Executive's federal income tax return, or corresponding state or local tax return, if relevant, the National Firm determines that the amount of the Gross-Up Payment should be reduced, Executive will within 5 business days pay to Company the amount of such reduction.

(4) The fees and expenses of the National Firm for its services in connection with the determinations and calculations contemplated by Paragraph 1 at any time from the Effective Date through Executive's remaining lifetime, (or, if longer, through the 20th anniversary of the Effective Date) will be borne by Company. If such fees and expenses are initially paid by Executive, Company will reimburse Executive the full amount of such fees and expenses within 5 business days after receipt from Executive of a statement therefor and reasonable evidence of Executive's payment thereof; provided that Executive

shall have submitted all required documentation at least 14 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred.

(5) Executive will notify Company in writing of any claim by the Internal Revenue Service or any other taxing authority that, if successful, would require the payment by Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after Executive actually receives notice of such claim and Executive will further apprise Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by Executive). Executive will not pay such claim prior to the expiration of the 30-calendar-day period following the date on which Executive gives such notice to Company or, if earlier, the date that any payment of amount with respect to such claim is due. If Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive will:

- (A) provide Company with any written records or documents in Executive's possession relating to such claim reasonably requested by Company;
- (B) take such action in connection with contesting such claim as Company reasonably requests in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by Company;
- (C) cooperate with Company in good faith in order effectively to contest such claim; and
- (D) permit Company to participate in any proceedings relating to such claim;

provided, however, that Company will bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and will indemnify and hold harmless Executive, on an after-tax basis, for and against any Excise Tax or income or other tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Paragraph 5, Company will control all proceedings taken in connection with the contest of any claim contemplated by this Paragraph 5 and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that Executive may participate therein at Executive's own cost and expense) and may, at its option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Company determines; provided, however, that if Company directs Executive to pay the tax claimed and sue for a refund, Company will, as permitted by applicable law, advance the amount of such payment to Executive on an interest-free basis and will indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, Company's control of any such contested claim will be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(6) If, after the receipt by Executive of an amount advanced by Company pursuant to Paragraph 5, Executive receives any refund with respect to such claim, Executive will (subject to Company's complying with the requirements of Paragraph 5) promptly pay to Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by Executive of an amount advanced by Company pursuant to Paragraph 5, a determination is made that Executive is not entitled to any refund with respect to such claim and Company does not notify Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 calendar days after such determination, then such advance will be forgiven and will not be required to be repaid and the amount of any such advance will offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by Company to Executive pursuant to Section 5 and this Annex C.

(7) Notwithstanding any provision of this Agreement to the contrary, but giving effect to any redetermination of the amount of Gross-Up payments otherwise required by this Annex A, if (A) but for this sentence, Company would be obligated to make a Gross-Up Payment to Executive and (B) the aggregate "present value" of the "parachute payments" to be paid or provided to Executive under this Agreement or otherwise does not exceed 1.15 multiplied by three times Executive's "base amount," then the payments and benefits to be paid or provided under this Agreement will be reduced (or repaid to Company, if previously paid or provided) to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced or repaid, constitutes an "excess parachute payment." For purposes of this Paragraph 7, the terms "excess parachute payment," "present value," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in or repayment of such payments or benefits to be provided under this Agreement is required pursuant to this Paragraph 7 will be made at the expense of Company, if requested by Executive or Company, by the National Firm. Appropriate adjustments will be made to amounts previously paid to Executive, or to amounts not paid pursuant to this Paragraph 7, as the case may be, to reflect properly a subsequent determination that Executive owes more or less Excise Tax than the amount previously determined to be due. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced or repaid pursuant to this Paragraph 7, the reduction shall be made by reducing the amounts to be paid or provided under the following sections of this Agreement in the following order: (i) Section 4(a)(i), (ii) Section 4(c), (iii) Section 4(a)(iii), and (iv) Section 4(a)(ii).

Plan Document
and
Summary Plan Description
of
The Sherwin-Williams Company
Key Employee Separation Plan
As Amended and Restated Effective October 13, 2023

**THE SHERWIN-WILLIAMS COMPANY
KEY EMPLOYEE SEPARATION PLAN**

ARTICLE 1. PURPOSE

The purpose of The Sherwin-Williams Company Key Employee Separation Plan is to assist the Company to retain the services of key employees by providing eligible employees of the Company and its Affiliates with certain severance and welfare benefits in the event their employment is involuntarily terminated. This document is designed to serve as both the Plan document and the summary plan description for the Plan. The legal rights and obligations of any person having an interest in the Plan are determined solely by the provisions of the Plan as interpreted by the Committee. Unless otherwise defined elsewhere in the Plan, defined terms are set forth in Article 12 hereof.

ARTICLE 2. TERM

The Plan shall generally be effective as of the Effective Date, but subject to amendment from time to time in accordance with Article 7 hereof. The Plan shall continue until terminated pursuant to Article 7 hereof.

ARTICLE 3. PARTICIPATION

3.1 Employees of the Company or any Affiliate who are selected for participation by the Committee, in its sole and absolute discretion, as provided in Article 5 hereof, shall be eligible to participate in the Plan. Any such employee selected to participate in the Plan shall be referred to herein as a "Participant" and shall be expressly listed in a schedule maintained by the Committee (the "Participant Schedule"), with such severance benefits hereunder to be provided in accordance with the Participant's designation level as set forth in the benefits schedule attached hereto as Exhibit A (the "Benefits Schedule"). The Participants and their respective participation levels (as described in Section 4.1) shall be selected and approved by the Committee, and communicated to the Participant by the Company. The Committee, in its discretion, may add Participants to the Plan and assign and approve for each of them their respective participation levels, from time to time, and shall periodically review and update the schedule or list of Participants. For purposes of clarity, a person is not a "Participant" in the Plan, unless expressly added as a "Participant" by the Committee.

3.2 Notwithstanding the foregoing and subject to Article 7 hereof, the Committee may terminate a Participant's participation in the Plan at any time, in its sole and absolute discretion. Subject to Article 7 hereof, a termination of Participant's employment with the Company and any Affiliate, except under the circumstances described in Section 4.1, shall automatically, with no further act on the part of the Company or any Affiliate, terminate any right of such Participant to participate, or receive any benefits under, the Plan.

ARTICLE 4. BENEFITS

4.1 Compensation and Benefits Upon Covered Termination

Subject to Participant's timely execution and non-revocation of the Release described in Section 4.3, in the event of a Covered Termination, the Company shall pay and provide to the Participant after his or her Date of Termination:

(a) (i) any Base Pay earned, accrued or owing to him or her through the Date of Termination, (ii) any Annual Incentive Bonus not yet paid, but due and payable for year prior to the year of Participant's Date of Termination, (iii) reimbursement for all reasonable and customary expenses incurred by Participant in performing services for the Company prior to the Date of Termination, subject to receipt by the Company of appropriate documentation in accordance with policies established by the Company from time to time, and (iv) payment equal to the amount of accrued, but unused, vacation time in accordance with the Company's policies and practices with respect to vacation time, with any such amounts to be paid in a lump sum within 30 days following the Date of Termination or at such other time prescribed by any applicable plan or agreement.

(b) An aggregate amount, as set forth in the Benefits Schedule, and based upon a Participant's Sherwin-Williams Management Incentive Plan ("SWMIP") employee designation level (with such designation and the amount of Base Pay each as in effect on the Date of Termination).

(c) A pro rata share of any individual Annual Incentive Bonus for the year in which Participant's Date of Termination occurs based on the portion of such year that Participant was employed by the Company and any Affiliate; provided, however, that the payment of individual Annual Incentive Bonus will continue to be subject to the attainment of performance goals and paid in accordance with the terms as specified in the applicable plan.

(d) To the extent permitted by applicable law and the Benefit Plans, the Company shall maintain Participant's paid coverage for health insurance (through the payment of Participant's COBRA premiums) and other dental insurance benefits for the period corresponding with Participant's participation level as set forth in the Benefits Schedule, but ending upon the earlier to occur of: (a) Participant obtaining the age of 65, (b) the date Participant is eligible for similar benefits to the benefits provided by the Benefit Plans from another employer (and Participant must provide prompt notice of eligibility with respect thereto to the Company), or (c) the expiration of the COBRA Continuation Period (i.e., generally 18 months following the Date of Termination). During the applicable period of coverage described in the Benefits Schedule, to the extent permitted by applicable law and the Benefit Plans, Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had Participant not been terminated and the Company will have no obligation to pay any benefits to, or premiums on behalf of, Participant after such period ends. To the extent that such benefits are available under the Benefit Plans and Participant had such coverage immediately prior to the Date of Termination, such continuation of benefits for Participant shall also cover Participant's spouse and/or dependents for so long as Participant is receiving such benefits as provided in the Benefits Schedule. The COBRA Continuation Period for medical and dental insurance under this Section 4.1(d) shall be deemed to run concurrent with the continuation period federally mandated by COBRA, or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under the health care plan.

(e) Payment of, or reimbursement for, the reasonable cost of appropriate outplacement assistance services actually used by Participant and other expenses actually incurred by Participant associated with seeking another employment position, in each case that are approved by the Committee in its discretion.

All payments to be made pursuant to Section 4.1(b) shall be made in equal installments in accordance with the Company's payroll procedures for the period corresponding with such Participant's participation level set forth in the Benefit Schedule, subject to the execution, delivery and non-revocation of the Release set forth in Section 4.3. All payments due under Sections 4.1(c), (d) and (e) shall be made as provided thereunder, in each case, subject to the execution, delivery and non-revocation of the Release set forth in Section 4.3.

4.2 Vesting of Equity. With respect to any equity awards or grants made by the Company or any Affiliate and notwithstanding any provision to the contrary in any applicable plan, program or award agreement, upon a Participant's Date of Termination pursuant to Section 4.1, all such equity awards or grants held by Participant will continue to vest for the period set forth in the Benefits Schedule after the Date of Termination as if Participant remained an employee of the Company in the same or in a Participating Position (as defined therein), if applicable, for such period (or for such longer period as may be provided in the applicable award agreement as measured and determined from the last day payments or benefits are provided under the Benefits Schedule), and all such stock options held by Participant shall remain exercisable until the expiration date of the applicable option term; provided, however, that the payment of performance-based awards will continue to be subject to the attainment of the performance goals as specified in the applicable plan or award agreement and will be paid, if at all, based on a Participant's service and additional deemed service (as provided in the Benefits Schedule or for such longer period as provided in the applicable award agreement as measured and determined from the last day payments or benefits are provided under the Benefits Schedule) for the applicable performance period.

4.3 Release. Notwithstanding any other provision of the Plan to the contrary, no payment or benefit otherwise provided for under or by virtue of Section 4.1 and/or Section 4.2 of the Plan shall be paid or otherwise made available unless and until the Participant executes and does not revoke a general release, non-disparagement and non-competition agreement, in a form provided by the Company and substantially as attached as Exhibit B hereto (modified as necessary to conform to then existing legal requirements or applicable law) (the "Release"). The Release must be executed, delivered and not revoked by the Participant or no amounts or benefits under Section 4.1 and/or Section 4.2 shall be or become payable.

4.4 WARN. Notwithstanding any other provision of the Plan to the contrary, payments made pursuant to the Plan are not intended to be in addition to pay-in-lieu-of notice under the Worker Adjustment and Retraining Notification Act ("WARN"), Labor Code Section 1400 et seq., or any other applicable federal, state or local law or regulation. Should benefits under any such law or regulation become payable, payment of any benefit payable hereunder to a Participant as a consequence of the Participant's Covered Termination shall be reduced accordingly or, alternatively, payments previously made under the Plan will be treated as having been paid to satisfy such other benefit obligations (other than state unemployment compensation if applicable).

4.5 Termination of Employment on Account of Disability, Cause or Death or New Job Position Notwithstanding anything in this Plan to the contrary, if the Participant's employment with the Company and any Affiliate terminates on account of Disability, Cause or because of his or her death or the Participant assumes a New Job Position, the Participant shall not be considered to have terminated employment under Section 4.1 of this Plan and shall not receive benefits pursuant to Section 4.1 and/or Section 4.2. Notwithstanding, the Participant shall be entitled to receive disability benefits under any disability program then maintained by the Company or any Affiliate that covers the Participant as provided under the terms of such disability program.

ARTICLE 5. ADMINISTRATION

5.1 The Plan shall be administered by the Committee. The Committee shall be the "administrator" and a "named fiduciary" under the Plan for purposes of ERISA.

5.2 The Committee shall have the full and absolute power, authority and sole discretion to construe, interpret and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions, including resolving any ambiguity or uncertainty arising under or existing in the terms and provisions of the Plan, which determinations shall be final, conclusive, and binding on the Company, its Affiliates, the Participant and any and all interested parties.

5.3 The Committee may delegate any and all of its powers and responsibilities hereunder to other persons by formal resolution as provided in Article 6 hereof. Any such delegation may be rescinded at any time by written notice from the Committee to the person to whom delegation is made.

5.4 The Committee shall have the full and absolute authority to employ and rely on such legal counsel, actuaries and accountants (which may also be those of the Company and its Affiliates), and other agents, designees and delegatees, as it may deem advisable to assist in the administration of the Plan.

ARTICLE 6. DELEGATION OF AUTHORITY.

The Committee shall have the power and authority to allocate among themselves and to delegate any responsibility or power reserved to it hereunder to any person or persons, the Board or any committee of the Board, as it may, in its sole discretion, deems appropriate. Pursuant to this Article 6 hereof, the Senior Vice President – Human Resources of Sherwin-Williams shall be delegated authority by the Committee to conduct administrative functions with respect to the Plan and make changes to the Plan as he or she deems appropriate (including, without limitation, adding or removing Participants in the Plan); provided that, if such changes relate to amounts, or potential amounts, payable to the "officers" of Sherwin-Williams as defined under Rule 16a-1(f) of the Securities Exchange Act, approval of the Committee will be obtained. For the avoidance of doubt, any and all decisions of the Committee's designee(s) shall be governed by the provisions of the Plan as if they were made by the full Committee.

ARTICLE 7. AMENDMENT AND TERMINATION

7.1 Subject to Section 7.2, the Committee shall have the right in its discretion at any time to amend the Plan in any respect or to terminate the Plan.

7.2 Notwithstanding any other provision of the Plan to the contrary, the Plan (including, without limitation, this Section 7.2) as applied to any particular Participant may not be amended or terminated at any time within the 90 day period immediately prior to the occurrence of a Change of Control in any manner adverse to the interests of such Participant, without the express written consent of such Participant, except in the event (a) of a termination of Participant's employment with the Company and its Affiliates under the circumstances described in Section 4.5 and/or (b) the Committee determines to amend the Plan in order to conform the provisions of the Plan with 409A, the regulations issued thereunder or an exception thereto, regardless of whether such modification, amendment, or termination of the Plan shall adversely affect the rights of a Participant under the Plan.

ARTICLE 8. EMPLOYMENT RIGHTS

Nothing expressed or implied in the Plan will create any right or duty on the part of the Company, any Affiliate or the Participant to have the Participant remain in the employment of the Company or any Affiliate.

ARTICLE 9. CLAIMS PROCEDURE

Adverse Benefit Determinations

Each terminated Participant may contest the administration of the benefits (but not the level of benefits) by completing and filing a written claim for reconsideration with the Committee (which, for purposes of this Article 9 and Article 10, includes any designee(s) or delegatee(s) of the Committee pursuant to Article 6), within 90 days of the time that the Participant has knowledge of the relevant facts constituting the basis for the Participant's claim. If the Committee denies a claim in whole or in part, the Committee will provide notice to the Participant, in writing, within 90 days after the claim is filed, unless the Committee determines that an extension of time for processing is required. In the event that the Committee determines that such an extension is required, written notice of the extension shall be furnished to the Participant prior to the termination of the initial 90-day period. The extension shall not exceed a period of 90 days from the end of the initial period of time and the extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit decision.

The written notice of a denial of a claim shall set forth, in a manner calculated to be understood by the terminated employee:

- the specific reason(s) for the denial;
- specific reference to the specific Plan provisions on which the denial is based;
- a description of any additional material or information which must be submitted for the Participant to perfect the claim, and an explanation of why such material or information is necessary; and
- an explanation of the Plan's claims review procedure and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal.

Appeal of Adverse Benefit Determinations

The Participant or the Participant's duly authorized representative shall have an opportunity to appeal a claim denial to the Committee for a full and fair review. The Participant or the Participant's duly authorized representative may:

1. request a review upon written notice to the Committee within 60 days after receipt of a notice of the denial of a claim for benefits;
2. submit written comments, documents, records, and other information relating to the claim for benefits; and
3. examine the Plan and obtain, upon request and without charge, copies of all documents, records, and other information relevant to the Participant's claim for benefits.

The Committee's review shall take into account all comments, documents, records, and other information submitted by the terminated employee relating to the claim, without regard to whether such information was submitted or considered by the Committee in the initial benefit determination. A determination on the review by the Committee will be made not later than 60 days after receipt of a request for review, unless the Committee determines that an extension of time for processing is required. In the event that the Committee determines that such an extension is required, written notice of the extension shall be furnished to the terminated employee prior to the termination of the initial 60-day period. The extension shall not exceed a period of 60 days from the end of the initial period and the extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Committee expects to render the determination on review.

The written determination of the Committee shall set forth, in a manner calculated to be understood by the terminated employee:

1. the specific reason or reasons for the decision;
2. specific reference to the specific Plan provisions on which the decision is based;
3. the terminated employee's right to receive, upon request and without charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits; and
4. a statement of the employee's right to bring a civil action under section 502(a) of ERISA.

No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims and appeals procedures set forth above are exhausted and a final determination is made by the Committee. If the Participant or other interested person challenges a decision of the Committee, a review by the court of law will be limited to the facts, evidence and issues presented to the Committee during the claims and appeals procedure set forth above. Issues not raised with the Committee will be deemed waived. Any lawsuit claiming entitlement to benefits under the Plan, seeking clarification of any right to future benefits or alleging any other right or remedy derived from or related to the Plan shall be brought no later than six (6) months after the claims and appeals procedure has been exhausted.

ARTICLE 10. STATEMENT OF ERISA RIGHTS

As a Participant in the Plan, each Participant is entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

Receive Information About the Plan and Benefits

Examine, without charge, at the Committee's office, all documents governing the Plan.

Obtain, upon written request to the Committee, copies of documents governing the operation of the Plan and an updated summary plan description. The Committee may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including a Participant's employer or any other person, may fire such Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a welfare benefit or exercising such Participant's rights under ERISA. However, this rule neither guarantees continued employment, nor affects the Company's right to terminate a Participant's employment for other reasons.

Enforce Participant Rights

If a Participant's claim for a benefit is denied or ignored, in whole or in part, a Participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents and does not receive them within 30 days, such Participant may file suit in a Federal court. In such a case, the court may require the Committee to provide the materials and pay such Participant up to \$110 a day until Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Committee. If a Participant has a claim for benefits which is denied or ignored, in whole or in part, such Participant may file suit in a state or Federal court. If a Participant is discriminated against for asserting such Participant's rights, such Participant may seek assistance from the U.S. Department of Labor, or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful, the court may order the person such Participant has sued to pay these costs and fees. If a Participant loses, the court may order such Participant to pay these costs and fees, for example, if it finds such Participant's claim is frivolous.

Assistance with Participant Question

If a Participant has any questions about the Plan, such Participant should contact the Committee. If a Participant has any questions about this statement or about such Participant's rights under ERISA, or if a Participant needs assistance in obtaining documents from the Committee, such Participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in such Participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about such Participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE 11. MISCELLANEOUS

11.1 (a) The Company and its Affiliates shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company and its Affiliates (taken as a whole) expressly to assume and agree to perform under the terms of the Plan in the same manner and to the same extent that the Company and its Affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company and its Affiliates (as constituted prior to such succession) shall have no further obligation under or with respect to the Plan. Failure of the Company and its Affiliates to obtain such assumption and agreement with respect to any particular Participant prior to the effectiveness of any such succession shall be a breach of the terms of the Plan with respect to such Participant. Effective upon a transfer or assignment of this Plan, the term "Company" shall mean any successor to the Company's business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform the Plan.

(b) To the maximum extent permitted by law, the right of any Participant or other person to any amount under the Plan may not be subject to voluntary or involuntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Participant or such other person.

(c) The terms of the Plan shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees of each Participant. If a Participant shall die while an amount would still be payable to the Participant hereunder if they had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to the Participant's devisee, legatee or other designee or, if there is no such designee, their estate.

11.2 Except as expressly provided in Section 4.1, Participants shall not be required to mitigate damages or the amount of any payment or benefit provided for under the Plan by seeking other employment or otherwise, nor will any payments or benefits hereunder be subject to offset in the event a Participant does mitigate.

11.3 Payments to be made under the Plan are intended to comply with, or be excepted from coverage under, 409A and shall be construed accordingly. Notwithstanding any provision of the Plan to the contrary, if any benefit provided under the Plan is subject to the provisions of 409A (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with 409A, the regulations issued thereunder (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). Accordingly, if a Participant is a "specified employee" for purposes of 409A (as such term is defined in 409A, and determined in accordance with the procedures established by the Company) and a payment subject to 409A to the Participant is due upon Separation from Service, such payment shall be delayed for a period of six (6) months after the date the Participant Separates from Service (or, if earlier, the death of the Participant). Each payment under the Plan shall be treated as a separate payment for purposes of 409A. In no event may a Participant directly or indirectly designate the calendar year of any payment to be made under the Plan. If the maximum period during which a Participant has the ability to consider and revoke a release hereunder would span two taxable years then, regardless of when the Participant signs the release and the revocation period expires, payment of the severance benefits hereunder that are subject to 409A will be made or commence no earlier than the beginning of the second of such taxable years. The Company reserves the right to accelerate, delay or modify distributions to the extent permitted under 409A, the regulations and other binding guidance promulgated thereunder. Notwithstanding any provision of this Plan to the contrary, the Company shall not be liable for, and nothing provided or contained in the Plan will be construed to obligate or cause the Company to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of 409A.

11.4 All notices under the Plan shall be in writing, and if to the Company or the Committee, shall be delivered to the General Counsel of Sherwin-Williams, or mailed to Sherwin-Williams' principal office, addressed to the attention of the General Counsel of Sherwin-Williams; and if to a Participant (or the estate or beneficiary thereof), shall be delivered personally or mailed to the Participant at the address appearing in the records of the Company and its Affiliates.

11.5 Unless otherwise determined by the Company in an applicable plan or arrangement, no amounts payable hereunder upon a Covered Termination, shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company and/or any Affiliate for the benefit of employees unless the Company shall determine otherwise.

11.6 Participation in the Plan shall not limit any right of a Participant to receive any payments or benefits under any employee benefit or executive compensation plan of the Company and/or its Affiliates; provided that in no event shall any Participant be entitled to any payment or benefit under the Plan which provides for a payment or benefit received or receivable by the Participant that is otherwise provided to Participant under any severance or similar plan, agreement or policy of the Company and/or its Affiliates, including, without limitation, any change in control severance agreement and/or individual employment agreement. The total reduction to Plan payments or benefits as required by this Section 10.6 shall be first made against payments and/or benefits under the Plan that are exempt from 409A.

11.7 Any payments hereunder shall be made out of the general assets of the Company. Each Participant shall have the status of general unsecured creditors of the Company, and the Plan constitutes a mere promise by the Company to make payments under the Plan in the future as and to the extent provided herein.

11.8 The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

11.9 The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan which shall remain in full force and effect.

11.10 The use of captions in the Plan is for convenience. The captions are not intended to and do not provide substantive rights.

11.11 Except as otherwise preempted by the laws of the United States, the Plan shall be construed, administered and enforced according to the laws of the State of Ohio, without regard to principles of conflicts of law, and any action relating to this Plan must be brought in state and federal courts located in the State of Ohio.

ARTICLE 12. DEFINITIONS

Except as may otherwise be specified, the following terms shall have the respective meanings set forth below whenever used herein:

- (a) "Affiliate" shall mean any parent entities, affiliated Subsidiaries and/or groups or divisions of the Company.
- (b) "Annual Incentive Bonus" shall mean annual incentive compensation granted to a Participant with a performance period of January 1 through December 31, and awarded under the Sherwin-Williams 2007 Executive Annual Performance Bonus Plan (and any successor thereof) for performance in a particular year.
- (c) "Base Pay" shall mean the Participant's annual base salary rate, exclusive of bonuses, commissions, employee benefits and other incentive and/or stock-based compensation, as in effect immediately preceding the Participant's Date of Termination.
- (d) "Benefit Plans" shall mean the insurance and health and welfare benefits plans and policies to which Participant is entitled to participate.
- (e) "Board" shall mean the Board of Directors of Sherwin-Williams.
- (f) "Cause" shall mean that the Participant shall have:
 - (i) caused material injury to the reputation of Company;
 - (ii) committed fraud, embezzlement, or theft from the Company;
 - (iii) materially interfered with the business operations of the Company;
 - (iv) engaged in self-dealing or committed material violations of any policies of the Company, including, without limitation, its codes of ethics and conduct;
 - (v) repeatedly failed to perform assigned duties or willful misconduct in the performance of such duties; or
 - (vi) been charged, indicted or convicted of, or plead guilty or nolo contendere to, a felony, whether or not in connection with the performance by the Participant of his or her duties or obligations to the Company.

Determination as to whether or not Cause exists for termination of Participant's employment will be made by the Committee in its sole discretion.

- (g) "Change of Control" shall mean the first to occur, after the Effective Date, of any of the following:
 - (i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of Sherwin-Williams; provided, however, that:

(1) for purposes of this subsection (i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from Sherwin-Williams that is approved by a majority of the Incumbent Directors, (B) any acquisition of Voting Stock by Sherwin-Williams or any Subsidiary, (C) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any Benefit Plan (or related trust) sponsored or maintained by Sherwin-Williams or any Subsidiary, and (D) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (1), (2) and (3) of subsection (iii) below;

(2) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (A) of subsection (i)(1) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from Sherwin-Williams that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by Sherwin-Williams in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be treated as a Change of Control;

(3) a Change of Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by Sherwin-Williams in which all holders of Voting Stock are treated equally; and

(4) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Directors a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change of Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Sherwin-Williams or the acquisition of the stock or assets of another corporation, or other similar transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (1) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then-outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns Sherwin-Williams or all or substantially all of Sherwin-Williams assets either directly or through one or more subsidiaries), (2) no Person (other than Sherwin-Williams, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by Sherwin-

Williams, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then-outstanding shares of voting stock of the entity resulting from such Business Transaction, and (3) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) approval by the shareholders of Sherwin-Williams of a complete liquidation or dissolution of Sherwin-Williams, except pursuant to a Business Transaction that complies with clauses (1), (2) and (3) of subsection (iii).

For purposes of this section, the terms (A) "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director initially elected or nominated as a director as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies by or on behalf of such director, including any director nominated or elected to the Board pursuant to any proxy access procedures included in Sherwin-Williams' organizational documents) whose election by the Board or nomination for election by Sherwin-Williams' shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved and (B) "Voting Stock" shall mean the voting securities of Sherwin-Williams which have the right to vote on the election of members of the Board.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(i) "COBRA Continuation Period" shall mean the continuation period for medical and dental insurance to be provided under the terms of the Plan which shall commence on the first day of the calendar month following the month in which the Date of Termination falls.

(j) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(k) "Committee" shall mean the Compensation and Management Development Committee of the Board, and/or any such person(s) to whom the Committee delegates its authority to pursuant to Article 6 hereof.

(l) "Company" shall mean Sherwin-Williams and its parent entities, Subsidiaries and Affiliates as may employ Participant from time to time; provided that a Subsidiary which ceases to be, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Sherwin-Williams shall, automatically and without any further action, cease to be (or be a part of) the Company and its Affiliates for purposes hereof.

(m) "Covered Termination" shall mean, at any time prior to a Change of Control, the Participant's involuntary Separation from Service with the Company by the Company and any Affiliate for any reason other than (i) Cause, (ii) the Participant's death, or (iii) the Participant's Disability. For purposes of clarity, a "Covered Termination" shall not be deemed to have occurred if a Participant has entered into a severance agreement with Sherwin-Williams that provides for the payment of severance compensation relating to qualifying employment termination events in connection with a Change of Control and Participant is entitled to payment thereunder.

(n) "Date of Termination" shall mean the last day of active employment on or following the date on which a Covered Termination occurs; provided, however, that with respect to any benefits provided under the Plan that are subject to (and not excepted from) Section 409A of the Code and the regulations promulgated thereunder, Date of Termination for purposes of determining the date on which severance payments and/or benefits are to commence hereunder shall mean the date on which a Covered Termination occurs.

(o) "Disability" shall mean the Participant's physical or mental incapacity to perform his or her usual duties with such condition likely to remain continuously and permanently as determined by the Committee.

(p) "Effective Date" shall mean January 1, 2018.

(q) "New Job Position" shall mean a change in the Participant's position, authority, duties or responsibilities with the Company or any Affiliate due to the Participant's demonstrated inadequate or unsatisfactory performance, provided the Participant had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.

(r) "Notice of Termination" shall mean a notice given by the Company or Participant, as applicable, relating to the Participant's termination of employment.

(s) "Participant" shall have the meaning ascribed by Article 3 hereof.

(t) "Plan" shall mean The Sherwin-Williams Company Key Employee Separation Plan, as it may be amended from time to time in accordance with Article 7 hereof.

(u) "Release" shall have the meaning ascribed by Section 4.3.

(v) "Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(w) "Separation from Service" shall mean a Participant's termination of employment with the Company and all of its controlled group members within the meaning of Section 409A of the Code and the regulations promulgated thereunder ("409A"). The determination of controlled group members shall be made pursuant to the provisions of Section 414(b) and 414(c) of the Code; provided that the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Section 1563(a)(1), (2) and (3) of the Code and Treas. Reg. Sec. 1.414(c)-2; provided, further, where legitimate business reasons exist (within the meaning

of Treas. Reg. Sec. 1.409A-1(h)(3)), the language “at least 20 percent” shall be used instead of “at least 80 percent” in each place it appears. Whether a Participant has Separated from Service will be determined based on all of the facts and circumstances and in accordance with the guidance issued under 409A. A Participant will be presumed to have experienced a Separation from Service when the level of bona fide services performed permanently decreases to a level less than twenty percent (20%) of the average level of bona fide services performed during the immediately preceding thirty-six (36)-month period or such other period as provided by regulation.

- (x) “Sherwin-Williams” shall mean The Sherwin-Williams Company, an Ohio corporation, and its successors.
- (y) “Stock” shall mean the common stock, par value \$1.00 per share, of Sherwin-Williams.
- (z) “Subsidiary” shall mean any Company controlled entity.

ARTICLE 13. SUMMARY INFORMATION

The Plan is intended to be an “employee welfare benefit plan” within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), 29 U.S.C. Section 1002(1), and 29 C.F.R. Section 2510.3-2(b). The Plan is intended to be a “separation pay plan” under Section 409A of the Code in accordance with the regulations issued thereunder and related guidance, and shall be maintained, interpreted and administered accordingly. Please review Article 7 hereof entitled “Amendment and Termination” regarding the Company’s reservation of rights to amend and terminate the Plan.

Name of Plan: The name of the plan under which benefits are provided is The Sherwin-Williams Company Key Employee Separation Plan.

Plan Number: 502

Plan Sponsor: The Sponsor of the Plan is:

The Sherwin-Williams Company
101 West Prospect Avenue
Cleveland, Ohio 44115-1075

Plan Administrator: The plan administrator of the Plan is:

The Compensation and Management Development Committee
of the Board of Directors of The Sherwin-Williams Company

Attention: Senior Vice President – Human Resources
101 West Prospect Avenue
Cleveland, Ohio 44115-1075

Employer Identification Number: The Employer Identification Number (EIN) assigned to the Plan Sponsor by the Internal Revenue Service is 34-0526850.

Type of Plan: Severance Pay Employee Welfare Benefit Plan.

Type of Administration: The Plan is self-administered.

Funding: Benefits payable under the Plan are provided from the general assets of the Company.

Agent for Service of Legal Process: For disputes arising under the Plan, service of legal process may be made upon the General Counsel of Plan Sponsor.

Plan Year: The Plan's fiscal records are kept on a calendar year basis (January 1 to December 31).

EXHIBIT A

BENEFITS SCHEDULE

THE FOLLOWING BENEFITS SCHEDULE SHALL APPLY FOR ALL PARTICIPANTS IDENTIFIED BY THE COMMITTEE ON A PARTICIPANT SCHEDULE WHO HAVE 12 MONTHS OR MORE OF SERVICE WITH THE COMPANY (EXCEPT AS PROVIDED BELOW):

Participation Level	Severance Payment (Section 4.1(b))⁽¹⁾	COBRA, Benefit Coverage (Section 4.1(d))	Continued Equity Vesting (Section 4.2)
Sherwin-Williams' Chief Executive Officer or Executive Chairman	2.0 x Base Pay plus Annual Incentive Bonus (Measured at Target for Year in which the Date of Termination Occurs)	18 months	24 months
SWMIP IV and above (other than Chief Executive Officer or Executive Chairman)	1.5 x Base Pay plus Annual Incentive Bonus (Measured at Target for Year in which the Date of Termination Occurs)	18 months	18 months
SWMIP III	1.0 x Base Pay plus Annual Incentive Bonus (Measured at Target for Year in which the Date of Termination Occurs)	12 months	12 months
SWMIP I & II	1.0 x Base Pay	12 months	12 months

(1) SUBJECT TO THE TERMS OF THE PLAN, A SEVERANCE PAYMENT WILL BE PAID HEREUNDER TO A PARTICIPANT WITH LESS THAN 12 MONTHS OF SERVICE WITH THE COMPANY ON A PRORATED BASIS BASED UPON THE PARTICIPANT'S APPLICABLE PARTICIPATION/DESIGNATION LEVEL AND THE NUMBER OF FULL MONTHS OF SERVICE WITH THE COMPANY DURING THE 12 MONTH PERIOD, BUT IN NO EVENT SHALL THE SEVERANCE PAYMENT BE LESS THAN 50% OF THE APPLICABLE SEVERANCE PAYMENT ABOVE. FOR EXAMPLE, FOR A SWMIP III PARTICIPANT WHO EXPERIENCES A COVERED TERMINATION AFTER 7 FULL MONTHS OF SERVICE WITH THE COMPANY, SUCH PARTICIPANT SHALL BE ENTITLED TO 7/12THS OF THE APPLICABLE SEVERANCE PAYMENT AMOUNT.

EXHIBIT B

**GENERAL RELEASE, NON-DISPARAGEMENT
AND NON-COMPETITION AGREEMENT**

THIS GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT (the “Agreement”) is made as of this _____ day of _____, _____, by and between _____ (the “Company”) and _____ (the “Employee”).

WHEREAS, the Employee formerly was employed by the Company;

WHEREAS, the Employee was designated by the Compensation and Management Development Committee of the Board of Directors (the “Board”) of The Sherwin-Williams Company to receive certain severance benefits in the event of a termination of Employee’s employment under the circumstances set forth in the Key Employee Separation Plan (the “Plan”) and;

WHEREAS, an express condition of the Employee’s entitlement to the payments and benefits under the Plan is the execution without revocation of this Agreement; and

WHEREAS, the Employee and the Company mutually desire to effectuate a full and final general release of all claims and rights the Employee may have against the Company to the fullest extent permitted by law, excepting only those rights and claims that cannot, as a matter of law, be released with this Agreement; and

WHEREAS, the Employee and the Company mutually desire to terminate the Employee’s employment effective _____, _____ (“Date of Termination”); and

WHEREAS, the Company advises the Employee to consult with an attorney as to its effect before signing this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the Employee and the Company as follows:

1. (a) The Employee, for and in consideration of the commitments of the Company as set forth in paragraph 7 of this Agreement and the Plan, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, predecessors, subsidiaries and parents, and their present or former officers, directors, managers, stockholders, employees, members and agents, and its and their respective successors, assigns, heirs, executors, and administrators and the current and former trustees or administrators of any pension or other benefit plan applicable to the employees or former employees of the Company (collectively, “Releasees”) from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which the Employee ever had, now has, or hereafter may have, whether known or unknown, or which the Employee’s heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from any time prior to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to the Employee’s employment relationship with the Company, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the

Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, the Civil Rights Act of 1991, the Genetic Information Non-Discrimination Act, the Family and Medical Leave Act, Section 1981 of U.S.C, Title VII of the Civil Rights Act, Ohio Fair Employment Practices Law/Civil Rights Act, Ohio Equal Pay Act, Ohio Whistleblower Law, Ohio Pregnancy Discrimination/Maternity Leave Act, Ohio Wage Payment Anti-Retaliation Law, Ohio Minimum Wage/Fair Standards Law, Ohio Miscellaneous Labor Provisions, Ohio Workers' Compensation Anti-Retaliation Statute, Ohio Constitution Art. II, §34 & 34a, as well as any claims for alleged wrongful discharge, discrimination or harassment, breach of an express or implied contract, breach of the implied covenant of good faith and fair dealing, defamation, intentional or negligent infliction of emotional distress, promissory estoppel, whistleblower retaliation, other personal injury, fraud or misrepresentation, invasion of privacy, negligence, retaliation, violation of public policy and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort. The Employee is not waiving Employee's right to vested benefits under the written terms of the Company's 401(k) Plan, claims for unemployment or workers' compensation benefits, any medical claim incurred during Employee's employment that is payable under applicable medical plans or an employer-insured liability plan, or claims that are not otherwise waivable under applicable law **[State specific release language, as required]**.

(b) To the fullest extent permitted by law, and subject to the provisions of paragraph 12 and paragraph 14 below, the Employee represents and affirms that the Employee has not filed or caused to be filed on the Employee's behalf any charge, complaint or claim for relief against the Company or any Releasee and, to the best of the Employee's knowledge and belief, no outstanding charges, complaints or claims for relief have been filed or asserted against the Company or any Releasee on the Employee's behalf; and the Employee has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company or any Releasee, to any member of the Company's or any Releasee's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities. In the event that there is outstanding any such charge, complaint or claim for relief, the Employee agrees to seek its immediate withdrawal and dismissal with prejudice. In the event that for any reason said charge, complaint or claim for relief cannot be immediately withdrawn with prejudice, the Employee shall execute such other papers or documents as the Company's counsel determines may be necessary from time to time to have said charge, complaint or claim for relief dismissed with prejudice at the earliest appropriate time. Nothing herein shall prevent the Employee from testifying in any cause of action when required to do so by process of law. The Employee shall promptly inform the Company if called upon to testify on matters relating to the Company.

(c) Employee does not waive any right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or participate in an investigation or proceeding conducted by the EEOC, but explicitly waives any right to file a personal lawsuit or receive monetary damages that the EEOC might recover if said charge results in an EEOC lawsuit against the Company or Releasees.

(d) Employee does not waive the right to challenge the validity of this Agreement as a release of claims arising under the federal Age Discrimination in Employment Act.

(e) Employee does not waive rights or claims that may arise after the date this Agreement is executed.

2. In consideration of the Company's agreements as set forth in paragraph 7 herein, the Employee agrees to comply with the limitations set forth in paragraphs 3 and 4 of this Agreement.

3. Ownership and Protection of Intellectual Property and Confidential Information

(a) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee's employment by the Company or any of its affiliates, both before and after the date hereof (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information), and all writings or materials of any type embodying any of such items (collectively, "Work Product"), shall be the sole and exclusive property of the Company or a Company affiliate, as the case may be, and shall be treated as "work for hire." It is recognized that the Employee is an experienced executive in the business of the Company and its affiliates and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 3.

(b) Employee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Employee agrees to assist the Company, at the Company's expense, to secure the Company's and its affiliates' rights in the Work Product in any and all countries, including the execution by the Employee of all applications and all other instruments and documents which the Company and/or its affiliates shall deem necessary in order to apply

for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of Employee's mental or physical incapacity or for any other reason (including Employee's refusal to do so after request therefor is made by the Company) to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its affiliates pursuant to Section 3(a) above, then the Employee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and in Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by Employee. The Employee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its affiliates.

(c) Employee acknowledges that the businesses of the Company and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its affiliates use in their business to obtain a competitive advantage over their competitors. The Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its affiliates in maintaining their competitive position. The Employee acknowledges that by reason of the Employee's duties to, and association with, the Company and its affiliates, the Employee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its affiliates. The Employee hereby agrees that the Employee will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its affiliates, or make any use thereof, except in the carrying out of his employment responsibilities hereunder. The Employee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that the Employee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its affiliates an opportunity (which the Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its affiliates would not be considered confidential to the Company and its affiliates.

(d) All written materials, records, and other documents made by, or coming into the possession of, the Employee during the period of Employee's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its affiliates, or which relate to Employee's Work Product described in paragraph 3(a) above, shall be and remain the property of the Company, or its affiliates, as the case may be. Upon termination of Employee's employment, for any reason, the Employee promptly shall deliver the same, and all copies thereof, to the Company.

4. Covenant Not To Compete.

In the event of the Employee's Covered Termination (as defined in the Plan), the Company's obligations to provide the payments and benefits set forth in Sections 4.1 and 4.2 of the Plan shall be expressly conditioned upon the Employee's covenants of confidentiality, not to compete and not to solicit as provided herein. In the event the Employee breaches his obligations to the Company as provided herein, the Company's obligations to provide the payments and benefits set forth in Sections 4.1 and 4.2 of the Plan shall cease without prejudice to any other remedies that may be available to the Company.

(a) If the Employee is entitled to receive or is receiving payment and benefits under Sections 4.1 and 4.2 of the Plan, the Employee agrees that, for a period of **[two years] [18 months] [one year]** following Employee's Date of Termination (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its affiliates engages in or is planning to engage in during the term of Employee's employment with the Company or any affiliate of the Company, including but not limited to, any business engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers (the "Business"). Such restriction shall cover Employee's activities anywhere in the contiguous United States.

(b) If the Employee is entitled to receive or is receiving payments and benefits under Sections 4.1 and 4.2 of the Plan, the Employee agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Employee will not solicit or induce any person who is or was employed by any of the Company or its affiliates at any time during such term or period (i) to interfere with the activities or businesses of the Company or any of its affiliates or (ii) to discontinue his or her employment with the Company or any of its affiliates.

(c) If the Employee is entitled to receive or is receiving payments and benefits under Section 4.1 and Section 4.2 of the Plan, the Employee agrees that during the Non-Compete

Period, the Employee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its affiliates to divert their business to any competitor of the Company or any of its affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its affiliates (including, without limitation, making any negative statements or communications about the Company and its affiliates). During such Non-Compete Period, the Employee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its affiliates, prior to the Employee's Date of Termination, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its affiliates.

(d) Employee understands that the provisions of paragraphs 4(a), 4(b) and 4(c) hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its affiliates he or she nevertheless agrees and hereby acknowledges that: (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any of its affiliates; (ii) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) the consideration provided hereunder, including without limitation, any amounts or benefits provided under Section 4.1 and Section 4.2 of the Plan, is sufficient to compensate the Employee for the restrictions contained in paragraphs 4(a), 4(b) and 4(c) hereof. In consideration of the foregoing and in light of the Employee's education, skills and abilities, the Employee agrees that he or she will not assert that, and it should not be considered that, any provisions of paragraphs 4(a), 4(b) and 4(c) otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(e) If, at the time of enforcement of paragraphs 3 or 4 of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Employee acknowledges that he or she is a member of the Company's and its affiliates' management group with access to the Company's and its affiliates' confidential business information and his services are unique to the Company and its affiliates. The Employee therefore agrees that the remedy at law for any breach by him of any of the covenants and agreements set forth in paragraphs 3 and 4 will be inadequate and that in the event of any such breach, the Company and its affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Employee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Employee of this paragraph 4, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(f) Each of the covenants of paragraphs 3 and 4 are given by the Employee as part of the consideration for the benefits to be received by the Employee under the Plan and as an inducement to the Company to grant such benefits under the Plan and accept the obligations thereunder.

(g) Provisions of paragraph 4 shall not be binding on the Employee if the Company fails to materially perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to the Employee under Section 4.1 and Section 4.2 of the Plan; provided, that (i) the Employee has notified the Company in writing within 30 days of the date of the failure of the Company to perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

5. To the extent that the Company, in its reasonable judgment, determines that Employee possess information relevant to litigation, potential litigation, investigations by government agencies, potential investigations by government agencies, internal investigations conducted by the Company, contract negotiations or matters arising therefrom, or otherwise, which relates to activities that occurred during his or her employment with the Company, or thereafter, and about which he or she has or may have knowledge, Employee agrees to make himself or herself available at the Company's request to provide information and assistance, including, but not limited to, interviews, deposition testimony, pretrial preparation and trial testimony, to respond to requests for information from the Company's counsel, government authorities and otherwise. In the event that Employee elects not to be represented by counsel chosen by the Company, Employee shall have the right to be represented in any such matters by counsel of his choosing and at his or her sole cost and expense. Nothing in this Agreement is to be construed as prohibiting Employee from providing any truthful information or testimony to a state or federal agency or court when requested or required to do so by such agency or court.

6. The Employee further agrees that the Employee will not disparage or subvert the Company or any Releasee, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, managers, members, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company or any Releasee, the Employee's employment and the termination of the Employee's employment, irrespective of the truthfulness or falsity of such statement.

7. In consideration for the Employee's promises, as set forth herein, the Company agrees to pay or provide to or for the Employee the payments and benefits described in the Plan, the provisions of which are incorporated herein by reference. Except as set forth in this Agreement, it is expressly agreed and understood that Releasees do not have, and will not have, any obligations to provide the Employee at any time in the future with any payments, benefits or considerations other than those recited in this paragraph, or those required by law, other than under the terms of any benefit plans which provide benefits or payments to former employees according to their terms.

8. The Employee understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to him or her in consideration for the Employee's acceptance and execution of, and in reliance upon the Employee's representations in, this Agreement. The Employee acknowledges that if the Employee had not executed this Agreement containing a release of all claims against the Releasees, including, without limitation, the covenants relating to confidentiality, non-competition and non-disparagement, the Employee would not have been entitled to the payments and benefits set forth in the Plan.

9. The Employee acknowledges and agrees that this Agreement and the Plan supersede any other agreement the Employee has with the Company or any Releasee as to the subjects set forth in this Agreement. To the extent the Employee has entered into any other enforceable written agreement with the Company or any Releasee that contains provisions that are outside the scope of this Agreement and the Plan and are not in direct conflict with the provisions in this Agreement or the Plan, the terms in this Agreement and the Plan shall not supersede, but shall be in addition to, any other such agreement. Except as set forth expressly herein, no promises or representations have been made to the Employee in connection with the termination of the Employee's employment agreement, if any, or offer letter, if any, with the Company, or the terms of this Agreement or the Plan.

10. The Employee agrees not to disclose the terms of this Agreement or the Plan to anyone, except the Employee's spouse, attorney and, as necessary, tax/financial advisor. It is expressly understood that any violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

11. The Employee represents that the Employee does not, without the Company's prior written consent, presently have in the Employee's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of the Employee's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by the Employee while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. The Employee acknowledges that all such Corporate Records are the property of the Company. In addition, the Employee shall promptly return in good condition any and all Company owned equipment or property, including, but not limited to, automobiles, personal data assistants, facsimile machines, copy machines, pagers, credit cards, cellular telephone equipment, business cards, laptops, computers, and any other items requested by the Company. As of the Date of Termination, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

12. Nothing in this Agreement, including the release clauses, shall prohibit or restrict the Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to

the maximum extent permitted by law, the Employee is waiving his or her right to receive any individual monetary relief from Employer or any others covered by the release of claims resulting from such claims or conduct, regardless of whether the Employee or another party has filed them, and in the event the Employee obtains such monetary relief, Employer will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit Employee's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. The Employee does not need the prior authorization of Employer to engage in conduct protected by this paragraph, and the Employee does not need to notify Employer that the Employee has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

13. The Employee agrees and acknowledges that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to the Employee.

14. The Employee agrees and recognizes that should the Employee breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide the Employee with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, the Employee acknowledges in the event of a breach of this Agreement, Releasees may seek any and all appropriate relief for any such breach, including equitable relief and/or money damages, attorneys' fees and costs.

15. The Employee further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

16. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the State of Ohio.

17. The parties agree that this Agreement shall be deemed to have been made and entered into in Cleveland, Ohio. Jurisdiction and venue in any proceeding by the Company or the Employee to enforce their rights hereunder is specifically limited to any court geographically located in Cuyahoga County, Ohio.

18. To the extent The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the "Executive Clawback Policy") or The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the "Key Employee Clawback Policy") is applicable to you, such policies create additional rights for the Company with respect to certain compensation paid or payable to you. Notwithstanding any provisions of this Agreement to the contrary, to the extent applicable, any compensation paid or payable hereunder or under other plans and arrangements maintained by the Company and its affiliates will be subject to potential mandatory cancellation, forfeiture and/or repayment by you to the Company to the extent that you are, or in the future become, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations, or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to certain compensation paid or payable to you and the recovery of amounts relating thereto. By executing this Agreement, you consent to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agree and acknowledge that you are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup any compensation paid or payable under this Agreement or any other applicable compensation that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from you of any such amounts, including from your accounts or from any other compensation, to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended.

19. The Employee certifies and acknowledges as follows:

(a) That the Employee has read the terms of this Agreement, and that the Employee understands its terms and effects, including the fact that the Employee has agreed to RELEASE AND FOREVER DISCHARGE the Releasees from any legal action arising out of the Employee's employment relationship with the Company and the termination of that employment relationship; and

(b) That the Employee has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Employee acknowledges is adequate and satisfactory to him and which the Employee acknowledges is in addition to any other benefits to which the Employee is otherwise entitled; and

- (c) That the Company advises the Employee (in writing) to consult with an attorney before signing this Agreement; and
- (d) That the Employee does not waive rights or claims that may arise after the date this Agreement is executed; and
- (e) That the Company has provided the Employee with a period of **forty-five (45)** days within which to consider this Agreement, and that the Employee has signed on the date indicated below after concluding that this General Release, Non-Disparagement and Non-Competition Agreement is satisfactory to Employee; and
- (f) The Employee acknowledges that this Agreement may be revoked by him within seven (7) days after execution, and it shall not become effective until the expiration of such seven (7) day revocation period. In the event of a timely revocation by the Employee, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

Intending to be legally bound hereby, the Employee and the Company executed the foregoing General Release, Non-Disparagement and Non-Competition Agreement this _____ day of _____, _____.

EMPLOYEE Witness:_____

[COMPANY]

By: _____ Witness:_____
Name: _____
Title: _____

Schedule of Executive Officers who are Parties
to the Amended and Restated Severance Agreements in the Forms Filed as
Exhibit 10(a) to the Company's Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2023

Form A of Severance Agreement

Heidi G. Petz

Form B of Severance Agreement

Justin T. Binns
Jane M. Cronin
Colin M. Davie
Mary L. Garceau
James R. Jaye
Karl J. Jorgenrud
Allen J. Mistysyn
Todd D. Rea
Gregory P. Sofish
Bryan J. Young

Form C of Severance Agreement

John G. Morikis

INDEMNITY AGREEMENT

This Indemnity Agreement (this "Agreement") is made as of this _____ day of _____, _____ by and between The Sherwin-Williams Company, an Ohio corporation (the "Company"), and _____ (the "Indemnitee").

WITNESSETH:

WHEREAS, the Indemnitee has agreed to serve or to continue to serve in one or more of the following capacities: as a director, officer, employee or agent (an "Official") of the Company or one or more of its subsidiaries and in such capacity will render valuable services to the Company;

WHEREAS, the Company has investigated the sufficiency of liability insurance and Ohio statutory indemnification provisions to provide its Officials and its subsidiaries' Officials with adequate protection against various legal risks and potential liabilities to which such individuals are subject due to their position with the Company or its subsidiaries and has concluded that such insurance and statutory provisions may provide inadequate and unacceptable protection;

WHEREAS, the Company has further determined that its prior form of indemnification agreement entered into with certain of its Officials should be replaced with a new form of indemnity agreement;

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve as Officials of the Company or one or more of its subsidiaries, the Board of Directors has determined, after due consideration and investigation of the terms and provisions of this Agreement and the various other options available to the Company and the Indemnitee in lieu hereof, that this Agreement is not only reasonable and prudent but necessary to promote and ensure the best interests of the Company, its subsidiaries and its shareholders;

WHEREAS, the parties agree that it is their intent that the Company indemnify the Indemnitee to the fullest extent permitted by law and, therefore, that this Agreement be construed and enforced to effectuate such intent; and

WHEREAS, to the extent that a change in Ohio law or the laws of any other jurisdiction under which the Company is organized at the time (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Regulations of the Company and this Agreement, it is the further intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change.

NOW, THEREFORE, in consideration of the services of the Indemnitee and in order to induce the Indemnitee to serve or continue to serve as an Official of the Company or

one or more of its subsidiaries and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally binding hereby, the Company and the Indemnitee do hereby agree as follows:

1. **Agreement to Serve.** The Indemnitee agrees to serve as an Official of the Company or one or more of its subsidiaries for so long as the Indemnitee is duly elected or appointed, or until such time as the Indemnitee tenders the Indemnitee's resignation in writing or is otherwise removed from the Indemnitee's position, or until Indemnitee's relationship and/or employment with the Company is terminated.

2. **Indemnification in Third Party Actions.** The Company shall indemnify the Indemnitee in accordance with the provisions of this Section 2 if, whether prior to, on or after the date of this Agreement, the Indemnitee is or has been a party to or threatened to be made a party to or otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Company or a subsidiary of the Company to procure a judgment in its favor), by reason of or arising out of the fact that the Indemnitee is or was an Official of the Company or one or more of its subsidiaries, or is or was serving at the request of the Company or a subsidiary of the Company as an Official, trustee, member or manager of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or partnership, joint venture, trust, or other enterprise ("Another Enterprise"), or in relation to any action taken or omitted by the Indemnitee on behalf of the Company, one or more of its subsidiaries or Another Enterprise, against all Expenses, judgments, fines, penalties and ERISA excise taxes actually and reasonably incurred by the Indemnitee in connection with the defense or settlement (provided that any settlement be approved in writing by the Company, which approval shall not be unreasonably withheld) of such Proceeding, to the highest and most advantageous extent to the Indemnitee, as determined by the Indemnitee, of one or any combination of the following:

- (a) The benefits provided by the Company's Regulations, as amended (the "Regulations") in effect on the date hereof, a copy of the relevant provisions of which are attached hereto as Exhibit A;
- (b) The benefits provided by the Company's Amended Articles of Incorporation, as further amended, and the Regulations in effect at the time the Proceeding is initiated or the Expenses are incurred by the Indemnitee;
- (c) The benefits allowable under Ohio law in effect at the date hereof;
- (d) The benefits allowable under the laws of the jurisdiction under which the Company is organized at the time the Proceeding is initiated or the Expenses are incurred by the Indemnitee;
- (e) The benefits available under any liability insurance obtained by the Company; and
- (f) Such other benefits as are or may be otherwise available to the Indemnitee.

Combination of two or more of the benefits provided by clauses (a) through (f) shall be available to the extent that the Applicable Documents, as hereinafter defined, do not require that the benefits provided therein be exclusive of other benefits. The document or law providing for the benefits listed in clauses (a) through (f) above is called the "Applicable Document" in this Agreement. The Company hereby undertakes to use its best efforts to assist the Indemnitee, in all proper and legal ways, to obtain the benefits selected by Indemnitee under clauses (a) through (f) above.

3. Indemnification in Proceedings by or in the Right of the Company The Company shall indemnify the Indemnitee in accordance with the provisions of this Section 3 if, whether prior to, on or after the date of this Agreement, the Indemnitee is or has been a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the right of the Company or a subsidiary of the Company to procure a judgment in its favor by reason of or arising out of the fact that Indemnitee was or is an Official of the Company or one or more of its subsidiaries, or is or was serving at the request of the Company or a subsidiary of the Company as an Official, trustee, member or manager of Another Enterprise, or in relation to any action taken or omitted by the Indemnitee on behalf of the Company, one or more of its subsidiaries or Another Enterprise, against all Expenses actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of such Proceeding, to the same extent provided in Section 2 above.

4. Conclusive Presumption Regarding Standard of Conduct

(a) The Indemnitee shall be conclusively presumed to have met the relevant standards of conduct as defined by the Applicable Documents for indemnification pursuant to this Agreement, unless a determination is made that the Indemnitee has not met such standards by (i) the Board of Directors of the Company by a majority vote of a quorum thereof consisting of Directors who were not parties, or are not threatened to be made parties, to such Proceeding or any other Proceeding arising from the same or similar facts ("Disinterested Directors"), (ii) if such a quorum is not obtainable or if such quorum is obtainable and a majority of such quorum directs, a written opinion by Independent Legal Counsel (compensated by the Company), or (iii) if there are no Disinterested Directors or if a majority of Disinterested Directors (whether or not a quorum) directs, the shareholders of the Company entitled to vote in the election of Directors by majority vote; provided, however, that any such determination to be made after a Change of Control shall be made only pursuant to clause (ii) if the Indemnitee so elects.

(b) Prior to any decision under clauses (a)(i) or (a)(ii) above, an Official will be given an opportunity, together with counsel, to be heard before the Board of Directors if such decision is being made pursuant to clause (a)(i), or the Independent Legal Counsel if such decision is being made pursuant to clause (a)(ii).

(c) The determination will be made as promptly as possible.

5. Indemnification of Expenses of Successful Party Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful in defense of any Proceeding or in defense of any claim, issue or matter therein, on the merits or

otherwise, including the dismissal of a Proceeding without prejudice, the Indemnitee shall be indemnified against all Expenses incurred in connection therewith to the fullest extent permitted by any Applicable Document.

6. **Advances of Expenses.** The Expenses incurred by the Indemnitee in any Proceeding shall be paid by the Company within twenty days of the written request of the Indemnitee to the fullest extent permitted by any Applicable Document; provided that the Indemnitee shall undertake in writing, in the form attached hereto as Exhibit B, to repay such amount to the extent that it is ultimately determined that the Indemnitee is not entitled to indemnification under the Applicable Document.

7. **Partial Indemnification.** If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties or ERISA excise taxes actually and reasonably incurred by the Indemnitee in the investigation, defense, appeal or settlement of any Proceeding but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, penalties or ERISA excise taxes to which the Indemnitee is entitled.

8. Indemnification Procedure; Determination of Right to Indemnification

(a) Promptly after receipt by the Indemnitee of written notice of the commencement of any Proceeding, the Indemnitee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company in writing of the commencement thereof. The omission so to notify the Company will relieve it from any liability which it may have to the Indemnitee under this Agreement only to the extent that the Company is able to establish that its ability to avoid such liability was materially prejudiced by such omission. Any such omission, however, will not relieve the Company from any liability which it may have to the Indemnitee otherwise than under this Agreement.

(b) If a claim under this Agreement is not paid by the Company within twenty days of receipt of written notice, the right to indemnification as provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction. The burden of proving by clear and convincing evidence that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the Board of Directors, the shareholders of the Company or Independent Legal Counsel to have made a determination prior to the commencement of such action that indemnification or advances are proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Board of Directors, the shareholders of the Company or Independent Legal Counsel that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action that the Indemnitee has not met the applicable standard of conduct, nor shall such failure or determination create a presumption that the Indemnitee has or has not met the applicable standard.

(c) The Indemnitee's Expenses incurred in connection with any proceeding concerning the Indemnitee's right to indemnification or advancement of expenses in whole or in part pursuant to this Agreement shall also be indemnified by the Company regardless of the

outcome of such proceeding, unless a court of competent jurisdiction determines that the material assertions made by the Indemnitee in such proceeding were not made in good faith or were frivolous.

(d) With respect to any Proceeding for which indemnification is requested, the Company will be entitled to participate therein at its own expense and, except as otherwise provided below, to the extent that it may wish, the Company may assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a Proceeding, the Company will not be liable to the Indemnitee under this Agreement for any legal or other expenses subsequently incurred by the Indemnitee in connection with defense thereof, other than reasonable costs of investigation or as otherwise provided below. The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. The Indemnitee shall give the Company such cooperation as the Company may reasonably request and as shall be within the Indemnitee's power. The Indemnitee shall have the right to employ the Indemnitee's counsel in any Proceeding but the fees and expenses of such counsel incurred after written notice from the Company of its assumption of the defense thereof shall be at the expense of the Indemnitee, unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of a Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of a proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume or control the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee has made the reasonable conclusion that there may be a conflict of interest between the Company and the Indemnitee.

9. **Limitations on Indemnification.** No payments pursuant to this Agreement shall be made by the Company:

(a) To indemnify or advance Expenses to the Indemnitee with respect to Proceedings initiated or brought voluntarily by the Indemnitee, except with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law, but such indemnification or advancement of Expenses may be provided by the Company in specific cases if the Board of Directors finds it to be appropriate;

(b) To indemnify the Indemnitee for any Expenses, judgments, fines, penalties or ERISA excise taxes for which payment is actually made to the Indemnitee under a valid and collectible insurance policy or under any other agreement, contract or otherwise, except in respect of any excess beyond the amount of payment under such insurance or under any such agreement, contract or otherwise;

(c) To indemnify or advance to the Indemnitee for any Expenses, judgments, fines or penalties sustained in any Proceeding for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended (the

"Exchange Act"), the rules and regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law;

- (d) To indemnify the Indemnitee for any Expenses, judgments, fines, penalties or ERISA excise taxes resulting from the Indemnitee's conduct which is finally adjudged to have been willful misconduct, knowingly fraudulent or deliberately dishonest; or
- (e) If a court of competent jurisdiction shall finally determine that any indemnification hereunder is unlawful.

10. **Maintenance of Liability Insurance.** To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance ("D&O Insurance"), the Indemnitee shall be named as an insured under such D&O Insurance in such a manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors and/or officers, as appropriate, under such D&O Insurance. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain D&O Insurance.

11. **Limitation of Actions and Release of Claims** No Proceeding shall be brought and no cause of action shall be asserted by or on behalf of the Company or any subsidiary against the Indemnitee, the Indemnitee's spouse, heirs, estate, executors or administrators after the expiration of two years from the earlier of (i) the date the Company or any subsidiary of the Company discovers the facts underlying such cause of action, or (ii) the date the Company or any subsidiary of the Company could have discovered such facts by the exercise of reasonable diligence; provided, however, this sentence shall not be deemed to waive or toll any statute of limitations that otherwise might apply. Any claim or cause of action of the Company or any subsidiary of the Company, including claims predicated upon the negligent act or omission of the Indemnitee, shall be extinguished and deemed released unless asserted by filing of a legal action within such period. This section shall not apply to any cause of action which has accrued on the date hereof and of which the Indemnitee is aware on the date hereof, but as to which the Company has no actual knowledge apart from the Indemnitee's knowledge.

12. **Change of Control.** As collateral security for its obligations hereunder and under similar agreements with other Officials, within the earlier of (i) five (5) business days after the occurrence of an event that in the reasonable opinion of the Board of Directors will likely result in a Change of Control or (ii) the occurrence of an actual Change of Control, the Company shall dedicate and maintain, for a period of six (6) years or such longer time as is necessary for the final disposition of any Proceeding existing at the expiration of such six year period, an escrow account in such aggregate amount as is reasonably calculated to be sufficient to satisfy any and all Expenses reasonably anticipated in connection with any and all Proceedings, which in no event shall be less than Ten Million Dollars (\$10,000,000), by depositing assets or bank letters of credit in escrow that may be drawn down by an escrow agent in said amount (the "Escrow Reserve"). Promptly following the establishment of the Escrow Reserve, the Company shall (i) provide the Indemnitee with a true and complete copy of the Agreement relating to the establishment and operation of the Escrow Reserve, together with such additional documentation or information with respect to the Escrow Reserve as the

Indemnitee may from time to time reasonably request, (ii) deliver an executed copy of this Agreement to the escrow agent for the Escrow Reserve to evidence to such agent that the Indemnitee is a beneficiary of the Escrow Reserve, and (iii) deliver to the Indemnitee the agent's signed receipt evidencing delivery of the Agreement to the agent. Notwithstanding anything to the contrary contained in this Section 12, any assets deposited by the Company in the Escrow Reserve shall at all times be and remain subject to the claims of the general creditors of the Company. If prior to the date of a Change of Control, the Board of Directors has actual knowledge that all third parties have abandoned or terminated their efforts to effect a Change of Control and a Change of Control at that time is unlikely and the Board of Directors so advises the escrow agent, the assets and letters of credit comprising the Escrow Reserve, if any, and any interest earned thereon, shall be returned to the Company by the escrow agent.

13. **Indemnification Hereunder Not Exclusive.** The indemnification provided by this Agreement shall not be exclusive of, and shall be in addition to, any other rights to which the Indemnitee may be entitled under the Company's or any subsidiary's articles of incorporation, bylaws or regulations, or any vote of shareholders or disinterested directors or applicable law, both as to action in the Indemnitee's official capacity and as to action in another capacity on behalf of the Company or any subsidiary while holding such office or position.

14. **Successors and Assigns.** This Agreement shall be binding upon, and shall inure to the benefit of the Indemnitee and the Indemnitee's heirs, executors, administrators, personal representatives and assigns, and the Company, its successors (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Company, and its assigns.

15. **Separability.** Each provision of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. To the extent required, any provision of this Agreement may be modified by a court of competent jurisdiction to preserve its validity and to provide the Indemnitee with the broadest possible indemnification permitted under applicable law.

16. **Entire Agreement.** This Agreement, together with all exhibits hereto, constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations with respect to the subject matter hereof; provided, however, that if this Agreement, in its entirety, is held to be invalid or unenforceable for any reason, the indemnification agreement, if any, between the Company and the Indemnitee which was in effect immediately prior to the execution of this Agreement shall govern.

17. **Interpretation; Governing Law; Venue.** This Agreement shall be construed as a whole and in accordance with its fair meaning. Headings are for convenience only and shall not be used in construing meaning. This Agreement shall be governed and interpreted in accordance with the laws of the State of Ohio without regard to principles of

conflicts of laws thereof. The party bringing any action under this Agreement shall only be entitled to choose the federal or state courts in the State of Ohio as the venue for such action, and each party consents to the jurisdiction of the court chosen in such manner for such action.

18. **Amendments.** No amendment, waiver, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by the party against whom enforcement is sought. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Company's or any subsidiary's charter, bylaws or regulations (or similar constitutive documents) or by amendments to any agreements other than agreements executed by the Indemnitee that expressly refer to this Agreement.

19. **No Personal Liability.** The Indemnitee agrees that no director, officer, employee, representative or agent of the Company or any of its subsidiaries shall be personally liable for the satisfaction of the Company's obligations under this Agreement, and Indemnitee shall look solely to the assets of the Company for satisfaction of any claims hereunder.

20. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other.

21. **Notices.** All notices, demands, requests, or other communications which may be or are required to be given, served or sent by either party to the other party pursuant to this Agreement, shall be in writing and shall be hand delivered, sent by express mail or other overnight delivery service or mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telex or telecopy, addressed as follows:

If to the Company:

The Sherwin-Williams Company
101 West Prospect Avenue
Cleveland, Ohio 44115
Attn: Senior Vice President, General Counsel and Secretary
Telecopier No.: (216) 566-2947

If to the Indemnitee:

To the Indemnitee's last known address

Each party may designate by notice in writing a new address (or substitute additional persons) to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be mailed, sent, delivered, telefaxed or telexed in the manner described above, or which shall be delivered to a telegraph company, shall be deemed sufficiently given, served, sent or received for all purposes at such time as it is delivered to the addressee (with the return receipt, the

delivery receipt or, with respect to a telex or telefax, the answer back being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

22. **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

23. **Not Employment Contract.** Neither this Agreement nor any action taken hereunder shall be construed either (i) as a contract of employment or (ii) as giving Indemnitee any right to be retained in the employ or otherwise as an Official.

24. **Definitions.** As used herein the following terms shall have the following meanings:

(a) The term "Proceeding" shall include any threatened, pending or completed action, suit or proceeding, whether brought in the name of the Company or one or more of its subsidiaries, or otherwise, and whether of a civil, criminal or administrative or investigative nature, or otherwise, and whether formal or informal, by reason of or arising out of the fact that the Indemnitee is or was an Official of the Company or one or more of its subsidiaries, or is or was serving at the request of the Company or a subsidiary of the Company as an Official, trustee, member or manager of Another Enterprise, or relating in any way to any actions taken or omitted by the Indemnitee on behalf of the Company, one or more of its subsidiaries or Another Enterprise, in all cases whether or not the Indemnitee is serving in such capacity at the time any liability or Expenses are incurred for which indemnification or reimbursement is to be provided under this Agreement. For purposes of this Agreement, references to "Another Enterprise" shall include, without limitation, employee benefit plans for employees of the Company or its subsidiaries without regard to ownership of such plans.

(b) The term "Expenses" shall include, without limitation, attorneys' fees, disbursements and retainers, accounting and witness fees, travel and deposition costs, expenses of investigations, judicial or administrative proceedings or appeals, amounts paid in settlement (provided that any settlement be approved in writing by the Company, which approval shall not be unreasonably withheld) by or on behalf of the Indemnitee, and any expenses of establishing a right to indemnification, pursuant to this Agreement or otherwise.

(c) The term "Independent Legal Counsel" shall mean legal counsel retained jointly by, and mutually acceptable to, the Company and the Indemnitee. The Indemnitee and the Company each may submit no more than three (3) candidates for the position of Independent Legal Counsel. All candidates shall disclose to the Indemnitee and the Company any circumstances likely to affect his or her impartiality, including, without limitation, bias, interest in the resolution of the Proceeding, and past or present relations with the Indemnitee, the employer of the Indemnitee or the Company. Under no circumstances shall the Independent Legal Counsel be (or have been during the six (6) year period prior to the date of such appointment) a relative, employee, officer, director or shareholder of either

the Indemnitee, the employer of the Indemnitee or the Company, or an Affiliate of the employer of the Indemnitee or the Company. Each party may reject a candidate for good cause, such as reasonable concern regarding that candidate's independence, impartiality, access to confidential information or failure to meet agreed upon qualifications. Once Independent Legal Counsel has been selected and jointly retained by the parties, the Company shall pay all costs and expenses of such counsel. Independent Legal Counsel may retain such additional experts as he or she determines are necessary or useful for the rendering of his or her advice, provided that he or she in good faith determines, after notifying the Company and the Indemnitee of the selection of such expert and soliciting any objections either party might have, that such expert does not appear to have a conflict of interest. Circumstances that might cause doubt regarding the expert's independence or impartiality include bias, interest in the result of any Proceeding, and past or present relations with the Indemnitee, the employer of the Indemnitee (including an Affiliate of such employer), the Company (including an Affiliate of the Company) or their respective counsels. Under no circumstances shall any such expert be (or have been during the six (6) year period prior to the selection of the Independent Legal Counsel) a relative, employee, officer, director or shareholder of the Indemnitee, the employer of the Indemnitee or an Affiliate of such employer, the Company or an Affiliate of the Company, or an individual otherwise providing material services to the Indemnitee, the employer of the Indemnitee or the Company, or an Affiliate of the employer of the Indemnitee or the Company.

(d) A person (as such term is used in Section 13(d) and 14(d)(2) of the Exchange Act shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(i) which such person or any of such person's "Affiliates" or "Associates" (as such terms are defined in Rule 12b-2, as in effect on April 23, 1997, of the General Rules and Regulations under the Exchange Act) is considered to be a "beneficial owner" under Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect on April 23, 1997;

(ii) which such person or any of such person's Affiliates or Associates, directly or indirectly, has or shares the right to acquire, hold, vote (except pursuant to a revocable proxy as described in the proviso to this Section 24(d)) or dispose of such securities (whether any such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed to be the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or

(iii) which are beneficially owned, directly or indirectly, by any other person (or any Affiliate or Associate of such other person) with which such person (or any of such person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing), with respect to acquiring, holding, voting (except as described in the proviso to this Section 24(d)) or disposing of any securities of the Company;

provided, however, that a person shall not be deemed the Beneficial Owner of, nor to beneficially own, any security if such person has the right to vote such security pursuant to an agreement, arrangement or understanding which (A) arises solely from a revocable proxy given to such person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act, and (B) is not also then reportable on Schedule 13D (or any comparable or successor report) under the Exchange Act; and provided, further, that nothing, in this Section 24(d) shall cause a person engaged in business as an underwriter of securities to be the Beneficial Owner of, or to beneficially own, any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty (40) days after the date of such acquisition or such later date as the Board of Directors may determine in any specific case.

(e) "Change of Control" means, except as may be otherwise prescribed by the Board in any Evidence of Award, the occurrence of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of Company; provided, however, that:

- (A) for purposes of this Section 2(f)(i), the following acquisitions will not constitute a Change in Control: (1) any acquisition of Voting Stock directly from Company that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock by Company or any Subsidiary, (3) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by Company or any Subsidiary, and (4) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 2(f)(iii) below;
- (B) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (1) of Section 2(f)(i)(A) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be treated as a Change in Control; or
- (C) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting

Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by Company in which all holders of Voting Stock are treated equally; and

(D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Board a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change in Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns Company or all or substantially all of Company's assets either directly or through one or more subsidiaries), (B) no Person (other than Company, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) approval by the shareholders of Company of a complete liquidation or dissolution of Company, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 2(f)(iii).

(v) For purposes of this Section 2(f), the term "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director initially elected or nominated as a director as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies by or on behalf of such

director) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

INDEMNITEE

THE SHERWIN-WILLIAMS COMPANY

EXHIBIT A

ARTICLE IV

INDEMNIFICATION, INSURANCE AND LIMITATION OF LIABILITY

Section 1. Indemnification

(a) The Company shall indemnify, to the full extent then permitted by law, any Director or officer or former Director or officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the individual is or was a Director or an officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The Company shall pay, to the full extent then required by law, expenses, including attorney's fees, incurred by a Director in defending any such action, suit or proceeding as they are incurred, in advance of the final disposition thereof.

(b) To the full extent then permitted by law, the Company may indemnify employees, agents and other persons and may pay expenses, including attorney's fees, incurred by any employee, agent or other person in defending any action, suit or proceeding as such expenses are incurred, in advance of the final disposition thereof.

(c) The indemnification and payment of expenses provided by this section shall not be exclusive of, and shall be in addition to, any other rights granted to any person seeking indemnification under any law, the Amended and Restated Articles of Incorporation, any agreement, vote of shareholders or of disinterested Directors, or otherwise, both as to action in official capacities and as to action in another capacity while he or she is a Director or an officer, employee or agent of the Company, and shall continue as to a person who has ceased to be a Director, trustee, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 2. Liability Insurance

(a) The Company may purchase and maintain insurance or furnish similar protection, including but not limited to trust funds, letters of credit or self-insurance, on behalf of or for any person who is or was a Director, officer, employee or designated agent of the Company or is or was serving at the request of the Company as a director, officer, employee or designated agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his or her status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article or of Chapter 1701 of the Ohio Revised Code. Insurance may be purchased from or maintained with a person in whom the Company has a financial interest.

(b) The Company is expressly authorized to enter into any indemnification or insurance agreements with or on behalf of any person who is or was a Director, officer, employee or designated agent of the Company or is or was serving at the request of the Company as a director, officer, employee or designated agent of another corporation, partnership, joint venture, trust or other enterprise, in accordance with the terms of this Article IV or the laws of the State of Ohio. Such agreements may include, but are not limited to agreements providing for indemnification or the advancement of expenses under Section 1 of this Article IV, agreements providing for insurance, indemnification or the advancement of expenses by way of self-insurance, whether or not funded through the use of a trust, escrow agreement, letter of credit, etc., in accordance with subsection (a) of this section, and agreements providing for insurance or indemnification through the commercial insurance market.

Section 3. Limitation of Liability

(a) No person shall be found to have violated his or her duties to the Company as a Director of the Company in any action brought against such Director (including actions involving or

affecting any of the following: (i) a change or potential change in control of the Company; (ii) a termination or potential termination of his or her service to the Company as a Director; or (iii) his or her service in any other position or relationship with the Company), unless it is proved by clear and convincing evidence that the Director has not acted in good faith, in a manner he or she reasonably believes to be in or not opposed to the best interests of the Company, or with the care that an ordinarily prudent person in a like position would use under similar circumstances. Notwithstanding the foregoing, nothing contained in this paragraph (a) limits relief available under Section 1701.60 of the Ohio Revised Code.

(b) In performing his or her duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, that are prepared or presented by: (i) one or more Directors, officers or employees of the Company whom the Director reasonably believes are reliable and competent in the matters prepared or presented; (ii) counsel, public accountants or other persons as to matters that the Director reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Directors upon which he or she does not serve, duly established in accordance with the provisions of these Regulations, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

(c) A Director in determining what he or she reasonably believes to be in the best interests of the Company shall consider the interests of the Company's shareholders and, in his or her discretion, may consider (i) the interests of the Company's employees, suppliers, creditors and customers; (ii) the economy of the state and nation; (iii) community and societal considerations; and (iv) the long-term as well as short-term interests of the Company and its shareholders, including the possibility that these interests may be best served by the continued independence of the Company.

(d) A Director shall be liable in damages for any action he or she takes or fails to take as a Director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that his or her action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company. Notwithstanding the foregoing, nothing contained in this paragraph (d) affects the liability of Directors under Section 1701.95 of the Ohio Revised Code or limits relief available under Section 1701.60 of the Ohio Revised Code.

EXHIBIT B

FORM OF UNDERTAKING

THIS UNDERTAKING has been entered into by _____ (the "Indemnitee") pursuant to an Indemnity Agreement, dated _____, ____ (the "Indemnity Agreement"), between The Sherwin-Williams Company (the "Company") and the Indemnitee.

WITNESSETH:

WHEREAS, pursuant to the Indemnity Agreement, the Company has agreed to pay Expenses incurred by the Indemnitee in any Proceeding involving the Indemnitee; and

WHEREAS, such a Proceeding has arisen involving the Indemnitee, and the Indemnitee has notified the Company thereof in accordance with the terms of the Indemnity Agreement.

NOW, THEREFORE, the Indemnitee hereby agrees that in consideration of Company's advance payment of the Indemnitee's Expenses incurred prior to a final disposition of the Proceeding, the Indemnitee hereby undertakes to repay to the Company any and all Expenses paid by the Company on behalf of the Indemnitee prior to a final disposition of the Proceeding to the extent it is ultimately determined that the Indemnitee is not entitled to indemnification under the Applicable Document. Such reimbursement or arrangements for reimbursement by the Indemnitee shall be consummated within ninety (90) days after a determination that the Indemnitee is not entitled to indemnification under the Applicable Document. Indemnitee agrees to reasonably cooperate with the Company concerning any Proceeding. Capitalized terms used but not defined herein shall have the meaning assigned to such term in the Indemnity Agreement.

IN WITNESS WHEREOF, the undersigned has set his/her hand this ____ day of _____, ____.

INDEMNITEE

AIRCRAFT TIME SHARING AGREEMENT

This **AIRCRAFT TIME SHARING AGREEMENT** (the "Agreement") is dated January 2, 2024 (the "Effective Date") by and between **THE SHERWIN-WILLIAMS COMPANY**, an Ohio corporation (the "Company"), and **HEIDI G. PETZ**, an individual (the "Executive").

WITNESSETH:

WHEREAS, the Company leases certain aircraft identified in Exhibit A (individually and collectively as the context requires, the "Aircraft") and operates the Aircraft for business use in accordance with the FAR (as hereinafter defined) and the Company's policies regarding use of the Aircraft;

WHEREAS, in order to provide for the safety and security of the Executive in her capacity as the Company's Chief Executive Officer and to maximize the Executive's ability to carry out her responsibilities to the Company, the Company has determined it is appropriate for the Company to make the Aircraft available to the Executive for personal use, subject to the terms and conditions set forth in this Agreement;

WHEREAS, the Executive desires to lease each Aircraft from time to time, with a flight crew, on a non-exclusive basis, from the Company on a time sharing basis as defined in Section 91.501(c)(1) of the FAR;

WHEREAS, the Company is willing to lease each Aircraft from time to time, with a flight crew, on a non-exclusive basis, to the Executive on a time sharing basis; and

WHEREAS, during the Term (as hereinafter defined) of this Agreement, each Aircraft will be subject to use by the Company and may be subject to use by one or more other third parties.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** The following terms shall have the following meanings for all purposes of this Agreement:

"**Aircraft**" means, individually and collectively as the context requires, each of the Aircraft identified in Exhibit A.

"**Applicable Law**" means, without limitation, all applicable laws, treaties, international agreements, decisions and orders of any court, arbitration or governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority, including, without limitation, the FAR and 49 U.S.C. § 41101, et seq., as amended.

"FAA" means the Federal Aviation Administration or any successor agency.

"FAR" means collectively the Aeronautics Regulations of the FAA and the United States Department of Transportation, as codified at Title 14, Parts 1 to 399 of the United States Code of Federal Regulations.

"Operational Control" has the same meaning given the term in Section 1.1 of the FAR.

"Pilot in Command" has the same meaning given the term in Section 1.1 of the FAR.

"Taxes" means commercial air transportation excise taxes pursuant to Section 4261 of the Internal Revenue Code of 1986, as amended, regardless of whether any flight is considered "noncommercial" under the FAR.

"Term" means the entire period from the Effective Date to the date this Agreement is terminated pursuant to Section 3.

2. **Agreement to Lease.**

2.1 Lease. The Company agrees to lease each Aircraft to the Executive from time to time on an "as needed and as available" basis, and to provide a fully qualified flight crew for all of the Executive's flight operations, in accordance with the terms and conditions of this Agreement.

2.2 Automatic Removal of Aircraft. In the event that the Company sells any individual Aircraft listed on Exhibit A, such Aircraft shall, upon the transfer of title to such Aircraft, be deemed immediately removed from the applicability of this Agreement regardless of whether such Aircraft is specifically removed from Exhibit A.

3. **Term.**

3.1 Initial Term. The initial term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year.

3.2 Renewal. At the end of the initial one (1) year term or any subsequent one (1) year term, this Agreement shall automatically be renewed for an additional one (1) year term.

3.3 Termination.

3.3.1 Each party shall have the right to terminate this Agreement at any time with or without cause on ten (10) days' written notice to the other party.

3.3.2 In the event that the Executive no longer serves as Chief Executive Officer of the Company, the Company shall have the right to terminate this Agreement immediately upon delivery of a written notice of termination to the Executive.

4. **Applicable Regulations.** The parties hereto intend this Agreement to constitute, and this Agreement shall be interpreted as, a Time Sharing Agreement as defined in Section 91.501(c)(1) of the FAR. The parties agree that for all flights under this Agreement, the Aircraft used for the

flight shall be operated under the pertinent provisions of Subpart F of Part 91 of the FAR. If any provision of this Agreement is determined to be inconsistent with any of the requirements of the provisions of Subpart F of Part 91 of the FAR, such provision shall be deemed amended in any respect necessary to bring it into compliance with such requirements.

5. **Charges.** For any flight conducted under this Agreement (including any deadhead flights required for repositioning), the Executive shall pay the Company an amount determined by the Company, not to exceed the expenses of operating such flight that may be charged pursuant to Section 91.501(d) of the FAR, which expenses include and are limited to:

- 5.1 fuel, oil, lubricants, and other additives;
- 5.2 travel expenses of the crew, including food, lodging, and ground transportation;
- 5.3 hangar and tie-down costs away from the Aircraft's base of operation;
- 5.4 insurance obtained for the specific flight;
- 5.5 landing fees, airport taxes, and similar assessments;
- 5.6 customs, foreign permit, and similar fees directly related to the flight;
- 5.7 in flight food and beverages;
- 5.8 passenger ground transportation;
- 5.9 flight planning and weather contract services; and
- 5.10 an additional charge equal to 100% of the expenses listed in Section 5.1.

6. **Invoices and Payment.** The Company shall provide a quarterly invoice to the Executive in an amount determined by the Company in accordance with Section 5 above. The Executive shall remit the full amount of any such invoice, together with any applicable Taxes under Section 7, to the Company within thirty (30) days after receipt of the invoice.

7. **Taxes.** The Executive shall be responsible for all Taxes which may be assessed or levied as a result of the lease of the Aircraft to the Executive, or the use of the Aircraft by the Executive, or the provision of a taxable transportation service to the Executive using the Aircraft. The Executive shall remit to the Company all such Taxes together with each payment made pursuant to Section 6.

8. **Scheduling Flights.**

8.1 Flight Requests. The Executive shall submit requests for flight time and proposed flight schedules to the Company as far in advance of any given flight as practical. The Executive shall provide at least the following information for each proposed flight prior to the scheduled departure:

- (a) departure airport;

- (b) destination airport;
- (c) date and time of flight;
- (d) the names of all passengers;
- (e) purpose of the flight for each passenger;
- (f) the nature and extent of any unusual luggage and/or cargo to be carried;
- (g) the date and time of return flight, if any; and
- (h) any other information concerning the proposed flight that may be pertinent or required by the Company, the flight crew or governmental authorities.

8.2 Approval of Flight Requests. The Company may approve or deny any flight scheduling request in its sole discretion. The Company shall be under no obligation to approve any flight request submitted by the Executive and shall have final authority over the scheduling of all Aircraft.

8.3 Subordinated Use of Aircraft. The Executive's rights to schedule use of the Aircraft during the Term of this Agreement shall at all times be subordinate to the Aircraft use requirements of the Company. The Company shall at all times be entitled to preempt any scheduled, unscheduled, or anticipated use of any Aircraft by the Executive, notwithstanding any prior approval by the Company.

9. Aircraft Maintenance and Flight Crew. The Company shall be solely responsible for maintenance, preventive maintenance and required or otherwise necessary inspections of each Aircraft, and shall take such requirements into account in scheduling the Aircraft. No period of maintenance, preventative maintenance, or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless such maintenance or inspection can be safely conducted at a later time in compliance with all Applicable Laws and regulations, and within the sound discretion of the Pilot in Command.

10. Flight Crews. The Company shall provide a qualified flight crew for each flight conducted in accordance with this Agreement. The members of the flight crew may be either employees or independent contractors of the Company. In either event, the flight crew shall be and remain under the exclusive command and control of the Company in all phases of all flights conducted under this Agreement.

11. Operational Control. THE PARTIES EXPRESSLY AGREE THAT THE COMPANY SHALL HAVE AND MAINTAIN OPERATIONAL CONTROL OF ALL AIRCRAFT FOR ALL FLIGHTS OPERATED UNDER THIS AGREEMENT. The Company shall exercise exclusive authority over initiating, conducting, or terminating any flight conducted on behalf of the Executive pursuant to this Agreement.

12. **Authority of Pilot In Command.** Notwithstanding that the Company shall have Operational Control of the Aircraft during any flight conducted pursuant to this Agreement, the Company and the Executive expressly agree that the Pilot in Command, in his or her sole discretion, may terminate any flight, refuse to commence any flight, or take any other flight-related action which in the judgment of the Pilot in Command is necessary to ensure the safety of the Aircraft, the flight crew, the passengers, and persons and property on the ground. The Pilot in Command shall have final and complete authority to postpone or cancel any flight for any reason or condition that in his or her judgment would compromise the safety of the flight. No such action of the Pilot in Command shall create or support any liability of the Company to the Executive for loss, injury, damage or delay.

13. **Insurance.**

13.1 Liability. In connection with any use of the Aircraft, for the benefit of the Company and the Executive, the Company shall maintain, or cause to be maintained, bodily injury and property damage, liability insurance in an amount customary in the industry for similar aircraft and operations. Such policy shall be an occurrence policy naming the Company as Named Insured, and the Executive as an Additional Insured.

13.2 Hull. The Company shall maintain, or cause to be maintained, all risks aircraft hull insurance for each Aircraft in amounts determined from time to time by agreement of Company and the provider of the insurance.

13.3 Additional Insurance. The Company shall use reasonable efforts to provide such additional insurance coverage as the Executive may request or require; provided, however, that the cost of such additional insurance shall be borne by the Executive as set forth in Section 5.4 of this Agreement.

13.4 Insurance Certificates. The Company will provide a copy of its Certificate of Insurance to the Executive from time to time as requested by the Executive.

14. **Representations and Warranties.** The Executive represents and warrants that:

14.1 The Executive will use the Aircraft solely for her own use and the use of her family and guests, and the Executive will not use any Aircraft for the purpose of providing transportation of passengers or cargo for compensation or hire.

14.2 The Executive shall not incur any mechanic's or other lien on the Aircraft. The Executive shall not attempt to convey, mortgage, assign, lease, sublease, or in any way alienate any Aircraft.

14.3 During the Term of this Agreement, the Executive will abide by and conform to all Applicable Laws, governmental and airport orders, rules and regulations, as shall from time to time be in effect relating in any way to the operation and use of any Aircraft under a time sharing agreement.

15. **No Assignments.** Neither this Agreement nor any party's interest herein shall be assignable to any other party whatsoever. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, representatives and successors.

16. **Administration and Amendment Modification.** This Agreement may not be modified, altered, or amended except by written agreement executed by both parties; **provided, however, that the Executive hereby acknowledges and agrees that the Company may amend Exhibit A to add or remove Aircraft without her consent or written agreement**

17. **Headings.** The section headings in this Agreement are for convenience of reference only and shall not modify, define, expand, or limit any of the terms or provisions hereof.

18. **Notices.** All notices and communications required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by e-mail or facsimile, receipt acknowledged, or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor, in each case at the address set forth below:

If to Company: The Sherwin-Williams Company
101 West Prospect Avenue
Cleveland, Ohio 44115
Attention: Mary L. Garceau, Senior Vice President, General Counsel and Secretary
E-Mail: mary.l.garceau@sherwin.com

If to Executive: at her home address listed in the records of the Company.

19. **Governing Law.** This Agreement shall be governed by the laws of the State of Ohio, without regard to its choice of law principles.

20. **Limitation of Liability.** NEITHER THE COMPANY (NOR ITS AFFILIATES) MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO ANY AIRCRAFT TO BE USED UNDER THIS AGREEMENT OR ANY ENGINE OR COMPONENT THEREOF INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, AIRWORTHINESS, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR TITLE. THE EXECUTIVE HEREBY WAIVES, RELEASES, DISCLAIMS AND RENOUNCES ALL EXPECTATION OF RELIANCE UPON ANY SUCH WARRANTIES, OBLIGATIONS, LIABILITIES, RIGHTS, CLAIMS OR REMEDIES.

21. **Sole Recourse.** The Executive agrees that the Aircraft liability insurance carried by, or on behalf of, the Company shall provide the Executive's sole recourse for all claims, losses, liabilities, obligations, demands, suits, judgments or causes of action, penalties, fines, costs and expenses of any nature whatsoever, including attorneys' fees and expenses for or on account of

or arising out of, or in any way connected with the use of the Aircraft by the Executive or her guests, including, without limitation, injury to or death of any persons, including, without limitation, guests, invitees or other parties which may result from or arise out of the use or operation of the Aircraft. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

22. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each and all of which when so executed and delivered shall be an original, and all of which shall together constitute one and the same instrument.

23. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties as of the Effective Date and supersedes all prior or independent, oral or written agreements, understandings, statements, representations, commitments, promises, and warranties made with respect to the subject matter of this Agreement.

24. **Truth In Leasing Statement.**

WITHIN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT, EACH AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91.

THE PARTIES HERETO CERTIFY THAT DURING THE TERM OF THIS AGREEMENT AND FOR OPERATIONS CONDUCTED HEREUNDER, EACH AIRCRAFT WILL BE MAINTAINED AND INSPECTED IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91.

THE COMPANY ACKNOWLEDGES (AND CERTIFIES BY ITS SIGNATURE BELOW) THAT WHEN IT OPERATES ANY AIRCRAFT ON BEHALF OF THE EXECUTIVE UNDER THIS AGREEMENT, THE COMPANY SHALL BE KNOWN AS, CONSIDERED, AND IN FACT WILL BE THE OPERATOR OF, AND SHALL HAVE OPERATIONAL CONTROL OF, THE AIRCRAFT.

EACH PARTY HERETO CERTIFIES THAT IT UNDERSTANDS THE EXTENT OF ITS RESPONSIBILITIES, SET FORTH IN THIS AGREEMENT FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE (FSDO).

THE PARTIES HERETO CERTIFY THAT A TRUE COPY OF THIS AGREEMENT SHALL BE CARRIED ON EACH AIRCRAFT AT ALL TIMES, AND SHALL BE MADE AVAILABLE FOR INSPECTION UPON REQUEST BY AN APPROPRIATELY CONSTITUTED AND IDENTIFIED REPRESENTATIVE OF THE ADMINISTRATOR OF THE FAA.

THE ADDRESS OF THE COMPANY IS: 101 West Prospect Avenue, Cleveland, Ohio 44115

25. **Truth In Leasing Compliance.** The Company, on behalf of the Executive, shall take the steps set forth on Exhibit B.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this AIRCRAFT TIME SHARING AGREEMENT as of the date and year first written above.

THE SHERWIN-WILLIAMS COMPANY

By: /s/ Gregory P. Sofish

Name: Gregory P. Sofish

Title: Senior Vice President – Human Resources

/s/ Heidi G. Petz

HEIDI G. PETZ, Individually

The undersigned hereby consents to the terms of this Agreement.

CONTRACT TRANSPORTATION SYSTEMS CO.

By: /s/ Stephen J. Perisutti

Name: Stephen J. Perisutti

Title: Vice President and Assistant Secretary

EXHIBIT A

AIRCRAFT

Dassault Falcon 2000EX aircraft bearing MSN 73 and U.S. registration number N273SW

Dassault Falcon 2000EX aircraft bearing MSN 155 and U.S. registration number N274SW

Dassault Falcon 2000EX aircraft bearing MSN 350 and U.S. registration number N279SW

EXHIBIT B

INSTRUCTIONS FOR COMPLIANCE WITH "TRUTH IN LEASING" REQUIREMENTS UNDER FAR SECTION 91.23

1. Within 24 hours after execution of this Agreement, mail a copy of the executed document to the following address via certified mail, return receipt requested:

Federal Aviation Administration
Aircraft Registration Branch
ATTN: Technical Section
P.O. Box 25724
Oklahoma City, Oklahoma 73125

2. At least 48 hours prior to the first flight of each Aircraft to be conducted under this Agreement, provide notice, of the departure airport and proposed time of departure of the first flight, by facsimile, to the responsible Flight Standards District Office.
3. Carry a copy of this Agreement on board each Aircraft at all times.

**THE SHERWIN-WILLIAMS COMPANY 2005
KEY MANAGEMENT DEFERRED COMPENSATION PLAN
(Amended and Restated Effective as of October 13, 2023)**

The Sherwin-Williams Company, an Ohio corporation (the "Company"), established this 2005 Key Management Deferred Compensation Plan (the "Plan"), originally effective as of January 1, 2005, for the purpose of attracting high quality executives and promoting in its key executives increased efficiency and an interest in the successful operation of the Company. The Plan is intended to offer a select group of management or highly compensated employees the ability to defer compensation in excess of compensation available to be deferred under other qualified and nonqualified plans sponsored by the Company. The terms of the Plan, amended and restated as set forth herein, apply to amounts that are deferred under the Plan after October 13, 2023. Notwithstanding anything to the contrary contained herein, amounts deferred under the Plan on or before October 13, 2023 shall be governed by the terms of the Plan effective at the time of deferral, provided that, all amounts that were deferred and vested under the Plan prior to January 1, 2005 and any additional amounts that are not subject to Section 409A of the Code shall continue to be subject solely to the terms of the separate Plan in effect on October 3, 2004.

ARTICLE 1

Definitions

1.1 *Account* shall mean the account or accounts established for a particular Participant pursuant to Article 3 of the Plan.

1.2 *Administration Committee* shall have the meaning given to such term under the Qualified Plan, or shall refer to such person or persons to whom the Administrative Committee has delegated any responsibility pursuant to Article XIX of the Qualified Plan.

1.3 *Affiliated Group* shall mean the Company and all entities with which the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code, provided that in applying Section 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Section 1563(a)(1), (2), and (3) of the Code, and in applying Treasury Regulation § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, "at least 50 percent" is used instead of "at least 80 percent" each place it appears in that regulation. Such term shall be interpreted in a manner consistent with the definition of "service recipient" contained in Section 409A of the Code.

1.4 *Base Salary* shall mean the Participant's annual base salary excluding incentive and discretionary bonuses and other non-regular forms of compensation, after reductions for Social Security and Medicare taxes and contributions to or deferrals under any pension, deferred compensation or other benefit plans sponsored by the Company.

1.5 *Beneficiary* shall mean the person(s) or entity designated as such in accordance with Article 11 of the Plan.

1.6 *Bonus* shall mean amounts paid to the Participant by the Company annually in the form of a discretionary or incentive compensation or any other bonus designated by the Administration Committee after reductions for contributions to or deferrals under any pension, deferred compensation or benefit plans sponsored by the Company.

1.7 *Code* shall mean the Internal Revenue Code of 1986, as amended.

1.8 *Company* shall mean The Sherwin-Williams Company.

1.9 *Crediting Rate* shall mean the notional gains and losses credited on the Participant's Account balance which are based on the Participant's choice among the investment alternatives made available by the Administration Committee pursuant to Article 3 of the Plan.

1.10 *Disability* shall mean the condition whereby a Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under any accident and health plan covering employees of the Company.

1.11 *Eligible Executive* shall mean an employee of the Company, its subsidiaries or affiliates eligible to participate in The Sherwin-Williams Company Management Incentive Plan, or such other management employee, as may be designated by the Administration Committee to be eligible to participate in the Plan.

1.12 *ERISA* shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.13 *Executive Clawback Policy* shall mean The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time).

1.14 *Financial Hardship* shall mean a severe financial hardship resulting from the Participant's or the Participant's dependent's (as defined in Section 152(a) of the Code) sudden and unexpected illness or accident, the Participant's sudden and unexpected property casualty loss, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, which is not covered by insurance and may not be relieved by cessation of Plan deferrals or by the liquidation of the Participant's assets provided that such liquidation would not cause a severe Financial Hardship, and which is determined to qualify as a Financial Hardship by the Administration Committee. Cash needs arising from foreseeable events such as the purchase of a residence or education expenses for children shall not, alone, be considered a Financial Hardship.

1.15 *Key Employee Clawback Policy* shall mean The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time).

1.16 *Participant* shall mean an Eligible Executive who has elected to participate and has completed a Participant Election Form pursuant to Article 2 of the Plan.

1.17 *Participant Election Form* shall mean the agreement in a form acceptable to the Administration Committee, to make a deferral submitted by the Participant to the Administration Committee on a timely basis pursuant to Article 2 of the Plan. The Participant Election Form may be submitted in an electronic form according to procedures established by the Administration Committee.

1.18 *Plan Year* shall mean the calendar year.

1.19 *Qualified Plan* shall mean The Sherwin-Williams Company Employee Stock Purchase and Savings Plan, as amended from time to time, or any successor plan.

1.20 *Retirement* shall mean Termination of Employment on or after the Retirement Eligibility Date, other than as a result of the Participant's death.

1.21 *Retirement Eligibility Date* shall mean the date on which the Participant attains age fifty-five (55).

1.22 *Scheduled Withdrawal* shall mean the distribution elected by the Participant pursuant to Article 7 of the Plan.

1.23 *Settlement Date* shall mean the date by which a lump sum payment shall be made or the date by which installment payments shall commence. The Settlement Date shall be no later than ninety (90) days following the occurrence of the event triggering the payout; provided, however, that if the event triggering the payout is the Participant's Retirement, the Settlement Date shall be on or about the last day of January of the Plan Year following the year in which the Participant's Retirement occurs. Notwithstanding the foregoing, with respect to any Participant who is a Specified Employee, to the extent required by Section 409A of the Code, the Settlement Date shall be on or about the first business day following the first of the month which is no less than six (6) months from the Participant's Termination of Employment.

1.24 *Specified Employee* shall mean a Participant who is a "Key Employee" as determined by the Company pursuant to Section 416 of the Code and Treasury Regulation § 1.409A-1(i).

1.25 *Termination of Employment* shall mean the date of the Participant's separation from service (within the meaning of Treasury Regulation § 1.409A-1(h)) with the Affiliated Group for any reason whatsoever, whether voluntary or involuntary, including as a result of the Participant's Retirement or death. Upon a sale or other disposition of the assets of the Company or any other member of the Affiliated Group to an unrelated purchaser, the Company reserves the right, to the extent permitted by Section 409A of the Code, to determine whether Participants providing services to the purchaser after and in connection with such transaction have experienced a Termination of Employment.

1.26 *Valuation Date* shall mean the date through which earnings are credited and shall, if a business day, be the date on which the payout or other event triggering the valuation occurs; or if not a business day, the next succeeding business day.

ARTICLE 2 **Participation**

2.1 **Elective Deferral.** An Eligible Executive may elect, in accordance with Section 2.2 below, to defer any whole percentage up to one hundred percent (100%) of Base Salary and/or Bonus earned by the Eligible Executive during any Plan Year. Pursuant to such rules as the Administration Committee may establish at the beginning of any enrollment period described in Section 2.2 below, the Administration Committee may further limit the minimum or maximum amount deferred by any Participant or group of Participants, or waive the foregoing limits for any Participant or group of Participants, for any Plan Year. If a Participant is an Eligible Executive on the first day of a Plan Year and ceases to be an Eligible Executive during such Plan Year, the Participant may continue to make elective deferrals through the end of the Plan Year.

2.2 **Participant Election Form.** In order to make a deferral, an Eligible Executive must submit a Participant Election Form to the Administration Committee during the enrollment period established by the Administration Committee ending prior to the Plan Year in which the Base Salary or Bonus will be earned, except that, for employees who become eligible for the Plan after January 1 but before June 30 of a Plan Year, with respect to elections for the deferral of Bonuses which the Administration Committee determines constitute "performance-based compensation" within the meaning of Treasury Regulation § 1.409A-1(e), the Administration Committee may permit Participants to submit Participant Election Forms during an enrollment period ending no later than six (6) months prior to the end of the period in which the Bonus will be earned. Other than the Bonus deferrals specified in the previous sentence, no deferral elections shall be

submitted outside of the established annual enrollment period that takes place prior to each Plan Year. Any deferral election shall be irrevocable as of the last day of the applicable enrollment period, or upon such earlier date as may be specified by the Administration Committee. A Participant's initial Participant Election Form shall specify the form of payment of the Participant's Retirement Account (lump sum or installments over a specified period of not more than fifteen (15) years), and in the event that a Participant fails to make such a specification on the initial Participant Election Form, the form of payment of the Participant's Retirement Account shall be single lump sum. The Participant shall be required to submit a new Participant Election Form each year in order to make additional deferrals in such subsequent Plan Years. An Election Form to change deferral elections shall be considered timely if submitted during a period prescribed by the Administration Committee and, in the case of a change to the timing or form of distribution, such Election Form must be submitted at least twelve (12) months prior to the intended effective date of such change, and the change in the distribution date must, to the extent required by Section 409A of the Code, defer payment for at least an additional five (5) years.

ARTICLE 3

Accounts

3.1 Participant Accounts. Solely for recordkeeping purposes, separate Accounts shall be maintained for each Participant. One Retirement Account and Scheduled Withdrawal Accounts, in a number appropriate to the Participant's elections to make Scheduled Withdrawals, shall be maintained for the Participant and credited with the Participant's deferrals directed by the Participant to each Account at the time such amounts would otherwise have been paid to the Participant. Accounts shall be deemed to be credited with notional gains or losses as provided in Section 3.2 from the date amounts are credited to the Account through the Valuation Date. Amounts credited to a Participant's Account shall be fully vested at all times.

3.2 Crediting Rate. The Crediting Rate on amounts in a Participant's Account shall be based on the Participant's choice among the investment alternatives made available from time to time by the Administration Committee. The Administration Committee shall establish a procedure by which a Participant may elect to have the Crediting Rate based on one or more investment alternatives and by which the Participant may change investment elections at least quarterly. The Participant's Account balance shall reflect the investments selected by the Participant. If an investment selected by a Participant sustains a loss, the Participant's Account shall be reduced to reflect such loss. The Participant's choice among investments shall be solely for purposes of calculation of the Crediting Rate. If the Participant fails to elect an investment alternative the Crediting Rate shall be based on the investment alternative selected for this purpose by the Administration Committee. The Company shall have no obligation to set aside or invest funds as directed by the Participant and, if the Company elects to invest funds as directed by the Participant, the Participant shall have no more right to such investments than any other unsecured general creditor of the Company. During payout, the Participant's Account shall continue to be credited at the Crediting Rate selected by the Participant from among the investment alternatives or rates made available by the Administration Committee for such purpose.

3.3 Statement of Accounts. The Administration Committee shall provide each Participant with statements at least annually setting forth the Participant's Account balance as of the end of each Plan Year.

ARTICLE 4

Benefits

4.1 Retirement Benefits. In the event of the Participant's Retirement, the Participant shall be entitled to receive an amount equal to the total balance of the Participant's Accounts credited with notional

earnings as provided in Article 3 through the Valuation Date. The benefits shall be paid in a single lump sum on the Settlement Date following Retirement unless the Participant makes a timely election to have the benefits paid in substantially level annual installments over a specified period of not more than fifteen (15) years. Except as otherwise provided herein, payment shall be made or commence on the Settlement Date following Retirement. If benefits are payable in the form of annual installments pursuant to this Section 4.1, annual payments will be made commencing on the Settlement Date following Retirement and shall continue on each anniversary thereof until the number of annual installments specified in the Participant's timely election has been paid. The amount of each such installment payment for a Plan Year shall be determined by dividing the Participant's Account balance, determined on or about the first day of the calendar quarter preceding the first installment payment date of the Plan Year, by the number of installment payments remaining, without regard to anticipated earnings. An Election Form to change the form of benefit payout shall be considered timely if submitted during a period prescribed by the Administration Committee, which period cannot be less than twelve (12) months prior to the intended effective date of such change. Any change in the distribution date must defer payment, or commencement of payment, for at least an additional five (5) years.

4.2 Termination Benefit. Upon Termination of Employment other than by reason of Retirement or death, the Company shall pay to the Participant a termination benefit equal to the balance on Termination of Employment of the Participant's Accounts credited with notional earnings as provided in Article 3 through the Valuation Date. The termination benefits shall be paid in a single lump sum on the Settlement Date following Termination of Employment.

4.3 Cash-Out Limit. Notwithstanding the foregoing, in the event the sum of all benefits payable to the Participant under the Plan and any other plan or arrangement that is aggregated with the Plan pursuant to Treasury Regulation § 1.409A-1(c) is less than or equal to the applicable dollar amount then in effect under section 402(g)(1)(B) of the Code, the Company may, in its sole discretion, elect to pay such benefits in a single lump sum as provided in Treasury Regulation § 1.409A-3(j)(4)(v).

ARTICLE 5

Death Benefits

5.1 Death Benefit. In the event of Termination of Employment as a result of the Participant's death, the Company shall pay to the Participant's Beneficiary a death benefit equal to the total balance of the Participant's Accounts as of the date of the Participant's death credited with notional earnings as provided in Article 3 through the Valuation Date. The death benefit shall be paid in the same form (lump sum or installments) as the Participant's Retirement benefit would have been paid under Section 4.1 and such payment shall be made or commence on the Settlement Date following the Participant's death, without regard to any 5-year deferral that may have been applicable to benefits that would have been paid under Section 4.1.

5.2 Cash-Out Limit. Notwithstanding the foregoing, in the event the sum of all benefits payable to a Beneficiary under the Plan and any other plan or arrangement that is aggregated with the Plan pursuant to Treasury Regulation § 1.409A-1(c) is less than or equal to the applicable dollar amount then in effect under section 402(g)(1)(B) of the Code, the Company may, in its sole discretion, elect to pay such benefits in a single lump sum as provided in Treasury Regulation § 1.409A-3(j)(4)(v).

ARTICLE 6

Disability

In the event of a Participant's Disability, deferral elections shall cease and the Company shall pay to the Participant a Disability benefit equal to the balance of the Participant's Accounts credited with notional earnings as provided in Article 3 through the Valuation Date. The Disability benefit shall be paid in the same form (lump sum or installments) as the Participant's Retirement benefit would have been paid under

Section 4.1 and such payment shall be made or commence on the Settlement Date following the Participant's Disability, without regard to any 5-year deferral that may have been applicable to benefits that would have been paid under Section 4.1.

ARTICLE 7

Scheduled Withdrawal

7.1 Election. The Participant may make an irrevocable election on the Participant Election Form at the time of making a deferral to take a Scheduled Withdrawal from the Account established by the Participant for such purpose, including any earnings credited thereon. The Scheduled Withdrawal election shall apply only to amounts covered by the deferral elections on the applicable annual Participant Election Form. The Participant may make Scheduled Withdrawal elections for amounts deferred with respect to subsequent Plan Years when completing the applicable Participant Election Forms for those Plan Years. The Participant may elect to receive the Scheduled Withdrawal in any Plan Year on or after the fourth Plan Year following the enrollment period in which such Scheduled Withdrawal is elected. The Participant may irrevocably elect to make additional deferrals into such Scheduled Withdrawal Account in subsequent Participant Election Forms but may not elect another Scheduled Withdrawal date for such Account until all of the amounts in the original Scheduled Withdrawal Account have been paid out.

7.2 Scheduled Withdrawal Amount. The Participant shall be entitled to elect a Scheduled Withdrawal only in the amount of one hundred percent (100%) of the amount of the relevant annual deferral credited with notional interest as provided in Article 3 through the Valuation Date.

7.3 Timing of Scheduled Withdrawal. The Scheduled Withdrawal shall be paid by the Company to the Participant in a single lump sum during the month of January of the Plan Year elected by the Participant in the Participant Election Form unless preceded by Termination of Employment or Disability. In the event of Termination of Employment prior to January 1 of the Plan Year elected for the Scheduled Withdrawal, the Scheduled Withdrawal shall be paid in the form provided in Article 4 or Article 5 of the Plan, as applicable. In the event of the Participant's Disability prior to January 1 of the Plan Year elected for the Scheduled Withdrawal, the Scheduled Withdrawal shall be paid as provided in Article 6 of the Plan.

ARTICLE 8

Financial Hardship Distribution

Upon a finding that the Participant (or, after the Participant's death, a Beneficiary) has suffered a Financial Hardship, the Administration Committee may in its sole discretion, accelerate distributions of benefits, in whole or in part, or approve reduction or cessation of current deferrals under the Plan in the amount reasonably necessary to alleviate such Financial Hardship.

ARTICLE 9

Amendment and Termination of Plan

9.1 Amendment and Termination in General. The Company may, at any time, amend or terminate the Plan, except that (i) no such amendment or termination may reduce a Participant's Account balance, and (ii) no such amendment or termination may result in the acceleration of payment of any benefits to any Participant, Beneficiary or other person, except as may be permitted under Section 409A of the Code.

9.2 Payment of Accounts Following Termination. In the event that the Plan is terminated, a Participant's Accounts shall be distributed to the Participant or Beneficiary on the dates on which the Participant or Beneficiary would otherwise receive benefits hereunder without regard to the termination of the

Plan. Notwithstanding the preceding sentence, and to the extent permitted under Section 409A of the Code, the Company, by action taken by its Board of Directors or its designee, may terminate the Plan and accelerate the payment of Participants' Accounts subject to the following conditions:

(i) Company's Discretion. The termination does not occur "proximate to a downturn in the financial health" of the Company (within the meaning of Treasury Regulation §1.409A-3(j)(4)(ix)), and all other arrangements required to be aggregated with the Plan under Section 409A of the Code are also terminated and liquidated. In such event, the entire Accounts of all Participants shall be paid at the time and pursuant to the schedule specified by the Company, so long as all payments are required to be made no earlier than twelve (12) months, and no later than twenty-four (24) months, after the date the Board of Directors or its designee irrevocably approves the termination of the Plan. Notwithstanding the foregoing, any payment that would otherwise be paid pursuant to the terms of the Plan prior to the twelve (12) month anniversary of the date that the Board of Directors or its designee irrevocably approves the termination of the Plan shall continue to be paid in accordance with the terms of the Plan. If the Plan is terminated pursuant to this Section 9.2(i), the Company shall be prohibited from adopting a new plan or arrangement that would be aggregated with this Plan under Section 409A of the Code within three (3) years following the date that the Board of Directors or its designee irrevocably approves the termination and liquidation of the Plan.

(ii) Change of Control. The termination occurs pursuant to an irrevocable action of the Board of Directors or its designee that is taken within the thirty (30) days preceding or the twelve (12) months following a Change of Control (as defined in Article 12), and all other plans sponsored by the Company (determined immediately after the Change of Control) that are required to be aggregated with this Plan under Section 409A of the Code are also terminated with respect to each participant therein who experienced the Change of Control (each a "Change of Control Participant"). In such event, the entire Accounts of each Participant under the Plan and each Change in Control Participant under all aggregated plans shall be paid at the time and pursuant to the schedule specified by the Company, so long as all payments are required to be made no later than twelve (12) months after the date that the Board of Directors or its designee irrevocably approves the termination.

(iii) Dissolution; Bankruptcy Court Order. The termination occurs within twelve (12) months after a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A). In such event, the entire Accounts of each Participant shall be paid at the time and pursuant to the schedule specified by the Company, so long as all payments are required to be made by the latest of: (A) the end of the calendar year in which the Plan termination occurs, (B) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (C) the first calendar year in which payment is administratively practicable.

(iv) Other Events. The termination occurs upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance.

Notwithstanding anything contained in this Section 9.2 to the contrary, in no event may a payment be accelerated following a Specified Employee's Termination of Employment to a date that is prior to the first Business Day which is no less than six (6) months following the Specified Employee's Termination of Employment (or if earlier, upon the Specified Employee's death).

The provisions of paragraphs (i), (ii), (iii) and (iv) of this Section 9.2 are intended to comply with the exception to accelerated payments under Treasury Regulation §1.409A-3(j)(4)(ix) and shall be interpreted and administered accordingly. The term "Company" as used in paragraphs (i) and (ii) of this Section 9.2 shall include the Company and any entity which would be considered to be a single employer with the Company under Sections 414(b) or 414(c) of the Code.

ARTICLE 10

Beneficiaries

10.1 Beneficiary Designation. The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. The Beneficiary designation shall be effective when it is submitted in writing to and acknowledged by the Administration Committee during the Participant's lifetime on a form prescribed by the Administration Committee.

10.2 Revision of Designation. The submission of a new Beneficiary designation shall cancel all prior Beneficiary designations. Any finalized divorce or marriage (other than a common law marriage) of a Participant subsequent to the date of a Beneficiary designation shall revoke such designation, unless in the case of divorce the previous spouse was not designated as Beneficiary and unless in the case of marriage the Participant's new spouse has previously been designated as Beneficiary.

10.3 Successor Beneficiary. If the primary Beneficiary dies prior to complete distribution of the benefits provided in Article 5, the remaining Account balance shall be paid to the contingent Beneficiary elected by the Participant.

10.4 Absence of Valid Designation. If a Participant fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Administration Committee shall direct the distribution of such benefits to the relevant estate.

ARTICLE 11

Administration/Claims Procedures

11.1 Administration. The Plan shall be administered by the Administration Committee, which shall have the exclusive right and full discretion (i) to interpret the Plan, (ii) to decide any and all matters arising hereunder (including the right to remedy possible ambiguities, inconsistencies, or admissions), (iii) to make, amend and rescind such rules as it deems necessary for the proper administration of the Plan and (iv) to make all other determinations necessary or advisable for the administration of the Plan, including determinations regarding eligibility for benefits payable under the Plan. All interpretations of the Administration Committee with respect to any matter hereunder shall be final, conclusive and binding on all persons affected thereby. No member of the Administration Committee shall be liable for any determination, decision, or action made in good faith with respect to the Plan. The Company will indemnify and hold harmless the members of the Administration Committee from and against any and all liabilities, costs, and expenses incurred by such persons as a result of any act, or omission, in connection with the performance of such persons' duties, responsibilities, and obligations under the Plan, other than such liabilities, costs, and expenses as may result from the bad faith, willful misconduct, or criminal acts of such persons.

11.2 Claims Procedure. Any Participant, former Participant or Beneficiary may file a written claim with the Administration Committee setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. The Administration Committee shall determine the validity of the claim and communicate a decision to the claimant promptly and, in any event, not later than ninety (90) days after the date of the claim. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such ninety (90) day period. If additional information is necessary to make a determination on a claim, the claimant shall be advised of the need for such additional information within forty-five (45) days after the date

of the claim. The claimant shall have up to one hundred and eighty (180) days to supplement the claim information, and the claimant shall be advised of the decision on the claim within forty-five (45) days after the earlier of the date the supplemental information is supplied or the end of the one hundred and eighty (180) day period. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the denial, (ii) specific reference to any provisions of the Plan (including any internal rules, guidelines, protocols, criteria, etc.) on which the denial is based, (iii) description of any additional material or information that is necessary to process the claim, and (iv) an explanation of the procedure for further reviewing the denial of the claim.

11.3 Review Procedures. Within sixty (60) days after the receipt of a denial on a claim, a claimant or his/her authorized representative may file a written request for review of such denial. Such review shall be undertaken by the Administration Committee and shall be a full and fair review. The claimant shall have the right to review all pertinent documents. The Administration Committee shall issue a decision not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than one hundred and twenty (120) days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of the Plan on which the decision is based.

ARTICLE 12

Change of Control

In the event of a Change of Control, the amounts to which Participants are entitled under this Plan shall be immediately distributed in a lump sum cash payment to Participants within ninety (90) days following the date of such Change of Control; provided, however, that with respect to any Participant who is a Specified Employee and who Terminated Employment prior to the Change of Control, to the extent required by Section 409A of the Code, such payment shall be made on the first business day which is no less than six (6) months from the Participant's Termination of Employment. For purposes of this Plan, a Change of Control shall be deemed to occur on the date of any of the following events:

(i) Any one person or more than one person acting as a group (within the meaning of the Treasury Regulation § 1.409A-3(i)(5)(v)(B)) acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. Notwithstanding the foregoing, if any one person or group is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or group is not considered to cause a Change of Control. Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any person acquires ownership of more than 50% of the total voting power of the stock of the Company as a result of the acquisition by the Company of stock of the Company which, by reducing the number of shares outstanding, increases the percentage of shares beneficially owned by such person; provided, that if a Change of Control would occur as a result of such an acquisition by the Company (if not for the operation of this sentence), and after the Company's acquisition such person becomes the beneficial owner of additional stock of the Company that increases the percentage of outstanding shares of stock of the Company owned by such person, a Change of Control shall then occur.

(ii) Any one person or more than one person acting as a group (within the meaning of the Treasury Regulation § 1.409A-3(i)(5)(v)(B)) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) ownership of stock of the Company possessing 30% or more of the total voting power of the Company. Notwithstanding the foregoing, if any one person or group is considered to own 30% or more of the total voting power of the stock of the

Company, the acquisition of additional stock by the same person or group is not considered to cause a Change of Control. Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any person acquires ownership of more than 30% of the total voting power of the stock of the Company as a result of the acquisition by the Company of stock of the Company which, by reducing the number of shares outstanding, increases the percentage of shares beneficially owned by such person; provided, that if a Change of Control would occur as a result of such an acquisition by the Company (if not for the operation of this sentence), and after the Company's acquisition such person becomes the beneficial owner of additional stock of the Company that increases the percentage of outstanding shares of stock of the Company owned by such person, a Change of Control shall then occur.

(iii) A majority of the Company's Board of Directors is replaced during any 12-month period by directors whose appointment or election was not endorsed by at least two-thirds (2/3) of the members of the Board of Directors prior to the date of such appointment or election.

(iv) Any one person or more than one person acting as a group (within the meaning of the Treasury Regulation § 1.409A-3(i)(5)(v)(B)) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) assets that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all the assets of the Company immediately before such acquisition or acquisitions. The gross fair market value of assets shall be determined without regard to liabilities associated with such assets. Notwithstanding the foregoing, a transfer of assets shall not result in a Change of Control if such transfer is to (a) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock, (b) an entity 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (c) a person or group (within the meaning of the Treasury Regulation § 1.409A-3(i)(5)(v)(B)) that owns, directly or indirectly, 50% or more of the total value or voting power of the stock of the Company, or (d) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly by a person or group described in clause (c) of this sentence.

Notwithstanding the foregoing, an acquisition of stock of the Company described in (i) or (ii) above shall not be deemed to be a Change of Control by virtue of any of the following situations: (a) an acquisition by the Company; (b) an acquisition by any of the Company's subsidiaries in which a majority of the voting power of the equity securities or equity interests of such subsidiary is owned, directly or indirectly, by the Company; or (c) any employee benefit or stock ownership plan of the Company or any trustee or fiduciary with respect to such a plan acting in such capacity.

ARTICLE 13

Conditions Related to Benefits

13.1 Nonassignability. No amount payable to a Participant or Beneficiary under the Plan will be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), levy, execution, pledge, encumbrance, charge or any other legal or equitable process by a Participant or Beneficiary, and any attempt to do so will be void; nor will any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto. However, (i) the withholding of taxes from Plan benefit payments, or (ii) the direct deposit of benefit payments to an account in a banking institution (if not actually part of an arrangement constituting an assignment or alienation) shall not be construed as an assignment or alienation.

13.2 No Right to Company Assets. The benefits paid under the Plan shall be paid from the general funds of the Company, and the Participant and any Beneficiary shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of

any obligations hereunder and the Plan constitutes a mere promise by the Company to make benefit payments in the future.

13.3 Protective Provisions. The Participant shall cooperate with the Company by furnishing any and all information requested by the Administration Committee, in order to facilitate the payment of benefits hereunder, and taking such other actions as may be requested by the Administration Committee. If the Participant refuses to so cooperate, the Company shall have no further obligation to the Participant under the Plan.

13.4 Section 16b Eligible Executives. In the event any Eligible Executive subject to Rule 16b issued under the Securities Exchange Act of 1934 (or any successor rule to the same effect) has, at any time, a Crediting Rate based upon an investment alternative consisting of or the value of which is determined based upon the value of the Company's common stock or any security into which such common stock may be changed by reason of: (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company; (b) any merger, consolidation, separation, reorganization or partial or complete liquidation; or (c) any other corporate transaction or event having an effect similar to the foregoing, unless the transaction is otherwise exempt under Rule 16b-3, no transaction with respect to the portion of the Participant's Account attributable to such investment alternative shall be permitted pursuant to this Plan until a date which is not less than six (6) months and one (1) day from the date on which the investment alternative was selected or transferred within the Participant's Account.

13.5 Withholding. The Participant shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements and Social Security, Medicare or other employee tax requirements applicable to benefits under the Plan. If the Participant elects to defer one hundred percent (100%) of Base Salary, such deferral shall be net of the amount of any Social Security taxes payable by the Participant as a result of compensation received from the Company for such Plan Year. If no other arrangements are made, the Company may provide, at its discretion, for such withholding and tax payments as may be required, including, without limitation, by the reduction of other amounts payable to the Participant.

13.6 Assumptions and Methodology. The Administration Committee shall establish the actuarial assumptions and method of calculation used in determining the present or future value of benefits, earnings, payments, fees, expenses or any other amounts required to be calculated under the terms of the Plan. Such assumptions and methodology shall be outlined in detail in procedures established by the Administration Committee and made available to Participants and may be changed from time to time by the Administration Committee.

13.7 Trust. The Company shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan; provided, however, that no such trust shall be funded if the funding thereof would result in taxable income to a Participant (i) due to the assets of such a trust being located or transferred outside of the United States; (ii) due to the assets of such a trust being restricted to the provision of benefits under the Plan in connection with a change in the employer's financial health; (iii) due to the assets being set aside, reserved or transferred to such a trust during any restricted period (as defined in Section 409A(b)(3)(B) of the Code); or (iv) as otherwise provided pursuant to Section 409A(b) of the Code. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to the Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan. Neither the establishment of the Plan or Trust or any modification thereof, or the creation of any fund or account, or the payment of any benefits shall be construed as giving to any Participant or other person any legal or equitable right against the Company or any officer or employee thereof, except as provided by law or by any Plan provision. The amounts in the Accounts shall remain the sole property of the Company unless and until required to be

distributed in accordance with the provisions of the Plan, and shall not constitute a trust or be deemed to be held in trust for the benefit of any Participant or Beneficiary hereunder or their personal representative. The Company does not in any way guarantee the trust or any Participant's benefit from loss or depreciation. In no event shall the Company's employees, officers, directors or stockholders be liable to any person on account of any claim arising by reason of the provisions of the Plan or of any instrument or instruments implementing its provisions, or for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan, the trust(s) or any contribution thereto or distribution therefrom.

ARTICLE 14

Miscellaneous

14.1 Successors of the Company. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

14.2 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continued employment with the Company.

14.3 Gender, Singular and Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

14.4 Captions. The captions of the articles, paragraphs and sections of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

14.5 Validity. In the event any provision of the Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

14.6 Waiver of Breach. The waiver by the Company of any breach of any provision of the Plan shall not operate or be construed as a waiver of any subsequent breach by that Participant or any other Participant.

14.7 Notice. Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement shall be sufficient if in writing and hand-delivered, or sent by first class mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Administration Committee, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Administration Committee.

14.8 Errors in Benefit Statement. In the event an error is made in a benefit statement, such error shall be corrected on the next benefit statement following the date such error is discovered.

14.9 ERISA Plan. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA.

14.10 Applicable Law. In the event any provision of, or legal issue relating to, this Plan is not fully preempted by ERISA, such issue or provision shall be governed by the laws of the State of Ohio.

14.11 Effect of Legislative or Regulatory Changes. Notwithstanding anything in this Plan to the contrary, in the event of the enactment of any legislation or regulations which, in the sole discretion of the Company, have an unfavorable impact on the Company and/or Participants, the Company shall have the

unilateral right to amend the Plan in whatever manner it deems appropriate to mitigate the effects of such legislation or regulations, without the necessity of obtaining further Board approval.

14.12 Section 409A of the Code

(i) **In General.** It is intended that the Plan comply with the provisions of Section 409A of the Code, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. The Plan shall be construed, administered and governed in a manner that effects such intent.

(ii) **Discretionary Acceleration of Payments.** To the extent permitted by Section 409A of the Code, the Administration Committee may, in its sole discretion, accelerate the time or schedule of a payment under the Plan as provided in this Section. The provisions of this Section are intended to comply with the exception to accelerated payments under Treasury Regulation §1.409A-3(j) and shall be interpreted and administered accordingly.

(a) ***Domestic Relations Orders.*** The Administration Committee may, in its sole discretion, accelerate the time or schedule of a payment under the Plan to an individual other than the Participant as may be necessary to fulfill a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).

(b) ***Conflicts of Interest.*** The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to the extent necessary for any federal officer or employee in the executive branch to comply with an ethics agreement with the federal government. Additionally, the Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to the extent reasonably necessary to avoid the violation of an applicable federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant to participate in activities in the normal course of his or her position in which the Participant would otherwise not be able to participate under an applicable rule).

(c) ***Employment Taxes.*** The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to pay the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a), and 3121(v)(2) of the Code, or the Railroad Retirement Act (RRTA) tax imposed under Sections 3201, 3211, 3231(e)(1), and 3231(e)(8) of the Code, where applicable, on compensation deferred under the Plan (the FICA or RRTA amount). Additionally, the Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment, to pay the income tax at source on wages imposed under Code Section 3401 or the corresponding withholding provisions of applicable state, local, or foreign tax laws as a result of the payment of the FICA or RRTA amount, and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. However, the total payment under this acceleration provision must not exceed the aggregate of the FICA or RRTA amount, and the income tax withholding related to such FICA or RRTA amount.

(d) ***Cash-Out Limit.*** The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan as provided in Sections 4.3 and 5.2 hereof.

(e) ***Payment Upon Income Inclusion Under Section 409A.*** The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment

under the Plan at any time the Plan fails to meet the requirements of Section 409A of the Code. The payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Section 409A of the Code.

(f) *Certain Payments to Avoid a Nonallocation Year under Section 409(p).* The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to prevent the occurrence of a nonallocation year (within the meaning of Section 409(p)(3) of the Code) in the plan year of an employee stock ownership plan next following the plan year in which such payment is made, provided that the amount paid may not exceed 125 percent of the minimum amount of payment necessary to avoid the occurrence of a nonallocation year.

(g) *Payment of State, Local, or Foreign Taxes.* The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to reflect payment of state, local, or foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan before the amount is paid or made available to the participant (the state, local, or foreign tax amount). Such payment may not exceed the amount of such taxes due as a result of participation in the Plan. The payment may be made in the form of withholding pursuant to provisions of applicable state, local, or foreign law or by payment directly to the participant. Additionally, the Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan to pay the income tax at source on wages imposed under Section 3401 of the Code as a result of such payment and to pay the additional income tax at source on wages imposed under Section 3401 of the Code attributable to such additional wages and taxes. However, the total payment under this acceleration provision must not exceed the aggregate of the state, local, and foreign tax amount, and the income tax withholding related to such state, local, and foreign tax amount.

(h) *Certain Offsets.* The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan as satisfaction of a debt of the Participant to the Company (or any entity which would be considered to be a single employer with the Company under Sections 414(b) or 414(c) of the Code), where such debt is incurred in the ordinary course of the service relationship between the Company (or any entity which would be considered to be a single employer with the Company under Sections 414(b) or 414(c) of the Code) and the Participant, the entire amount of reduction in any of the taxable years of the Company (or any entity which would be considered to be a single employer with the Company under Sections 414(b) or 414(c) of the Code) does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

(i) *Bona Fide Disputes as to a Right to a Payment.* The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan where such payment occurs as part of a settlement between the Participant and the Company (or any entity which would be considered to be a single employer with the Company under Sections 414(b) or 414(c) of the Code) of an arm's length, bona fide dispute as to the Participant's right to the deferred amount.

(j) *Plan Terminations and Liquidations.* The Administration Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan as provided in Section 9.2 hereof.

(k) *Other Events and Conditions.* A payment may be accelerated upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance.

Notwithstanding anything contained in this Section 14.12(ii) to the contrary, in no event may a payment be accelerated under Sections 14.12(ii)(d), (e), (f), (g), (h), (i) or (j) following a Specified Employee's

Termination of Employment to a date that is prior to the first business day which is no less than six (6) months following the Specified Employee's Termination of Employment (or if earlier, upon the Specified Employee's death). Except as otherwise specifically provided in this Plan, including but not limited to Section 4.3, Section 5.2, Article 6, Article 8, Section 9.2 and this Section 14.12(ii) hereof, the Administration Committee may not accelerate the time or schedule of any payment or amount scheduled to be paid under the Plan within the meaning of Code Section 409A.

(iii) Delay of Payments. To the extent permitted under Section 409A of the Code, the Administration Committee may, in its sole discretion, delay payment under any of the following circumstances, provided that the Administration Committee treats all payments to similarly situated Participants on a reasonably consistent basis:

(a) *Federal Securities Laws or Other Applicable Law.* A payment may be delayed where the Administration Committee reasonably anticipates that the making of the payment will violate federal securities laws or other applicable law; provided that the delayed payment is made at the earliest date at which the Administration Committee reasonably anticipates that the making of the payment will not cause such violation. For purposes of the preceding sentence, the making of a payment that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not treated as a violation of applicable law.

(b) *Payments Subject to Section 162(m) of the Code.* A payment may be delayed to the extent that the Administration Committee reasonably anticipates that if the payment were made as scheduled, the Company's deduction with respect to such payment would not be permitted due to the application of Section 162(m) of the Code. If a payment is delayed pursuant to this Section 14.12(iii)(b), then the payment must be made either (i) during the Company's first taxable year in which the Administration Committee reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Section 162(m) of the Code, or (ii) during the period beginning with the first business day that is at least six (6) months following the Participant's Termination of Employment (the "six-month date") and ending on the later of (x) the last day of the taxable year of the Company in which the Participant's six-month date occurs or (y) the 15th day of the third month following the six-month date. Where any scheduled payment to a specific Participant in the Company's taxable year is delayed in accordance with this paragraph, all scheduled payments to that Participant that could be delayed in accordance with this paragraph must also be delayed. The Administration Committee may not provide the Participant an election with respect to the timing of the payment under this Section 14.12(iii)(b). For purposes of this Section 14.12(iii)(b), the term Company includes any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code.

(c) *Other Events and Conditions.* A payment may be delayed upon such other events and conditions as the Internal Revenue Service may prescribe in generally applicable guidance.

14.13 Clawback. To the extent the Executive Clawback Policy or the Key Employee Clawback Policy is applicable to a Participant, it creates additional rights for the Company with respect to applicable compensation subject to deferrals made under this Plan. Notwithstanding any provisions in this Plan to the contrary, any compensation amounts deferred under this Plan, including any notional amounts, interest or earnings relating thereto, and such other applicable compensation will be subject to potential mandatory cancellation, forfeiture and/or repayment by the Participant to the Company to the extent the Participant is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise or (b) any applicable laws that impose mandatory

clawback or recoupment requirements, under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the recovery of compensation amounts deferred under this Plan. By deferring compensation under this Plan, the Participants consent to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup compensation amounts deferred under this Plan, any gains or earnings related thereto, or any other applicable compensation paid or payable under this Plan or otherwise that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Participant of any such amounts, including from the Participants' accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

IN WITNESS WHEREOF, the Company has caused this Plan to be amended and restated this 13th day of October, 2023.

THE SHERWIN-WILLIAMS COMPANY

By: /s/
Mary L. Garceau, Senior Vice President,
General Counsel and Secretary

THE SHERWIN-WILLIAMS COMPANY

2006 Equity and Performance Incentive Plan

(Amended and Restated as of October 13, 2023)

1. **Purpose.** The purpose of this 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023) is to attract and retain officers and other employees of The Sherwin-Williams Company and its Subsidiaries, to help align the economic interests between such persons and the shareholders of the Company, and to provide to such persons incentives and rewards for performance.
2. **Definitions.** As used in this Plan, and except as otherwise provided in an Evidence of Award:
 - (a) "Appreciation Right" means a right granted pursuant to Section 5, and includes both Free-Standing Appreciation Rights and Tandem Appreciation Rights.
 - (b) "Assumed" has the meaning provided in Section 12.
 - (c) "Base Pay" has the meaning provided in Section 12.
 - (d) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right or a Tandem Appreciation Right.
 - (e) "Board" means the Board of Directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Section 10, such committee (or subcommittee). In addition, to the extent deemed necessary or appropriate by the Board, such committee shall be comprised of not less than two individuals who are (i) "non-employee directors" within the meaning of Section 16 of the Exchange Act, and (ii) for remuneration that is payable under the Plan pursuant to a written binding contract in effect on November 2, 2017, "outside directors" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder ("Section 162(m)").
 - (f) "Cause" has the meaning provided in Section 12.
 - (g) "Change of Control" has the meaning provided in Section 12.
 - (h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
 - (i) "Common Stock" means Common Stock, par value \$0.33-1/3 per share, of the Company or any security into which such shares of Common Stock may be changed by reason of any transaction or event of the type referred to in Section 11.
 - (j) "Company" means The Sherwin-Williams Company, an Ohio corporation, and its successors.
 - (k) "Covered Employee" means a Participant who is, or is determined by the Board to be likely to become, a "covered employee" within the meaning of Section 162(m) (or any successor provision).
 - (l) "Date of Grant" means the date specified by the Board on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units or Other Awards, or a grant or sale of Restricted Stock, Restricted Stock Units or Other Awards, will become effective (which date will not be earlier than the date on which the Board takes action with respect thereto).
 - (m) "Director" means a member of the Board of Directors of the Company.
 - (n) "Effective Date" has the meaning provided in Section 19.

- (o) "Employee Benefits" has the meaning provided in Section 12.
- (p) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Board that sets forth the terms and conditions of Option Rights, Appreciation Rights, Performance Shares, Performance Units or Other Awards granted, or a grant or sale of Restricted Stock, Restricted Stock Units or Other Awards. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Board, need not be signed by a representative of the Company or a Participant.
- (q) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.
- (r) "Executive Clawback Policy" means The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time).
- (s) "Free-Standing Appreciation Right" means an Appreciation Right granted pursuant to Section 5 that is not granted in tandem with an Option Right.
- (t) "Good Reason" has the meaning provided in Section 12.
- (u) "Incentive Pay" has the meaning provided in Section 12.
- (v) "Incentive Stock Options" means Option Rights that are intended to qualify as "incentive stock options" under Section 422 of the Code or any successor provision.
- (w) "Key Employee Clawback Policy" means The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time).
- (x) "Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares or Performance Units, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Awards or dividend equivalents pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of the Subsidiary, division, department, or function within the Company or Subsidiary in which the Participant is employed. The Management Objectives may be made relative to the performance of one or more other companies or subsidiaries, divisions, departments, regions or functions within such other companies, and may be made relative to an index or one or more of the performance criteria themselves. The Board may grant awards subject to Management Objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The Management Objectives will be based on one or more, or a combination, of the following criteria: appreciation in value of shares; shareholder return (including, without limitation, total shareholder return and absolute shareholder return); earnings per share; book value per share; operating income; net income; earnings (including, without limitation, pretax earnings, retained earnings, earnings before interest and taxes, and earnings before interest, taxes, depreciation and amortization); pro forma net income; return on equity; return on assets (including, without limitation, designated assets); return on net assets employed; return on capital; return on sales; sales; sales per dollar of assets; sales per employee; economic value added; revenues; expenses; cash flow (including, without limitation, operating cash flow and free cash flow); cash flow return on investment; operating profit margin or net profit margin; cost of capital; cost reductions; debt reduction; debt leverage; total debt to capitalization; facilities open; gallon growth; interest coverage; inventory management; productivity improvement; profit after tax; reduction of fixed costs; working capital; enterprise value; asset management; environmental, health and/or safety goals; regulatory achievements; recruiting or maintaining personnel; customer growth; research and development achievements; strategic sustainability metrics; accomplishment of, or goals related to, mergers, acquisitions, dispositions public offerings, or similar business transactions; achievement of business or operational goals such as market share, business development and/or customer objectives; manufacturing achievements; joint venture or other similar arrangements; any of the above criteria as compared to the performance of a published or a special index deemed applicable by the Board, including, but not limited

to, the Standard & Poor's 500 Stock Index; or any other objective goals established by the Board. Where more specific metrics are listed within the categories herein, they are intended to be illustrative and are not to be construed as limitations on the more generic metrics.

The Board may specify that the Management Objectives may include adjustments to include or exclude the effects of certain events, including any of the following events: the impairment of tangible or intangible assets; asset write-downs; litigation or claim judgments or settlements; acquisitions or divestitures; gains or losses on the sale of assets; severance, contract termination and other costs relating to certain business activities; gains or losses from the disposition of businesses or assets or from the early extinguishment of debt; foreign exchange gains and/or losses; changes in tax law, accounting principles, accounting estimates or other such laws or provisions affecting reported results; changes in regulations that directly impact the business; the effect of any statements issued by the Financial Accounting Standards Board or its committees; business combinations, reorganizations and/or restructuring programs, including, but not limited to reductions in force and early retirement incentives; currency fluctuations; any unusual, infrequent or non-recurring items, including, but not limited to, such items described in management's discussion and analysis of financial condition and results of operations or the financial statements and/or notes thereto appearing in the Company's annual report for the applicable period; and expenses related to goodwill and other intangible assets, stock offerings, stock repurchases and loan loss provisions. In addition, if the Board determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Board may in its discretion modify such Management Objectives or the related level or levels of achievement, in whole or in part, as the Board deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with a Change of Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m), except as otherwise permitted under Section 18.

- (y) "Market Value Per Share" means, as of any particular date, the average of the highest and lowest reported sales prices of the Common Stock during normal trading hours on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other principal securities exchange on which the Common Stock is listed. If there is no regular public trading market for such Common Stock, the Market Value Per Share of the Common Stock shall be determined by the Board. The Board is authorized to adopt another fair market value pricing method, provided such method is stated in the Evidence of Award, and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code and the regulations promulgated thereunder ("Section 409A"). Notwithstanding any other provision of this Section 2(w) or any other provision of this Plan, the "Market Value Per Share" will be such price per share of Common Stock, rounded to two decimal points (provided, however, that such rounding is in compliance with the fair market value pricing rules set forth in Section 409A), as shall be provided to the Company by the Company's third-party equity plan administrator, as applicable.
- (z) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.
- (aa) "Option Price" means the purchase price payable upon exercise of an Option Right.
- (ab) "Option Right" means the right to purchase shares of Common Stock upon exercise of an option granted pursuant to Section 4.
- (aa) "Other Award" means an award granted pursuant to Section 9.
- (ab) "Participant" means a person who is selected by the Board to receive benefits under this Plan and who is at the time an officer or other employee of the Company or any one or more of its Subsidiaries, or who has agreed to commence serving in any of such capacities within 90 days of the Date of Grant. The term "Participant" shall also include any person who provides services to the Company or a Subsidiary that are substantially equivalent to those typically provided by an employee.

- (ac) "Performance Period" means, in respect of a Performance Share or Performance Unit, a period of time established pursuant to Section 8 within which the Management Objectives relating to such Performance Share or Performance Unit are to be achieved.
- (ad) "Performance Share" means a bookkeeping entry that records the equivalent of one share of Common Stock awarded pursuant to Section 8.
- (ae) "Performance Unit" means a bookkeeping entry awarded pursuant to Section 8 that records a unit equivalent to \$1.00 or such other value as determined by the Board.
- (af) "Plan" means The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan, as may be amended or amended and restated from time to time.
- (ag) "Post-CIC Period" has the meaning provided in Section 12.
- (ah) "Qualified Performance-Based Award" means any award of Performance Shares, Performance Units, Restricted Stock, Restricted Stock Units or Other Awards, or portion of such award, to a Covered Employee that is intended to satisfy the requirements for "qualified performance-based compensation" under Section 162(m).
- (ai) "Restricted Stock" means shares of Common Stock granted or sold pursuant to Section 6 as to which neither the substantial risk of forfeiture nor the prohibition on transfer has expired.
- (aj) "Restriction Period" means the period of time during which Restricted Stock Units are subject to restrictions, as provided in Section 7.
- (ak) "Restricted Stock Unit" means an award made pursuant to Section 7 of the right to receive shares of Common Stock or cash at the end of a specified period.
- (al) "Spread" means the excess of the Market Value Per Share on the date when an Appreciation Right is exercised over the Option Price or Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.
- (am) "Subsidiary" means a corporation, company or other entity (i) at least 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but at least 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company except that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which at the time the Company owns or controls, directly or indirectly, at least 50 percent of the total combined voting power represented by all classes of stock issued by such corporation.
- (an) "Tandem Appreciation Right" means an Appreciation Right granted pursuant to Section 5 that is granted in tandem with an Option Right.
- (ao) "10% Shareholder" means an employee of the Company or its Subsidiary who, as of the date on which an Incentive Stock Option is granted to such employee, owns more than ten percent (10%) of the total combined voting power of all classes of shares of Common Stock then issued by the Company or any of its Subsidiaries.

3. Shares Subject to this Plan.

- (a) Maximum Shares Available Under Plan.

- (i) Subject to adjustment as provided in Section 11, the number of shares of Common Stock that may be issued or transferred (A) upon the exercise of Option Rights or Appreciation Rights; (B) as Restricted Stock and released from substantial risks of forfeiture thereof; (C) in payment of Restricted Stock Units; (D) in payment of Performance Shares or Performance Units that have been earned; (E) as Other Awards or in payment of Other Awards, or (F) in payment of dividend equivalents paid with respect to awards made under this Plan will not exceed in the aggregate 23,700,000 shares of Common Stock, plus any shares of Common Stock relating to awards that expire or are forfeited or are cancelled under this Plan. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.
- (ii) Each share of Common Stock issued or transferred pursuant to an award of Option Rights or Appreciation Rights will reduce the aggregate plan limit described above in Section 3(a)(i) by one share of Common Stock. Each share of Common Stock issued or transferred (and in the case of Restricted Shares, released from all substantial risk of forfeiture) pursuant to an award other than Option Rights or Appreciation Rights shall reduce the aggregate plan limit described above in Section 3(a)(i) by (A) two (2) shares of Common Stock if issued or transferred pursuant to an award granted prior to April 19, 2017 and (B) three (3) shares of Common Stock if issued or transferred pursuant to an award granted on or after April 19, 2017; provided, however, that any award (or any portion) designated to be settled, or that is paid, in cash will not be counted against, or have any effect upon, the number of shares of Common Stock available for issuance under this Plan. Any shares of Common Stock that again become available for issuance pursuant to this Section 3 shall be added back to the aggregate plan limit in the same manner such shares were originally deducted from the aggregate plan limit pursuant to this Section 3(a)(ii).
- (iii) Shares of Common Stock covered by an award granted under this Plan shall not be counted as used unless and until they are actually issued and delivered to a Participant and, therefore, the total number of shares available under this Plan as of a given date shall not be reduced by any shares relating to prior awards that have expired or have been forfeited or cancelled; provided, however, that shares of Common Stock: (A) tendered or otherwise used in payment of the Option Price of an Option Right or the Base Price of an Appreciation Right, as applicable; (B) not issued upon the settlement of Appreciation Rights; (C) tendered to or withheld by the Company to satisfy applicable tax withholding obligations; or (D) repurchased by the Company using proceeds from Option Right exercises, shall be considered issued or transferred, and shall not become available again for issuance, under this Plan. If, under this Plan, a Participant has elected to give up the right to receive compensation in exchange for shares of Common Stock based on fair market value, such shares of Common Stock shall not count against the aggregate plan limit described above. Shares of Common Stock issued under Awards granted in assumption, substitution or exchange for previously granted awards of a company acquired by the Company or its Subsidiaries shall not reduce the shares of Common Stock available under this Plan, and available shares under a shareholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for awards under this Plan and shall not reduce this Plan's share reserve (unless otherwise required by any applicable stock exchange listing requirements).

- (b) Incentive Stock Option Limit. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment pursuant to Section 11, the aggregate number of shares of Common Stock actually issued or transferred by the Company upon the exercise of Incentive Stock Options shall not exceed 23,700,000.
- (c) Individual Participant Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment pursuant to Section 11:
 - (i) No Participant shall be granted Option Rights or Appreciation Rights, in the aggregate, in excess of 500,000 shares of Common Stock during any calendar year under this Plan.
 - (ii) No Participant shall be granted Qualified Performance-Based Awards of (A) Restricted Stock, (B) Restricted Stock Units, (C) Performance Shares or (D) in the form of Other Awards payable in

Common Stock, in the aggregate, in excess of 200,000 shares of Common Stock (measured based upon a maximum award level on each Date of Grant) during any calendar year under this Plan.

- (iii) No Participant shall be granted Qualified Performance-Based Awards of Performance Units having an aggregate value in excess of \$7,500,000 (measured based upon a maximum award level determined on each Date of Grant) during any calendar year under this Plan.
- (iv) No Participant shall be granted Qualified Performance-Based Awards in the form of Other Awards payable in cash under Section 9(b) having an aggregate value in excess of \$7,500,000 (measured based upon a maximum award level determined on each Date of Grant) during any calendar year under this Plan.

- (d) **Exclusion from Certain Restrictions.** Notwithstanding anything in this Plan to the contrary, up to 5% of the maximum number of shares of Common Stock provided for in Section 3(a)(i) above may be used for awards granted under Sections 6 through 9 that do not comply with the three-year requirements set forth in Sections 6(c), 7(c) and 9(d) and the one-year requirements of Sections 4(e), 5(b), 6(e), 7(a), 8(b) and 9(d).

4. **Option Rights.** The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of options to purchase shares of Common Stock. Each such grant will be subject to all of the following provisions:

- (a) Each grant will specify the number of shares of Common Stock to which it pertains subject to the limitations set forth in Section 3.
- (b) Each grant will specify an Option Price per share, which may not be less than the Market Value Per Share on the Date of Grant (or less than 110% of the Market Value Per Share in the case of an Incentive Stock Option granted to a 10% Shareholder).
- (c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of shares of Common Stock owned by the Optionee having a value at the time of exercise equal to the total Option Price, (iii) by a combination of such methods of payment, or (iv) by such other methods as may be approved by the Board.
- (d) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised; provided, however, that no Option Rights will be granted with automatic reload features.
- (e) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that is necessary before the Option Rights or installments thereof will become vested and exercisable. A grant of Option Rights may provide for the earlier vesting and exercise of such Option Rights in the event of death or disability of the Participant or a Change of Control and shall have an initial vesting schedule of no less than one year.
- (f) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights. The grant of such Option Rights will specify that, before the exercise of such rights, the Board must determine that the Management Objectives have been satisfied.
- (g) Option Rights may be (i) options, including, without limitation, Incentive Stock Options that are intended to qualify under particular provisions of the Code, (ii) options that are not intended so to qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code. The terms of any Incentive Stock Option shall be subject in all respects to the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder.

- (h) The exercise of an Option Right will result in the cancellation on a share- for-share basis of any Tandem Appreciation Right authorized under Section 5.
- (i) No Option Right will be exercisable more than 10 years from the Date of Grant (or five years in the case of an Incentive Stock Option granted to a 10% Shareholder).
- (j) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award shall be subject to this Plan and shall contain such terms and provisions, consistent with this Plan, as the Board may approve. Until the shares of Common Stock relating to Option Rights have been issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the shares of Common Stock relating to the Option Rights, notwithstanding the exercise of the Option Rights.

5. **Appreciation Rights.**

- (a) The Board may also, from time to time and upon such terms and conditions as it may determine, authorize the granting (i) to any Optionee, of Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, of Free-Standing Appreciation Rights. A Tandem Appreciation Right will be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Company an amount determined by the Board, which will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise. Tandem Appreciation Rights may be granted at any time prior to the exercise or termination of the related Option Rights; provided, however, that a Tandem Appreciation Right awarded in relation to an Incentive Stock Option must be granted concurrently with such Incentive Stock Option. A Free-Standing Appreciation Right will be a right of the Participant to receive from the Company an amount determined by the Board, which will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise.
- (b) Each grant of Appreciation Rights will be subject to all of the following provisions:
 - (i) Any grant may specify that the amount payable on exercise of an Appreciation Right may be paid in cash, in shares of Common Stock or in any combination thereof and may either grant to the Participant or retain in the Board the right to elect among those alternatives.
 - (ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Board at the Date of Grant.
 - (iii) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.
 - (iv) Any grant may specify that such Appreciation Right may be vested and exercised earlier in the event of death or disability of the Participant or a Change of Control and shall have an initial vesting schedule of no less than one year.
 - (v) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the vesting and exercise of such Appreciation Rights. The grant of such Appreciation Rights will specify that, before the exercise of such Appreciation Rights, the Board must determine that the Management Objectives have been satisfied.
 - (vi) Each grant of Appreciation Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Appreciation Rights, identify the related Option Rights (if applicable), and contain such other terms and provisions, consistent with this Plan, as the Board may approve. Until the shares of Common Stock relating to Appreciation Rights have been issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the shares of Common Stock relating to the Appreciation Rights, notwithstanding the exercise of the Appreciation Rights.

- (c) Any grant of Tandem Appreciation Rights will provide that such Tandem Appreciation Rights may be exercised only at a time when the related Option Right is also exercisable and at a time when the Spread is positive, and by surrender of the related Option Right for cancellation. Successive grants of Tandem Appreciation Rights may be made to the same Participant regardless of whether any Tandem Appreciation Rights previously granted to the Participant remain unexercised.
- (d) Regarding Free-Standing Appreciation Rights only:
 - (i) Each grant will specify in respect of each Free-Standing Appreciation Right a Base Price, which may not be less than the Market Value Per Share on the Date of Grant;
 - (ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; provided, however, that no Free-Standing Appreciation Rights will be granted with automatic reload features; and
 - (iii) No Free-Standing Appreciation Right may be exercised more than 10 years from the Date of Grant.

6. **Restricted Stock.** The Board may also, from time to time and upon such terms and conditions as it may determine, authorize the grant or sale of Restricted Stock to Participants. Each such grant or sale will be subject to all of the following provisions:

- (a) Each such grant or sale will constitute an immediate transfer of the ownership of shares of Common Stock to the Participant, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.
- (b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value Per Share at the Date of Grant.
- (c) If the elimination of restrictions is based only on the passage of time rather than the achievement of Management Objectives, the period of time will be no shorter than three years, except that the restrictions may be removed no sooner than ratably on an annual basis (but not earlier than the first anniversary of the Date of Grant) during the three-year period as determined by the Board at the Date of Grant.
- (d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Board at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee).
- (e) Any grant of Restricted Stock may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Stock; provided, however, that restrictions relating to Restricted Stock that vests upon the achievement of Management Objectives may not terminate sooner than one year. Each grant may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of shares of Restricted Stock on which restrictions will terminate if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives. The grant of Restricted Stock will specify that, before the termination or early termination of the restrictions applicable to such Restricted Stock, the Board must determine that the Management Objectives have been satisfied.
- (f) Notwithstanding anything to the contrary contained in this Plan, subject to any applicable limitations contained in Section 18, any grant or sale of Restricted Stock may provide for the earlier lapse of the substantial risk of forfeiture for such Restricted Stock in the event of the death or disability of the Participant or a Change of Control.

- (g) Any such grant or sale of Restricted Stock requires that any or all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and reinvested in additional shares of Restricted Stock, which will be subject to the same restrictions as the underlying award; provided, further, that dividends or other distributions on Restricted Stock subject to restrictions that lapse as a result of the achievement of Management Objectives shall not be paid unless and until achievement of the applicable Management Objectives.
- (h) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Board may approve. Unless otherwise directed by the Board, (i) all certificates representing shares of Restricted Stock will be held in custody by the Company until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such Shares, or (ii) all shares of Restricted Stock shall be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock.
- (i) If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a share of Restricted Stock, such Participant shall file, within 30 days following the Date of Grant, a copy of such election with the Company and with the Internal Revenue Service in accordance with the regulations under Section 83(b) of the Code. The Board may provide in an Evidence of Award that the Restricted Stock award is conditioned upon the Participant's making or refraining from making an election with respect to such award under Section 83(b).

7. **Restricted Stock Units.** The Board may also, from time to time and upon such terms and conditions as it may determine, authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale will be subject to all of the following provisions:

- (a) Each such grant or sale will constitute the agreement by the Company to deliver shares of Common Stock or cash to the Participant in the future, but subject to the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Board may specify. If a grant of Restricted Stock Units specifies that the Restriction Period will terminate upon the achievement of Management Objectives, such Restriction Period may not terminate sooner than one year. Each grant may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of Restricted Stock Units on which restrictions will terminate if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives. The grant of such Restricted Stock Units will specify that, before the termination or early termination of the restrictions applicable to such Restricted Stock Units, the Board must determine that the Management Objectives have been satisfied.
- (b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value Per Share at the Date of Grant.
- (c) If the Restriction Period lapses only by the passage of time rather than the achievement of Management Objectives, each such grant or sale will be subject to a Restriction Period of not less than three years, except that a grant or sale may provide that the Restriction Period shall expire not sooner than ratably on an annual basis (but not earlier than the first anniversary of the Date of Grant) during the three-year period as determined by the Board at the Date of Grant.
- (d) Notwithstanding anything to the contrary contained in this Plan, and subject to any applicable limitations contained in Section 18, any grant or sale of Restricted Stock Units may provide for the earlier lapse or other modification of the Restriction Period in the event of the death or disability of the Participant or a Change of Control.
- (e) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no rights of ownership in the shares of Common Stock deliverable upon payment of the Restricted Stock Units and shall have no right to vote them, but the Board may at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units, either in cash or in

additional shares of Common Stock, which dividend equivalents will not be paid unless and until the applicable Restriction Period has lapsed or the Management Objectives have been achieved.

- (f) Each grant or sale will specify the time and manner of payment of Restricted Stock Units that have been earned. Any grant or sale may specify that the amount payable with respect thereto may be paid by the Company in cash, in shares of Common Stock or in any combination thereof and may either grant to the Participant or retain in the Board the right to elect among those alternatives.
- (g) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Board may approve.

8. Performance Shares and Performance Units. The Board may also, from time to time and upon such terms and conditions as it may determine, authorize the granting of Performance Shares and Performance Units that will become payable to a Participant upon achievement of specified Management Objectives during the Performance Period. Each such grant will be subject to all of the following provisions:

- (a) Each grant will specify the number of Performance Shares or Performance Units to which it pertains, which number may be subject to adjustment to reflect changes in compensation or other factors; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change of Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m).
- (b) The Performance Period with respect to each Performance Share or Performance Unit will be such period of time (not less than one year) as will be determined by the Board at the time of grant which may, subject to any applicable limitations contained in Section 18, be subject to earlier lapse or other modification in the event of the death or disability of the Participant or a Change of Control.
- (c) Any grant of Performance Shares or Performance Units will specify Management Objectives which, if achieved, will result in payment or early payment of the award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level or levels of achievement and will set forth a formula for determining the number of Performance Shares or Performance Units that will be earned if performance is at or above the level(s), but falls short of full achievement of the specified Management Objectives. The grant of Performance Shares or Performance Units will specify that, before the Performance Shares or Performance Units will be earned and paid, the Board must determine that the Management Objectives have been satisfied.
- (d) Each grant will specify the time and manner of payment of Performance Shares or Performance Units that have been earned. Any grant may specify that the amount payable with respect thereto may be paid by the Company in cash, in shares of Common Stock or in any combination thereof and may either grant to the Participant or retain in the Board the right to elect among those alternatives.
- (e) Any grant of Performance Shares or Performance Units may specify that the amount payable with respect thereto may not exceed a maximum specified by the Board at the Date of Grant. Any grant of Performance Units may specify that the amount payable or the number of shares of Common Stock issued with respect thereto may not exceed maximums specified by the Board at the Date of Grant.
- (f) The Board may at the Date of Grant of Performance Shares or Performance Units, provide for the payment of dividend equivalents to the holder thereof, either in cash or in additional shares of Common Stock, on a deferred basis contingent upon the achievement of the applicable Management Objectives.
- (g) Each grant of Performance Shares or Performance Units will be evidenced by an Evidence of Award and will contain such other terms and provisions, consistent with this Plan, as the Board may approve.

9. Other Awards.

- (a) The Board may, subject to limitations under applicable law, grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Common Stock, purchase rights for shares of Common Stock, awards with value and payment contingent upon performance of the Company or specified Subsidiaries, affiliates or other business units thereof or any other factors designated by the Board, and awards valued by reference to the book value of shares of Common Stock or the value of securities of, or the performance of specified Subsidiaries or affiliates or other business units of the Company. The Board shall determine the terms and conditions of such awards. Shares of Common Stock delivered pursuant to an award in the nature of a purchase right granted under this Section 9 shall be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, cash, shares of Common Stock, other awards, notes or other property, as the Board shall determine.
- (b) Cash awards may also be granted pursuant to this Section 9.
- (c) The Board may grant shares of Common Stock as a bonus, or may grant other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Board.
- (d) If the earning or vesting of, or elimination of restrictions applicable to, Other Awards is based only on the passage of time rather than the achievement of Management Objectives, the period of time shall be no shorter than three years, except that the restrictions may be removed no sooner than ratably on an annual basis during the three-year period as determined by the Board at the Date of Grant. If the earning or vesting of, or elimination of restrictions applicable to, Other Awards is based on the achievement of Management Objectives, the earning, vesting or restriction period may not terminate sooner than after one year. Notwithstanding anything to the contrary contained in this Plan, subject to any applicable limitations contained in Section 18, any grant of Other Awards may provide for the earlier lapse of the substantial risk of forfeiture in the event of the death or disability of the Participant or a Change of Control.
- (e) The Board may at the Date of Grant of Other Awards provide for the payment of dividends or dividend equivalents, as applicable, to the holder thereof, either in cash or in additional shares of Common Stock, that will be paid contingent on the lapse of the substantial risk of forfeiture or other restrictions and/or achievement of the applicable Management Objectives.

10. Administration.

- (a) This Plan will be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to the Compensation and Management Development Committee or any other committee of the Board (or a subcommittee thereof), as constituted from time to time. To the extent of any such delegation, references in this Plan to the Board will be deemed to be references to such committee or subcommittee. Notwithstanding the foregoing, or anything contained in this Plan to the contrary, as further described in Section 18, Qualified Performance-Based Awards shall be granted and administered, to the extent necessary, by a committee that consists solely of two or more "outside directors" within the meaning of Section 162(m).
- (b) The interpretation and construction by the Board (or the delegatees) of any provision of this Plan or of any agreement, notification or document evidencing the grant of Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units or Other Awards and any determination by the Board (or the delegatees) pursuant to any provision of this Plan or of any such agreement, notification or document will be final, binding and conclusive upon all persons. The Board may adopt, amend and rescind such rules and regulations as it deems necessary, desirable or appropriate in administering this Plan, and the Board may act at a meeting, in a written action without a meeting or by having actions otherwise taken pursuant to a delegation of duties by the Board.

(c) The Board, a committee and/or subcommittee, as applicable, may, from time to time, delegate to one or more officers of the Company the authority of the Board or such committee or subcommittee to grant and determine the terms and conditions of awards granted under this Plan to the extent in compliance with applicable law and regulations.

11. Adjustments. The Board shall make or provide for such adjustments in the numbers and/or type of shares of Common Stock covered by outstanding Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and, if applicable, in (a) the number and/or type of shares of Common Stock (or other securities or property) covered by outstanding Other Awards granted hereunder or which may be made the subject of awards under Section 3, or (b) the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, or, if the Board deems it appropriate, making provision for a cash payment to the holder of an outstanding award, in each case, as the Board, in its sole discretion, shall determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (x) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (y) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (z) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Board, in its discretion, shall provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if any, as it shall determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price greater than the consideration offered in connection with any such transaction or event or change of control, the Company shall not be required to make any payment to the person holding such Option Right or Appreciation Right upon surrender of such Option Right or Appreciation Right, and may cancel such Option Right or Appreciation Right for no consideration. Such surrender shall take place as of the date of the transaction or event or change of control or such other date as the Board may specify. The Board shall also make or provide for such adjustments in the numbers of shares specified in Section 3 as the Board in its sole discretion shall determine is appropriate to reflect any transaction or event described in this Section 11; provided, however, that any such adjustment to the number specified in Section 3(b) will be made only if and to the extent that such adjustment would not cause any option intended to qualify as an Incentive Stock Option to fail to so qualify.

12. Change of Control. Notwithstanding anything to the contrary in this Plan, the following provisions shall apply in connection with a Change of Control (as defined in Section 12(c)):

(a) **Awards Assumed by Successor**

(i) Upon the occurrence of a Change of Control, any awards made under this Plan that are Assumed (as defined in Section 12(a)(v)) by the entity effecting the Change of Control shall continue to vest and become exercisable in accordance with the terms of the original grant unless, during the three-year period commencing on the date of the Change of Control ("Post-CIC Period"):

(A) the Participant is involuntarily terminated for reasons other than for Cause (as defined in Section 12(a)(iii)); or

(B) the Participant terminates his or her employment for Good Reason (as defined in Section 12(a)(iv)).

(ii) If a Participant's employment is terminated as described in Section 12(a)(i), any outstanding Option Rights and Appreciation Rights shall become fully vested and exercisable, any restrictions that apply to awards made pursuant to this Plan shall lapse, and awards made pursuant to this Plan that are subject to Management Objectives shall immediately be earned or vest and shall become immediately payable in accordance with their terms as if 100% of the Management Objectives have been achieved, on the date of termination; provided, that any Participant who terminates his or her employment for Good Reason must:

- (A) provide the Company with a written notice of his or her intent to terminate employment for Good Reason within 60 days after the Participant becomes aware of the circumstances giving rise to Good Reason; and
- (B) allow the Company 30 days to remedy such circumstances to the extent curable.

(iii) Solely for purposes of this Section 12(a), "Cause" shall mean that the Participant shall have:

- (A) been convicted of a criminal violation involving, in each case, fraud, embezzlement or theft in connection with Participant's duties or in the course of Participant's employment with the Company or any subsidiary;
- (B) committed intentional wrongful damage to property of the Company or any Subsidiary; or
- (C) committed intentional wrongful disclosure of secret processes or confidential information of the Company or any Subsidiary;

and any such act shall have been demonstrably and materially harmful to the Company. For purposes of this Plan, no act or failure to act on the part of Participant will be deemed "intentional" if it was due primarily to an error in judgment or negligence, but will be deemed "intentional" only if done or omitted to be done by Participant not in good faith and without reasonable belief that Participant's action or omission was in the best interest of the Company.

(iv) Solely for purposes of this Section 12(a), "Good Reason" shall mean the occurrence, during the Post-CIC Period, of any of the following events without the Participant's written consent:

- (A) failure to elect or re-elect or otherwise to maintain Participant in the office or the position, or a substantially equivalent or better office or position, of or with the Company and/or a Subsidiary (or any successor thereto by operation of law or otherwise), as the case may be, which Participant held immediately prior to a Change of Control, or the removal of Participant as a Director of the Company and/or a Subsidiary (or any successor thereto) if Participant shall have been a Director of the Company and/or a Subsidiary immediately prior to the Change of Control;
- (B) failure of the Company to remedy any of the following within 10 calendar days after receipt by the Company of written notice thereof from Participant: (1) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company and any Subsidiary which Participant held immediately prior to the Change of Control, (2) a reduction in Participant's Base Pay received from the Company and any Subsidiary, (3) a reduction in Participant's Incentive Pay opportunity as compared with the Incentive Pay opportunity most recently paid prior to the Change of Control, or (4) the termination or denial of Participant's rights to Employee Benefits or a reduction in the scope or value thereof;
- (C) the liquidation, dissolution, merger, consolidation or reorganization of the Company or the transfer of all or substantially all of its business and/or assets, unless the successor (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (by operation of law or otherwise) assumed all duties and obligations of the Company hereunder; or
- (D) the Company requires Participant to have Participant's principal location of work changed to any location that is in excess of 30 miles from the location thereof immediately prior to the Change of Control, or requires Participant to travel away from Participant's office in the course of discharging Participant's responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any

calendar quarter when annualized for purposes of comparison to any prior year) than was required of Participant in any of the three full years immediately prior to the Change of Control.

(E) Definitions. As used in this Section 12(a),

- (1) "Base Pay" means Participant's annual base salary rate as in effect from time to time.
- (2) "Incentive Pay" means an annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Company or a Subsidiary, or any successor thereto. "Incentive Pay" does not include any stock option, stock appreciation, stock purchase, restricted stock, private equity, long-term incentive or similar plan, program, arrangement or grant, whether or not provided under a plan, program or arrangement described in the preceding sentence.
- (3) "Employee Benefits" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which the Participant is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by the Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change of Control.

(v) For purposes of this Section 12(a), an award shall be considered assumed ("Assumed") if each of the following conditions are met:

- (A) Option Rights, Appreciation Rights and Other Awards (to the extent such Other Awards are payable in cash and not subject to Management Objectives) are converted into replacement awards in a manner that complies with Section 409A;
- (B) Restricted Stock Unit and Restricted Stock awards that are not subject to Management Objectives are converted into replacement awards covering a number of shares of the entity effecting the Change of Control (or a successor or parent corporation), as determined in a manner substantially similar to the treatment of an equal number of shares of Common Stock covered by the awards; provided, that to the extent that any portion of the consideration received by holders of shares of Common Stock in the Change of Control transaction is not in the form of the common stock of such entity (or a successor or parent corporation), the number of shares covered by the replacement awards shall be based on the average of the high and low selling prices of the common stock of such entity (or a successor or parent corporation) on the established stock exchange on the trading day immediately preceding the date of the Change of Control;

- (C) Performance Shares, Performance Units and all other awards subject to Management Objectives are converted into replacement awards that preserve the value of such awards at the time of the Change of Control;
- (D) the replacement awards contain provisions for scheduled vesting and treatment on termination of employment (including the definition of Cause and Good Reason) that are no less favorable to the Participant than the underlying awards being replaced, and all other terms of the replacement awards (other than the security and number of shares represented by the replacement awards) are substantially similar to, or more favorable to the Participant than, the terms of the underlying awards; and
- (E) the security represented by the replacement awards, if any, is of a class that is publicly held and widely traded on an established stock exchange.

(b) Awards Not Assumed by Successor

- (i) Upon the occurrence of a Change of Control, any awards made under this Plan that are not Assumed by the entity effecting the Change of Control shall become fully vested and exercisable on the date of the Change of Control or shall immediately vest and become immediately payable in accordance with their terms as if 100% of the applicable Management Objectives have been achieved, and any restrictions that apply to such awards shall lapse.
- (ii) For each Option Right and Appreciation Right, the Participant shall receive a payment equal to the difference between the consideration (consisting of cash or other property (including securities of a successor or parent corporation)) received by holders of Common Stock in the Change of Control transaction and the exercise price of the applicable Option Right or Appreciation Right, if such difference is positive. Such payment shall be made in the same form as the consideration received by holders of Common Stock. Any Option Rights or Appreciation Rights with an exercise price that is higher than the per share consideration received by holders of Common Stock in connection with the Change of Control shall be cancelled for no additional consideration.
- (iii) The Participant shall receive the consideration (consisting of cash or other property (including securities of a successor or parent corporation)) that such Participant would have received in the Change of Control transaction had he or she been, immediately prior to such transaction, a holder of the number of shares of Common Stock equal to the number of Restricted Stock Units, Other Awards, and/or shares of Restricted Stock covered by the award and the number of shares of Common Stock payable under Section 12(b)(i) for awards subject to Management Objectives.
- (iv) The payments contemplated by Sections 12(b)(ii) and 12(b)(iii) shall be made at the same time as consideration is paid to the holders of the Common Stock in connection with the Change of Control.
- (v) Notwithstanding anything to the contrary in this Plan, if the Change of Control does not constitute a 409A Change in Control (as defined in Section 17(d)) and the payment or benefit constitutes a deferral of compensation under Section 409A, then to the extent necessary to comply with Section 409A payment or delivery shall be made on the date of payment or delivery originally provided for such payment or benefit.

(c) "Change of Control" shall mean, except as otherwise provided in an Evidence of Award, the occurrence of any of the following events:

- (i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding Voting Stock of the Company; provided, however, that:

- (A) for purposes of this Section 12(c)(i), the following acquisitions will not constitute a Change of Control: (1) any acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock by the Company or any Subsidiary, (3) any acquisition of Voting Stock by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, and (4) any acquisition of Voting Stock by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 12(c)(iii) below;
- (B) if any Person is or becomes the beneficial owner of 30% or more of combined voting power of the then-outstanding Voting Stock as a result of a transaction described in clause (1) of Section 12(c)(i)(A) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than in an acquisition directly from the Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be treated as a Change of Control;
- (C) a Change of Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock representing 1% or more of the then-outstanding Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; and
- (D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 30% or more of the Voting Stock inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Directors a sufficient number of shares so that such Person beneficially owns less than 30% of the Voting Stock, then no Change of Control shall have occurred as a result of such Person's acquisition; or
 - (ii) a majority of the Board ceases to be comprised of Incumbent Directors; or
 - (iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the stock or assets of another corporation, or other similar transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity or any parent thereof), more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), (B) no Person (other than the Company, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

- (iv) the consummation of the liquidation or dissolution of the Company, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 12(c)(iii).
- (v) For purposes of this Section 12(c), the terms (A) "Incumbent Directors" shall mean, during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new Director (other than a Director initially elected or nominated as a Director as a result of an actual or threatened election contest with respect to Directors or any other actual or threatened solicitation of proxies by or on behalf of such Director, including any Director nominated or elected to the Board pursuant to any proxy access procedures included in the Company's organizational documents) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved and (B) "Voting Stock" shall mean the voting securities of the Company which have the right to vote on the election of members of the Board.

13. Clawback Provisions. Any Evidence of Award (or any part thereof) may provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain or earnings related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Compensation and Management Development Committee in accordance with (i) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (ii) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting awards under this Plan, the Participants consent to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup any award, any gains or earnings related to any award, or any other amount paid under this Plan or otherwise subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Participants of any such amounts, including from the Participants' accounts or from any other compensation, to the extent permissible under Section 409A.

14. Non U.S. Participants. In order to facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom, to comply with applicable foreign laws or facilitate the offering and administration of the Plan in view of such foreign laws and to allow for tax-preferred treatment of awards. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Plan (including, without limitation, sub-plans) and modify exercise procedures, and other terms and procedures, as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments, restatements, sub-plans or modifications, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.

15. Transferability.

- (a) No award granted under this Plan shall be transferable by the Participant except by will or the laws of descent and distribution, and in no event shall any award granted under this Plan be transferred for value.

Except as otherwise determined by the Board, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law and/or court supervision.

(b) The Board may specify at the Date of Grant that part or all of the shares of Common Stock that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares, Performance Units or Other Awards or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 6, will be subject to further restrictions on transfer.

16. Withholding Taxes. To the extent that the Company is required to withhold (including required to account to any tax authorities for) federal, state, local or foreign taxes or other amounts in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes and other amounts required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of Common Stock, and such Participant fails to make arrangements for the payment of tax and other amounts, the Company shall withhold such shares of Common Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, unless otherwise provided by the Board, when a Participant is required to pay the Company an amount required to be withheld under applicable income and employment tax and other laws and regulations, the Participant may elect to satisfy the obligation, in whole or in part, by electing to have withheld, from the shares required to be delivered to the Participant, shares of Common Stock having a value equal to the amount required to be withheld (except in the case of Restricted Stock where an election under Section 83(b) of the Code has been made), or by delivering to the Company other shares of Common Stock held by such Participant. The shares used for tax withholding will be valued at an amount equal to the real-time fair market value per share of such Common Stock at the time of exercise or vesting or when the benefit is to be included in Participant's income. In no event shall the fair market value of the shares of Common Stock to be withheld and/or delivered pursuant to this Section to satisfy applicable withholding taxes or other amounts in connection with the benefit exceed the minimum amount of taxes or other amounts required to be withheld (except as otherwise approved by the Board, in its discretion). Participants shall also make such arrangements as the Company may require for the payment of any withholding tax or other obligation that may arise in connection with the disposition of shares of Common Stock acquired upon the exercise of Option Rights, Appreciation Rights or any other award.

17. Compliance with Section 409A.

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code and the regulations promulgated thereunder ("Section 409A"), so that the income inclusion provisions of Section 409A(a)(1) do not apply to the Participants. This Plan and any grants made hereunder shall be construed and administered in a manner such that the grant either (i) qualifies for an exemption from the requirements of Section 409A or (ii) satisfies the requirements of Section 409A. If a grant under this Plan is subject to Section 409A, then (i) distributions shall only be made in a manner and upon an event permitted under Section 409A, (ii) payments to be made upon termination of employment shall only be made upon a "separation from service" under Section 409A, (iii) unless the grant agreement specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A, and (iv) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except as permitted in accordance with Section 409A. Any reference in this Plan to Section 409A will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Plan and grants of

deferred compensation hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to a Participant or for a Participant's benefit under this Plan and grants of deferred compensation hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its affiliates.

- (c) If, at the time of a Participant's separation from service (within the meaning of Section 409A), (i) the Participant shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company determines that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) and the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the tenth business day of the month after such six-month period.
- (d) For purposes of this Plan and its underlying agreements, a "409A Change in Control" means the date on which any one of the following occurs: (i) any one person, or more than one person acting as a group (as determined under Section 409A and the regulations promulgated thereunder), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company; or (ii) a majority of the members of the 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 Board before the date of such appointment or election; or (iii) any one person, or more than one person acting as a group (as determined under Section 409A and the regulations promulgated thereunder), acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; or (iv) any one person, or more than one person acting as a group (as determined under Section 409A and the regulations promulgated thereunder), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company before such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.
- (e) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes, interest and/or penalties under Section 409A), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes, interest and/or penalties.

18. **Additional Restrictions with Respect to Qualified Performance-Based Awards** . Effective for tax years after 2017, the qualified performance-based compensation exception from Section 162(m) of the Code's tax deduction limitation was repealed; provided, however, that notwithstanding such repeal, the performance-based compensation under Section 162(m) of the Code is subject to a transition rule for remuneration that is payable pursuant to a written binding contract that was in effect on November 2, 2017 and is not materially modified thereafter. For the avoidance of doubt, it is the intent of the Company to preserve the performance-based compensation exception that is or may be available for Awards payable under this Plan to the maximum extent permitted by law. Notwithstanding anything contained in this Plan to the contrary:

- (a) Qualified Performance-Based Awards shall be granted by a committee, which may be the Compensation and Management Development Committee or any other committee of the Board (or a subcommittee

thereof), provided that such committee consists solely of two or more "outside directors" within the meaning of Section 162(m).

- (b) To the extent that a Qualified Performance-Based Award shall be based on achievement of Management Objectives, the committee shall establish and approve in writing (i) the applicable Participants and performance period, (ii) the Management Objectives, (iii) the maximum amounts that may be paid if the Management Objectives are met, and (iv) any other conditions that the committee deems appropriate and consistent with this Plan and the requirements of Section 162(m) for "qualified performance-based compensation." The establishment and approval of such items shall be made within the earlier of (i) 90 days after the commencement of the relevant performance cycle and (ii) the first 25% of such performance cycle (or such other date as may be required or permitted under applicable regulations under Section 162(m)), and while the attainment of the Management Objectives remains substantially uncertain.
- (c) Other than in connection with the Participant's death or disability, or a Change of Control, the terms of a Qualified Performance-Based Award may not be amended where such action would result in the loss of the otherwise available exemption of the award under Section 162(m).
- (d) In no event shall a Participant's Qualified Performance-Based Awards exceed the Individual Participant Limits described in Section 3(c).
- (e) Qualified Performance-Based Awards are intended to satisfy the requirements for "qualified performance-based compensation" under Section 162(m) and the terms relating to such awards are to be interpreted and operated accordingly.
- (f) The Committee will certify the results and amounts to be paid, if any, for the applicable performance period under a Qualified Performance-Based Award to all affected Participants after it determines whether and to what extent the Management Objectives have been satisfied.

19. Effective Date. The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan first became effective on April 20, 2006, the date immediately following the date it was approved by shareholders, and was subsequently amended and restated effective April 21, 2010, February 17, 2015, April 19, 2017, February 13, 2018 and October 13, 2023. Notwithstanding the foregoing or anything else contained herein to the contrary, for any Award subject to Section 18, with respect to any compensation to be paid under a written binding contract that was in effect on November 2, 2017, all terms and conditions of the payment of any such compensation shall be governed by the terms and conditions of this Plan and any underlying documents that combined to constitute the applicable written binding contract relating to such compensation that was in effect on November 2, 2017.

20. Amendments.

- (a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan (i) would materially increase the benefits accruing to Participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan or (iv) must otherwise be approved by the shareholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange or, if the shares of Common Stock are not traded on the New York Stock Exchange, the principal national securities exchange upon which the shares of Common Stock are traded or quoted, then, such amendment will be subject to shareholder approval and will not be effective unless and until such approval has been obtained.
- (b) Except in connection with a corporate transaction or event described in Sections 11 or 12, the Board may not, without obtaining shareholder approval, (i) amend the terms of outstanding Option Rights or Appreciation Rights to reduce the Option Price or Base Price, as applicable, of such outstanding Option Rights or Appreciation Rights; (ii) cancel outstanding Option Rights or Appreciation Rights in exchange for Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price or Base Price, as applicable, of the original Option Rights or Appreciation Rights;

or (iii) cancel outstanding Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, above the current Common Stock price in exchange for cash or other securities. This Section 20(b) is intended to prohibit the repricing of "underwater" Option Rights and/or Appreciation Rights and will not be construed to prohibit the adjustments provided for in Section 11 or Section 12. Notwithstanding any provision of this Plan to the contrary, this Section 20(b) may not be amended without shareholder approval.

(c) If permitted by Section 409A, but subject to the paragraph that follows, in case of termination of employment by reason of death or disability of a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any shares of Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Performance Shares or Performance Units which have not been fully earned, or any Other Awards that have not been fully earned or that are subject to any vesting schedule or transfer restriction, or who holds shares of Common Stock subject to any transfer restriction imposed pursuant to Section 15, the Board may, in its sole discretion, accelerate the time at which such Option Right, Appreciation Right or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Performance Shares or Performance Units will be deemed to have been fully earned or the time when such Other Awards shall be deemed to have been fully earned or vested or that such transfer restriction will terminate or may waive any other limitation or requirement under any such award, except as otherwise provided in Section 12.

Subject to Section 20(b), the Board may amend the terms of any award theretofore granted under this Plan prospectively or retroactively, except in the case of a Qualified Performance-Based Award (other than in connection with the Participant's death or disability, or a Change of Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m). In such case, the Board will not make any modification of the Management Objectives or the level or levels of achievement with respect to such Qualified Performance-Based Award. Subject to Section 11, no such amendment shall materially impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

21. Termination. No grant will be made under this Plan more than 10 years after the date on which this amended and restated Plan is approved by the shareholders of the Company, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

22. Governing Law. This Plan and all grants and awards and actions taken thereunder shall be governed by and construed in accordance with the internal substantive laws of the State of Ohio, without giving effect to the conflict of law provisions thereof.

23. Miscellaneous Provisions.

- (a) The Company will not be required to issue any fractional shares of Common Stock pursuant to this Plan. The Board may provide for the elimination of fractions or for the settlement of fractions in cash.
- (b) Neither this Plan nor a grant of an award under this Plan will confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.
- (c) To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of this Plan.

- (d) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or stock thereunder, would be, in the opinion of counsel selected by the Board, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.
- (e) No Participant shall have any rights as a shareholder with respect to any shares subject to awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such shares upon the stock records of the Company.
- (f) The Board may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.
- (g) Participants shall provide the Company with a written election form setting forth the name and contact information of the person who will have beneficial ownership rights upon the death of the Participant.
- (h) If any provision of this Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Board, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Board, it shall be stricken and the remainder of this Plan shall remain in full force and effect.

**THE SHERWIN-WILLIAMS COMPANY
2006 EQUITY AND PERFORMANCE INCENTIVE PLAN
(AMENDED AND RESTATED AS OF OCTOBER 13, 2023)**

Nonqualified Stock Option Award – Additional Terms and Conditions

1. Grant of Option. The Board of Directors (the "Board") of The Sherwin-Williams Company (the "Company") has granted an option to you ("you" or "Grantee") pursuant to an Evidence of Award that has been delivered to you. Each option entitles you to purchase from the Company one share of Common Stock at the Option Price per share, in accordance with the terms of The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023, the "Plan"), the related Prospectus, the Evidence of Award, these Additional Terms and Conditions, and such other rules and procedures as may be adopted by the Company. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

2. Vesting of Option.

(A) The option (unless terminated as hereinafter provided) shall become vested and exercisable only to the extent of one-third of the shares after you shall have been in the continuous employ of the Company or any Subsidiary for one full year from the Date of Grant and to the extent of an additional one-third of such shares after each of the next two successive full years thereafter during which you shall have been in the continuous employ of the Company or any Subsidiary.

(A) Notwithstanding Section 2(A) above, the option shall immediately vest and become exercisable in full if you should die while in the employ of the Company or any Subsidiary.

(C) Notwithstanding Section 2(A) above, if you should "Retire" while in the employ of the Company or any Subsidiary, you shall be treated as being in the continuous employ with the Company or any Subsidiary during your "Retirement" for purposes of this Section 2 and, as a result, the option shall continue to vest and become exercisable on the dates set forth in Section 2(A) above notwithstanding your Retirement, consistent with the terms of the Plan; provided, however, that in order to be eligible for continued vesting pursuant to the provisions of this Section 2(C), you must provide the Company with written notice of your Retirement a minimum of 180 days prior to the anticipated date of your Retirement (the "Notice Deadline") (if such written notice is not received by the Company on or before the Notice Deadline, any award granted to you under the Plan during the 180-day period prior to the date of your cessation of employment with the Company or a Subsidiary shall be immediately cancelled and forfeited (unless the reason for such failure is due to your disability as determined in the sole discretion of the Company)). The terms "Retire" or "Retirement" as used in these Additional Terms and Conditions means your voluntary cessation of employment with the Company or any Subsidiary after: (1) the attainment of age 65; (2) the attainment of age 55-59 with at

least twenty (20) years of service with the Company or any Subsidiary; or (3) the attainment of age 60 or older and your combination of age and years of service with the Company or any Subsidiary equals at least 75. Notwithstanding the foregoing, if you participate in the Company's Key Employee Separation Plan (the "KESP"), experience a "covered termination" (as defined in the KESP), and meet the age and/or service requirements for a qualifying "Retirement" under this Section 2(C), you shall continue to vest as provided herein and Section 4.2 of the KESP without regard to the Notice Deadline requirement.

(D) Notwithstanding Section 2(A) above, in the event of a Change of Control, any unvested number of options shall vest and become exercisable in accordance with Section 12 of the Plan.

3. **Exercisability of Option.** Notwithstanding anything herein to the contrary:

(A) Except as otherwise provided in Section 3(B) below, the option shall terminate and cease to be exercisable to the extent vested on the earliest of the following dates:

(i) The date on which you cease to be an employee of the Company or a Subsidiary, unless you cease to be such employee by reason of (a) death, (b) disability, or (c) Retirement;

(ii) Three years after the date of your death if (a) you die while an employee of the Company or a Subsidiary or (b) you die following your Retirement;

(iii) Three years after the date you are terminated by the Company or a Subsidiary as a result of expiration of available disability leave of absence pursuant to applicable Company policy due to sickness or bodily injury;

(iv) Ten years from the Date of Grant; or

(v) The date on which you knowingly or willfully engage in misconduct, which is materially harmful to the interests of the Company or a Subsidiary, as may be determined by the Board, in its sole discretion, or the date you violate Section 12 or Section 13 of these Additional Terms and Conditions.

(B) Notwithstanding anything in these Additional Terms and Conditions to the contrary, but subject to applicable law, if and only if, at 4:15 p.m. Eastern Time on the date on which the option would otherwise terminate pursuant to Section 3(A)(iv) above (the "Option Expiration Date"), (i) the closing sales price of one share of Common Stock on the principal stock exchange on which the Common Stock is then listed as of the Option Expiration Date (or, if there are no sales of Common Stock on such Option Expiration Date, on the next preceding trading day during which a sale of Common Stock occurred) exceeds the Option Price per share, (ii) to the extent the option is exercisable and you have not exercised the option, and (iii) to the extent the option has not otherwise expired, terminated, or been cancelled or forfeited, then the Company will deem such remaining exercisable portion of the option to have been exercised by you on the Option Expiration Date (and prior to the option's termination) at such time (the

“Automatic Exercise”). Further to such Automatic Exercise, payment of the aggregate Option Price for such Automatic Exercise and any applicable withholding taxes in connection with such Automatic Exercise will be deemed to have been made by the Company withholding a number of shares of Common Stock otherwise issuable in connection with such Automatic Exercise that are equal in value to the amount necessary to satisfy such aggregate Option Price payment and minimum required withholding taxes. To clarify, upon Automatic Exercise, the Company will deliver to you the number of whole shares of Common Stock resulting from such Automatic Exercise less a number of shares of Common Stock equal in value to (x) the aggregate Option Price plus (y) any minimum required withholding taxes; provided, however, that any fractional share otherwise deliverable to you will be settled in cash.

4. Exercise and Payment of Option. To the extent exercisable, the option may be exercised in whole or in part from time to time by giving appropriate notice (in any form prescribed by the Company). The Option Price shall be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company by you of nonforfeitable, unrestricted shares of Common Stock of the Company owned by you and having an aggregate fair market value at the time of exercise equal to the total Option Price, (iii) through a special sale and remittance procedure pursuant to which you shall concurrently provide irrevocable instructions (A) to a brokerage firm (with such brokerage firm reasonably satisfactory to the Company for purposes of administering such procedure in compliance with any applicable pre-clearance or pre-notification requirements) to effect the immediate sale of the purchased shares of Common Stock of the Company and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares of Common Stock of the Company plus all applicable taxes required to be withheld by the Company by reason of such exercise and (B) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm on the settlement date in order to complete the sale, (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Board.

5. Transferability, Binding Effect. The option is not transferable by you otherwise than by will or the laws of descent and distribution, and in no event shall this award be transferred for value. Except as otherwise determined by the Board, this option is exercisable, during your lifetime, only by you or, in the case of your legal incapacity, only by your guardian or legal representative. These Additional Terms and Conditions bind you and your guardians, legal representatives and heirs.

6. Compliance with Law. The option shall not be exercisable if such exercise would involve a violation of any law.

7. Withholding; Taxes. If the Company shall be required to withhold (including required to account to any tax authorities for) any federal, state, local or foreign tax or other amounts in connection with exercise of the option, it shall be a condition to such exercise that you pay or make provision satisfactory to the Company for payment of all such taxes and other amounts. Notwithstanding any other provision of this option award or the Plan, the Company shall not be obligated to guarantee any particular tax result for you with respect to any award and/or payment provided to you hereunder, and you shall be responsible for any taxes or other amounts imposed on you with respect to such award and/or payment.

8. **No Right to Future Awards or Employment** The option award is a voluntary, discretionary bonus being made on a one-time basis and does not constitute a commitment to make any future awards. The option award and any related payments made to you will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained herein will confer upon you any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate your employment or other service at any time.

9. **Severability.** If any provision of these Additional Terms and Conditions or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of these Additional Terms and Conditions and the application of such provision to any other person or circumstances shall not be affected, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

10. **Governing Law.** Where permitted, these Additional Terms and Conditions shall be governed by and construed with the internal substantive laws of the State of Ohio, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

11. **Clawback/Recapture/Recoupment Rights and Policies.** Grantee acknowledges and agrees that the terms and conditions set forth in The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the "Executive Clawback Policy") and The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the "Key Employee Clawback Policy") are incorporated in these Additional Terms and Conditions by reference. To the extent the Executive Clawback Policy or the Key Employee Clawback Policy is applicable to Grantee, it creates additional rights for the Company with respect to certain compensation, including, without limitation, annual cash incentive compensation awards granted to Grantee under The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated), or any successor plan. Notwithstanding any provisions in these Additional Terms and Conditions to the contrary, such compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by Grantee to the Company to the extent Grantee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting options under the Plan and pursuant to these Additional Terms and Conditions, Grantee consents to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agrees and acknowledges that Grantee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup options, any gains or earnings related to options, or any other applicable

compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from Grantee of any such amounts, including from Grantee's accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

12. Ownership and Protection of Intellectual Property and Confidential Information.

(A) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by you, individually or in conjunction with others, during Grantee's employment by the Company or any of its Subsidiaries, both before and after the Date of Grant (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its Subsidiaries (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information), and all writings or materials of any type embodying any of such items (collectively, "Work Product"), shall be the sole and exclusive property of the Company or a Subsidiary, as the case may be, and shall be treated as "work for hire." It is recognized that Grantee is an experienced executive in the business of the Company and its Subsidiaries and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 12.

(B) Grantee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its Subsidiaries' right, title and interest in such Work Product. Without limiting the generality of the foregoing, Grantee agrees to assist the Company, at the Company's expense, to secure the Company's and its Subsidiaries' rights in the Work Product in any and all countries, including the execution by Grantee of all applications and all other instruments and documents which the Company and/or its Subsidiaries shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its Subsidiaries the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of Grantee's mental or physical incapacity or for any other reason (including Grantee's refusal to do so after request therefor is made by the Company) to secure Grantee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Subsidiaries pursuant to Section 12(A) above, then Grantee by these Additional Terms and Conditions irrevocably designates and appoints

the Company and its duly authorized officers and agents as Grantee's agent and attorney-in-fact to act for and in your behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by Grantee. The Grantee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this Section 12 in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Subsidiaries.

(C) Grantee acknowledges that the businesses of the Company and its Subsidiaries are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Subsidiaries use in their business to obtain a competitive advantage over their competitors. The Grantee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Subsidiaries in maintaining their competitive position. The Grantee acknowledges that by reason of the Grantee's duties to, and association with, the Company and its Subsidiaries, the Grantee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Subsidiaries. The Grantee hereby agrees that the Grantee will not, at any time during or after his or her employment by the Company or its Subsidiaries, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Subsidiaries, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. The Grantee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Grantee's legal rights and obligations as an employee or under these Additional Terms and Conditions are at issue; provided, however, that the Grantee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its Subsidiaries an opportunity (which the Grantee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its Subsidiaries would not be considered confidential to the Company and its Subsidiaries.

(D) All written materials, records, and other documents made by, or coming into the possession of, the Grantee during the period of Grantee's employment by the Company or its Subsidiaries which contain or disclose confidential business information or trade secrets of the Company or its Subsidiaries, or which relate to Grantee's Work

Product described in Section 12(A) above, shall be and remain the property of the Company, or its Subsidiaries, as the case may be. Upon termination of Grantee's employment, for any reason, the Grantee promptly shall deliver the same, and all copies thereof, to the Company.

(E) Nothing in these Additional Terms and Conditions shall prohibit or restrict the Grantee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Grantee does not need the prior authorization of the Company to engage in conduct protected by this Section 12, and the Grantee does not need to notify the Company that the Grantee has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

13. Covenants Not to Compete and Not to Solicit.

Grantee acknowledges and agrees that, during Grantee's employment with the Company, Grantee has and will become acquainted with and obtain confidential, proprietary, and trade secret information about the Company's processes, plans, strategies and operations, customers, suppliers and distributors, including the status of the Company's relationships with customers, suppliers, vendors and distributors; the preferences of the Company's customers, suppliers and distributors; pricing, discounting, margin and contracting terms related to the Company's customers, suppliers and distributors; information related to the technology, products and services of the Company, the amounts and sources of income, profits, losses or expenditures or other information of commercial value; and other non-public information about the Company's customer, supplier and distributor relationships that give the Company a competitive edge in the marketplace. In exchange for and by accepting the benefits afforded by this Agreement, including the stock option awards referenced herein, and to protect the Company's confidential, proprietary, and trade secret information, and the Company's investment in building the relationships with its customers, suppliers and distributors, the Grantee agrees to these terms:

(A) To the fullest extent permitted by law and only where permitted by governing law, Grantee hereby agrees that during his or her employment with the Company or any of its Subsidiaries and for a period of two years following Grantee's termination of employment with the Company and its Subsidiaries (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material shareholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its Subsidiaries engages in or is planning to engage in during the term of Grantee's employment with the Company or any Subsidiary, including but not limited to, any business engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers (the "Business"). Such restriction shall cover Grantee's activities anywhere in the contiguous United States. Section 13(A) shall not be applicable to any Grantee who lives or primarily performs services for the Company in any jurisdiction that does not, at the time Grantee accepts the Award, permit non-competition provisions, including California, Minnesota, North Dakota and Oklahoma. Similarly, Section 13(A) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits non-competition provisions only if certain compensation thresholds or other conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions. Section 13(A) also does not restrict the right of a Grantee employed by Company as an attorney to practice law after separation from employment.

(B) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Grantee will not, directly or indirectly, on behalf of Grantee or any other person or entity, solicit, induce or attempt to solicit or induce any person who is or was employed by, or in a contractor relationship with, the Company or its Subsidiaries within the one (1) year period immediately preceding the date of solicitation or inducement, to (i) interfere with the activities or businesses of the Company or any of its Subsidiaries, (ii) discontinue employment or contractor status with the Company or any of its Subsidiaries, or (iii) interfere with, alter or modify their employment or contractor relationship with the Company or any of its Subsidiaries. Grantee also agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Grantee will not, on behalf of Grantee or any other person or entity, hire, attempt to hire, assist in any way with the hiring of, or otherwise employ or engage, or attempt to employ or engage, any person who is or was employed by or in a contractor relationship with the Company or its Subsidiaries within the one (1) year period immediately preceding the date of such hiring, assistance with hiring, employment or engagement.

(C) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period, the Grantee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Subsidiaries to divert their business to any competitor of the Company or any of its Subsidiaries or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Subsidiaries (including, without limitation, making any negative statements or communications about the Company and its Subsidiaries). During such Non-Compete Period, the Grantee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Subsidiaries, prior to the Grantee's termination of employment with the Company and its Subsidiaries, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Subsidiaries, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Subsidiaries.

Sections 13(B) and 13(C) shall not be applicable to the extent that Grantee lives or primarily performs services for the Company in a jurisdiction that does not permit customer, supplier or non-distributor non-solicitation provisions. Similarly, Sections 13(B) and 13(C) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits customer, supplier or non-distributor non-solicitation provisions only if certain compensation thresholds or conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions.

(D) Grantee understands that the provisions of Section 12 and Section 13 hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Subsidiaries he or she nevertheless agrees and hereby acknowledges that such provisions, where permitted by governing law: (i) do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any of its Subsidiaries; (ii) contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) are supported by sufficient consideration to compensate the Grantee for the restrictions contained in Section 12 and Section 13 hereof.

(E) If, at the time of enforcement of Section 12 or Section 13 of these Additional Terms and Conditions, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Grantee acknowledges that he or she is a member of the Company's and its Subsidiaries' management group with access to the Company's and its Subsidiaries' confidential business information and his or her

services are unique to the Company and its Subsidiaries. The Grantee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in Section 12 or Section 13 hereof will be inadequate and that in the event of any such breach, the Company and its Subsidiaries may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Grantee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of these Additional Terms and Conditions. In addition, in the event of a breach or violation by the Grantee of this Section 13, the Non-Compete Period set forth herein shall be tolled until such breach or violation has been cured.

(F) Each of the covenants of Section 12 and Section 13 hereof are given by the Grantee as part of the consideration for the option award granted hereunder and as an inducement to the Company to grant such options and accept the obligations thereunder.

14. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents relating to your options and your participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company.

15. **Construction.** Your option award is made and granted pursuant to the Plan and is in all respects limited by and subject to the terms of the Plan. In the event of any inconsistency between the Plan and these Additional Terms and Conditions, the terms of the Plan shall control.

16. **Compliance with Laws and Regulations; No Shareholder Rights** The issuance of shares of Common Stock pursuant to your exercise of your option shall be subject to compliance by you with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Company's Common Stock may be listed for trading at the time of such issuance. Neither you, nor any person entitled to exercise your rights in the event of your death, shall have any of the rights and/or privileges of a shareholder with respect to shares of the Company's Common Stock subject to the option, until such shares have been issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), notwithstanding the exercise of the option.

17. **Binding Effect; No Third Party Beneficiaries.** These Additional Terms and Conditions shall be binding upon and inure to the benefit of the Company and you and each of our respective heirs, representatives, successors and permitted assigns. These Additional Terms and Conditions shall not confer any rights or remedies upon any person other than the Company and you and each of our respective heirs, representatives, successor and permitted assigns.

18. **Notice.** Any notice required to be given or delivered to the Company under the terms of these Additional Terms and Conditions shall be in writing and addressed to the Company at its principal corporate office. Except to the extent electronic notice is authorized hereunder, any notice required to be given or delivered to you shall be in writing and addressed to you at your most recent address set forth in the Company's records. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

19. **Section 409A.** The option is intended to be excepted from coverage under Section 409A of the Code ("Section 409A") and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without your consent, modify or amend these Additional Terms and Conditions, impose conditions on the timing and effectiveness of the exercise of the option by you, or take any other action it deems necessary or advisable, to cause the option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted). Notwithstanding the foregoing, you recognize and acknowledge that Section 409A may impose upon you certain taxes or interest charges for which you are and shall remain solely responsible.

**THE SHERWIN-WILLIAMS COMPANY
2006 EQUITY AND PERFORMANCE INCENTIVE PLAN
(AMENDED AND RESTATED AS OF OCTOBER 13, 2023)**

Incentive Stock Option Award – Additional Terms and Conditions

1. Grant and Nature of Option. The Board of Directors (the "Board") of The Sherwin-Williams Company (the "Company") has granted an option to you ("you" or "Grantee") pursuant to an Evidence of Award that has been delivered to you. This option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Each option entitles you to purchase from the Company one share of Common Stock at the Option Price per share, in accordance with the terms of The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023, the "Plan"), the related Prospectus, the Evidence of Award, these Additional Terms and Conditions, and such other rules and procedures as may be adopted by the Company. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.

2. Vesting of Option.

(A) The option (unless terminated as hereinafter provided) shall become vested and exercisable only to the extent of one-third of the shares after you shall have been in the continuous employ of the Company or any Subsidiary for one full year from the Date of Grant and to the extent of an additional one-third of such shares after each of the next two successive full years thereafter during which you shall have been in the continuous employ of the Company or any Subsidiary.

(B) Notwithstanding Section 2(A) above, the option shall immediately vest and become exercisable in full if you should die while in the employ of the Company or any Subsidiary.

(C) Notwithstanding Section 2(A) above, if you should "Retire" while in the employ of the Company or any Subsidiary, you shall be treated as being in the continuous employ with the Company or any Subsidiary during your "Retirement" for purposes of this Section 2 and, as a result, the option shall continue to vest and become exercisable on the dates set forth in Section 2(A) above notwithstanding your Retirement, consistent with the terms of the Plan; provided, however, that in order to be eligible for continued vesting pursuant to the provisions of this Section 2(C), you must provide the Company with written notice of your Retirement a minimum of 180 days prior to the anticipated date of your Retirement (the "Notice Deadline") (if such written notice is not received by the Company on or before the Notice Deadline, any award granted to you under the Plan during the 180-day period prior to the date of your cessation of employment with the Company or a Subsidiary shall be immediately cancelled and forfeited (unless the reason for such failure is due to your disability as determined in the sole discretion of the Company)). The terms "Retire" or "Retirement" as used in these Additional Terms and Conditions means your voluntary cessation of employment with the Company or any Subsidiary after: (1) the attainment of age 65; (2) the attainment of age 55-59 with at least twenty (20) years of service with the Company or any Subsidiary; or (3) the attainment of age 60 or older and your combination of age and years of service with the Company or any Subsidiary equals at least 75. Notwithstanding the foregoing, if you participate in the Company's Key Employee Separation Plan (the "KESP"), experience a "covered termination" (as defined in the KESP), and meet the age and/or service requirements for a qualifying "Retirement" under this Section 2(C), you shall continue to

vest as provided herein and Section 4.2 of the KESP without regard to the Notice Deadline requirement.

(D) Notwithstanding Section 2(A) above, in the event of a Change of Control, any unvested number of options shall vest and become exercisable in accordance with Section 12 of the Plan.

3. Exercisability of Option. Notwithstanding anything herein to the contrary:

(A) Except as otherwise provided in Section 3(B) below, the option shall terminate and cease to be exercisable to the extent vested on the earliest of the following dates:

(i) The date on which you cease to be an employee of the Company or a Subsidiary, unless you cease to be such employee by reason of (a) death, (b) disability, or (c) Retirement;

(ii) Three years after the date of your death if (a) you die while an employee of the Company or a Subsidiary or (b) you die following your Retirement;

(iii) Three years after the date you are terminated by the Company or a Subsidiary as a result of expiration of available disability leave of absence pursuant to applicable Company policy due to sickness or bodily injury;

(iv) Ten years from the Date of Grant; or

(v) The date on which you knowingly or willfully engage in misconduct, which is materially harmful to the interests of the Company or a Subsidiary, as may be determined by the Board, in its sole discretion, or the date you violate Section 13 or Section 14 of these Additional Terms and Conditions.

(B) Notwithstanding anything in these Additional Terms and Conditions to the contrary, but subject to applicable law, if and only if, at 4:15 p.m. Eastern Time on the date on which the option would otherwise terminate pursuant to Section 3(A)(iv) above (the "Option Expiration Date"), (i) the closing sales price of one share of Common Stock on the principal stock exchange on which the Common Stock is then listed as of the Option Expiration Date (or, if there are no sales of Common Stock on such Option Expiration Date, on the next preceding trading day during which a sale of Common Stock occurred) exceeds the Option Price per share, (ii) to the extent the option is exercisable and you have not exercised the option, and (iii) to the extent the option has not otherwise expired, terminated, or been cancelled or forfeited, then the Company will deem such remaining exercisable portion of the option to have been exercised by you on the Option Expiration Date (and prior to the option's termination) at such time (the "Automatic Exercise"). Further to such Automatic Exercise, payment of the aggregate Option Price for such Automatic Exercise and any applicable withholding taxes in connection with such Automatic Exercise will be deemed to have been made by the Company withholding a number of shares of Common Stock otherwise issuable in connection with such

Automatic Exercise that are equal in value to the amount necessary to satisfy such aggregate Option Price payment and minimum required withholding taxes. To clarify, upon Automatic Exercise, the Company will deliver to you the number of whole shares of Common Stock resulting from such Automatic Exercise less a number of shares of Common Stock equal in value to (x) the aggregate Option Price plus (y) any minimum required withholding taxes; provided, however, that any fractional share otherwise deliverable to you will be settled in cash.

4. Exercise and Payment of Option. To the extent exercisable, the option may be exercised in whole or in part from time to time by giving appropriate notice (in any form prescribed by the Company). The Option Price shall be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company by you of nonforfeitable, unrestricted shares of Common Stock of the Company owned by you and having an aggregate fair market value at the time of exercise equal to the total Option Price, (iii) through a special sale and remittance procedure pursuant to which you shall concurrently provide irrevocable instructions (A) to a brokerage firm (with such brokerage firm reasonably satisfactory to the Company for purposes of administering such procedure in compliance with any applicable pre-clearance or pre-notification requirements) to effect the immediate sale of the purchased shares of Common Stock of the Company and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares of Common Stock of the Company plus all applicable taxes required to be withheld by the Company by reason of such exercise and (B) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm on the settlement date in order to complete the sale, (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Board.

5. Designation as Incentive Stock Option. The option is designated as an incentive stock option under Section 422 of the Code. Notwithstanding the foregoing: (i) the option shall not qualify as an incentive stock option under the Code if (A) you make a disposition of the Common Stock you receive upon exercise of the option within two years from the date of grant or within one year after the transfer of such Common Stock to you, or (B) you are not an employee of the Company or its Subsidiaries on the day that is three months (or 12 months in the event of your disability (within the meaning of Section 22(e)(3) of the Code)) before the date you exercise the option; and (ii) if the aggregate fair market value of the Common Stock on the Date of Grant with respect to which incentive stock options are exercisable for the first time by you during any calendar year under the Plan or any other stock option plan of the Company or a parent or subsidiary exceeds \$100,000, then the option, as to the excess, shall be treated as a non-qualified stock option that does not meet the requirements of Section 422 of the Code. If and to the extent that the option fails to qualify as an incentive stock option under the Code, the option shall remain outstanding according to its terms as a non-qualified stock option. You acknowledge and agree that (A) favorable incentive stock option tax treatment is available only

if the option is exercised while you are an employee of the Company or a parent or subsidiary of the Company or within a period of time specified in the Code after you cease to be an employee, (B) you are responsible for the income tax consequences of the option and, among other tax consequences, you understand that you may be subject to the alternative minimum tax under the Code in the year in which the option is exercised, (C) you will consult with your tax adviser regarding the tax consequences of the option, and (D) you shall immediately notify the Company in writing, and provide the Company with any information requested by it, if you sell or otherwise dispose of any shares of the Company's Common Stock acquired upon the exercise of the option and such sale or other disposition occurs on or before the later of (i) two years after the date of grant or (ii) one year after the exercise of the option.

6. Transferability, Binding Effect. The option is not transferable by you otherwise than by will or the laws of descent and distribution, and in no event shall this award be transferred for value. This option is exercisable, during your lifetime, only by you. These Additional Terms and Conditions bind you and your guardians, legal representatives and heirs.

7. Compliance with Law. The option shall not be exercisable if such exercise would involve a violation of any law.

8. Withholding; Taxes. If the Company shall be required to withhold (including required to account to any tax authorities for) any federal, state, local or foreign tax or other amounts in connection with exercise of the option, it shall be a condition to such exercise that you pay or make provision satisfactory to the Company for payment of all such taxes and other amounts. Notwithstanding any other provision of this option award or the Plan, the Company shall not be obligated to guarantee any particular tax result for you with respect to any award and/or payment provided to you hereunder, and you shall be responsible for any taxes or other amounts imposed on you with respect to such award and/or payment.

9. No Right to Future Awards or Employment. The option award is a voluntary, discretionary bonus being made on a one-time basis and does not constitute a commitment to make any future awards. The option award and any related payments made to you will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained herein will confer upon you any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate your employment or other service at any time.

10. Severability. If any provision of these Additional Terms and Conditions or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of these Additional Terms and Conditions and the application of such provision to any other person or circumstances shall not be affected, and

the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

11. Governing Law. Where permitted, these Additional Terms and Conditions shall be governed by and construed with the internal substantive laws of the State of Ohio, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

12. Clawback/Recapture/Recoupment Rights and Policies Grantee acknowledges and agrees that the terms and conditions set forth in The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the "Executive Clawback Policy") and The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the "Key Employee Clawback Policy") are incorporated in these Additional Terms and Conditions by reference. To the extent the Executive Clawback Policy or the Key Employee Clawback Policy is applicable to Grantee, it creates additional rights for the Company with respect to certain compensation, including, without limitation, annual cash incentive compensation awards granted to Grantee under The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated), or any successor plan. Notwithstanding any provisions in these Additional Terms and Conditions to the contrary, such compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by Grantee to the Company to the extent Grantee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting options under the Plan and pursuant to these Additional Terms and Conditions, Grantee consents to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agrees and acknowledges that Grantee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup options, any gains or earnings related to options, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from Grantee of any such amounts, including from Grantee's accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

13. Ownership and Protection of Intellectual Property and Confidential Information.

(A) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Grantee, individually or in conjunction with others, during

Grantee's employment by the Company or any of its Subsidiaries, both before and after the Date of Grant (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its Subsidiaries (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information), and all writings or materials of any type embodying any of such items (collectively, "Work Product"), shall be the sole and exclusive property of the Company or a Subsidiary, as the case may be, and shall be treated as "work for hire." It is recognized that the Grantee is an experienced executive in the business of the Company and its Subsidiaries and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 13.

(B) Grantee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its Subsidiaries' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Grantee agrees to assist the Company, at the Company's expense, to secure the Company's and its Subsidiaries' rights in the Work Product in any and all countries, including the execution by the Grantee of all applications and all other instruments and documents which the Company and/or its Subsidiaries shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its Subsidiaries the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of Grantee's mental or physical incapacity or for any other reason (including Grantee's refusal to do so after request therefor is made by the Company) to secure Grantee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Subsidiaries pursuant to Section 13(A) above, then the Grantee by these Additional Terms and Conditions irrevocably designates and appoints the Company and its duly authorized officers and agents as Grantee's agent and attorney-in-fact to act for and in Grantee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by Grantee. The Grantee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this Section 13 in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Subsidiaries.

(C) Grantee acknowledges that the businesses of the Company and its Subsidiaries are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services,

and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Subsidiaries use in their business to obtain a competitive advantage over their competitors. The Grantee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Subsidiaries in maintaining their competitive position. The Grantee acknowledges that by reason of the Grantee's duties to, and association with, the Company and its Subsidiaries, the Grantee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Subsidiaries. The Grantee hereby agrees that the Grantee will not, at any time during or after his or her employment by the Company or its Subsidiaries, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Subsidiaries, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. The Grantee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Grantee's legal rights and obligations as an employee or under these Additional Terms and Conditions are at issue; provided, however, that the Grantee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its Subsidiaries an opportunity (which the Grantee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its Subsidiaries would not be considered confidential to the Company and its Subsidiaries.

(D) All written materials, records, and other documents made by, or coming into the possession of, the Grantee during the period of Grantee's employment by the Company or its Subsidiaries which contain or disclose confidential business information or trade secrets of the Company or its Subsidiaries, or which relate to Grantee's Work Product described in Section 13(A) above, shall be and remain the property of the Company, or its Subsidiaries, as the case may be. Upon termination of Grantee's employment, for any reason, the Grantee promptly shall deliver the same, and all copies thereof, to the Company.

(E) Nothing in these Additional Terms and Conditions shall prohibit or restrict the Grantee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the

“Regulators”), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Grantee does not need the prior authorization of the Company to engage in conduct protected by this Section 13, and the Grantee does not need to notify the Company that the Grantee has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

14. Covenant Not to Compete and Not to Solicit.

(A) To the fullest extent permitted by law and only where permitted by governing law, Grantee hereby agrees that during his or her employment with the Company or any of its Subsidiaries and for a period of two years following Grantee’s termination of employment with the Company and its Subsidiaries (the “Non-Compete Period”), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material shareholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its Subsidiaries engages in or is planning to engage in during the term of Grantee’s employment with the Company or any Subsidiary, including but not limited to, any business engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers (the “Business”). Such restriction shall cover Grantee’s activities anywhere in the contiguous United States. Section 14(A) shall not be applicable to any Grantee who lives or primarily performs services for the Company in any jurisdiction that does not, at the time Grantee accepts the Award, permit non-competition provisions, including California, Minnesota, North Dakota and Oklahoma. Similarly, Section 14(A) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits non-competition provisions only if certain compensation thresholds or other conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions. Section 14(A) also does not restrict the right of a Grantee employed by Company as an attorney to practice after separation from employment.

(B) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Grantee will not, directly or indirectly, on behalf of Grantee or any other person or entity, solicit, induce or attempt to solicit or induce any person who is or was employed by, or in a contractor relationship with, the Company or its Subsidiaries within the one (1) year period immediately preceding the date of solicitation or inducement, to (i) interfere with the activities or businesses of the Company or any of its Subsidiaries, (ii) discontinue employment or contractor status with the Company or any of its Subsidiaries, or (iii) interfere with, alter or modify their employment or contractor

relationship with the Company or any of its Subsidiaries. Grantee also agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Grantee will not, on behalf of Grantee or any other person or entity, hire, attempt to hire, assist in any way with the hiring of, or otherwise employ or engage, or attempt to employ or engage, any person who is or was employed by or in a contractor relationship with the Company or its Subsidiaries within the one (1) year period immediately preceding the date of such hiring, assistance with hiring, employment or engagement.

(C) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period, the Grantee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Subsidiaries to divert their business to any competitor of the Company or any of its Subsidiaries or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Subsidiaries (including, without limitation, making any negative statements or communications about the Company and its Subsidiaries). During such Non-Compete Period, the Grantee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Subsidiaries, prior to the Grantee's termination of employment with the Company and its Subsidiaries, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Subsidiaries, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Subsidiaries.

Sections 14(B) and 14(C) shall not be applicable to the extent that Grantee lives or primarily performs services for the Company in a jurisdiction that does not permit customer, supplier or non-distributor non-solicitation provisions. Similarly, Sections 14(B) and 14(C) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits customer, supplier or non-distributor non-solicitation provisions only if certain compensation thresholds or conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions.

(D) Grantee understands that the provisions of Section 13 and Section 14 hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Subsidiaries he or she nevertheless agrees and hereby acknowledges that such provisions, where permitted by governing law: (i) do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any of its Subsidiaries; (ii) contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) are supported by sufficient consideration to compensate the Grantee for the restrictions contained in Section 13 and Section 14 hereof.

(E) If, at the time of enforcement of Section 13 or Section 14 of these Additional Terms and Conditions, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Grantee acknowledges that he or she is a member of the Company's and its Subsidiaries' management group with access to the Company's and its Subsidiaries' confidential business information and his or her services are unique to the Company and its Subsidiaries. The Grantee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in Section 13 or Section 14 hereof will be inadequate and that in the event of any such breach, the Company and its Subsidiaries may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Grantee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of these Additional Terms and Conditions. In addition, in the event of a breach or violation by the Grantee of this Section 14, the Non-Compete Period set forth herein shall be tolled until such breach or violation has been cured.

(F) Each of the covenants of Section 13 and Section 14 hereof are given by the Grantee as part of the consideration for the option award granted hereunder and as an inducement to the Company to grant such options and accept the obligations thereunder.

15. Electronic Delivery. The Company may, in its sole discretion, deliver any documents relating to your options and your participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company.

16. Construction. Your option award is made and granted pursuant to the Plan and is in all respects limited by and subject to the terms of the Plan. In the event of any inconsistency between the Plan and these Additional Terms and Conditions, the terms of the Plan shall control.

17. Compliance with Laws and Regulations; No Shareholder Rights The issuance of shares of Common Stock pursuant to your exercise of your option shall be subject to compliance by you with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Company's Common Stock may be listed for trading at the time of such issuance. Neither you, nor any person entitled to exercise your rights in the event of your death, shall have any of the rights and/or privileges of a shareholder with respect to shares of the Company's Common Stock subject to the option, until such shares have been issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), notwithstanding the exercise of the option.

18. **Binding Effect; No Third Party Beneficiaries.** These Additional Terms and Conditions shall be binding upon and inure to the benefit of the Company and you and each of our respective heirs, representatives, successors and permitted assigns. These Additional Terms and Conditions shall not confer any rights or remedies upon any person other than the Company and you and each of our respective heirs, representatives, successor and permitted assigns.

19. **Notice.** Any notice required to be given or delivered to the Company under the terms of these Additional Terms and Conditions shall be in writing and addressed to the Company at its principal corporate office. Except to the extent electronic notice is authorized hereunder, any notice required to be given or delivered to you shall be in writing and addressed to you at your most recent address set forth in the Company's records. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

20. **Section 409A.** The option is intended to be excepted from coverage under Section 409A of the Code ("Section 409A") and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without your consent, modify or amend these Additional Terms and Conditions, impose conditions on the timing and effectiveness of the exercise of the option by you, or take any other action it deems necessary or advisable, to cause the option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted). Notwithstanding the foregoing, you recognize and acknowledge that Section 409A may impose upon you certain taxes or interest charges for which you are and shall remain solely responsible.

**THE SHERWIN-WILLIAMS COMPANY
2006 EQUITY AND PERFORMANCE INCENTIVE PLAN
(AMENDED AND RESTATED AS OF OCTOBER 13, 2023)**

Restricted Stock Units Award Agreement

Grantee: _____

Date of Grant:

Date of Vesting:

Target number of Performance-Based EPS RSUs ("Target EPS RSUs") _____

Target number of Performance-Based RONAE RSUs ("Target RONAE RSUs") _____

Target number of Performance-Based Restricted Stock Units ("Total RSUs") _____

1. **Grant of Restricted Stock Units.** The Compensation and Management Development Committee of the Board of Directors (the "Committee") of The Sherwin-Williams Company (the "Company") or its delegate has granted to you ("Grantee") the Restricted Stock Unit awards (the "RSUs") set forth above in accordance with the terms of this Restricted Stock Units Award Agreement (this "Agreement") and the terms of The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023) (the "Plan"), the related Prospectus and any Prospectus Supplement, and such other rules and procedures as may be adopted by the Company. The Total RSUs consist of the Target EPS RSUs and Target RONAE RSUs (collectively, the "Target RSUs"), as set forth above, and subject to the terms and conditions set forth herein, in the Plan, and on file with the Committee. Capitalized terms used herein without definition or other identification shall have the meanings assigned to them in the Plan.

2. **Vesting of RSUs.**

(A) **Vesting of Performance-Based EPS RSUs.** Subject to Section 3 hereof, provided Grantee is continuously employed with the Company or a Subsidiary from the Date of Grant through the Date of Vesting, inclusive (the "Restriction Period"), in Grantee's present position or in such other position that, as the Committee may determine, entitles Grantee to retain the rights under this grant (each such position being hereinafter referred to as a "Participating Position"), a percentage ranging from 0% to 200% of the Target EPS RSUs shall become nonforfeitable ("Vested," "Vested RSUs" or similar terms) in accordance with the relative level of achievement of the Management Objective set forth below (the "Vesting Percentage") and shall be settled in accordance with the terms of Section 4 hereof. The determination of the Vesting Percentage shall be made after such time as the Committee has obtained the information, made the decisions, and completed the calculations necessary to make such determination. The Vesting Percentage is based upon the Company's Earnings Per Share ("Cumulative EPS") during the three-year period ending on December 31 of the most recently completed fiscal year prior to the Date of Vesting (the "Measurement Period"), as determined in accordance with the following table:

<u>Cumulative EPS</u>	<u>Vesting Percentage</u>
Equal to or greater than	200%
	175%
	150%
	125%
	100%
	88%
	75%
	63%
	50%
	38%
	25%
Less than	0%

When the Cumulative EPS results during the Measurement Period fall between the table values, straight-line mathematical interpolation will be used to determine the Vesting Percentage calculated to the nearest hundredth of a percentage. The manner in which the Committee will determine Cumulative EPS during the Measurement Period is set forth on Exhibit A attached hereto, subject to terms set by and on file with the Committee.

(B) **Vesting of Performance-Based RONAE RSUs.** Subject to Section 3 hereof, provided Grantee is continuously employed with the Company or a Subsidiary during the Restriction Period, in Grantee's Participating Position, a percentage ranging from 0% to 200% of the Target RONAE RSUs shall become Vested in accordance with the Vesting Percentage (as set forth below) and shall be settled in accordance with the terms of Section 4 hereof. The determination of the Vesting Percentage shall be made after such time as the Committee has obtained the information, made the decisions, and completed the calculations necessary to make such determination. The Vesting Percentage is based upon the Company's Return On Net Assets Employed ("Average Annual RONAE") during the Measurement Period, as determined in accordance with the following table:

<u>Average Annual RONAE</u>	<u>Vesting Percentage</u>
Equal to or greater than	200%
	175%
	150%
	125%
	100%
	88%
	75%
	63%
	50%
	38%
	25%
Less than	0%

When the Average Annual RONAE results during the Measurement Period fall between the table values, straight-line mathematical interpolation will be used to determine the Vesting Percentage calculated to the nearest hundredth of a percentage. The manner in which the Committee will determine Average Annual RONAE during the Measurement Period is set forth on Exhibit B attached hereto, subject to terms set by and on file with the Committee.

3. Termination of Rights to Total RSUs; Acceleration of Vesting. Notwithstanding anything herein to the contrary:

(A) On the date Grantee ceases to be continuously employed in any Participating Position(s) at any time during the Restriction Period, the Total RSUs shall be forfeited and Grantee shall forfeit and lose all rights to the Total RSUs that are not Vested as of such date, except as otherwise provided below or as otherwise provided in an agreement between the Grantee and the Company or a plan in which the Grantee is a participant:

(i) In the event of the death of Grantee during the Restriction Period, the greater of (I) 100% of the Target RSUs or (II) the Vesting Percentage of the Target RSUs based on the actual Cumulative EPS and Average Annual RONAE measured as of the end of the last completed fiscal quarter preceding the date of Grantee's death and the projected forecast of Cumulative EPS and Average Annual RONAE over the remaining Restriction Period, shall immediately be Vested.

(ii) In the event Grantee becomes Disabled, the greater of (I) 100% of the Target RSUs or (II) the Vesting Percentage of the Target RSUs based on the actual Cumulative EPS and Average Annual RONAE measured as of the end of the last completed fiscal quarter preceding the date on which Grantee becomes Disabled and the projected forecast of Cumulative EPS and Average Annual RONAE over the remaining Restriction Period, shall immediately be Vested.

(iii) In the event Grantee's employment terminates as a result of "Retirement," all rights of Grantee under this grant with respect to the Target RSUs shall continue as if Grantee had continued employment in a Participating Position, and the Vesting Percentage of the Target RSUs will be determined as if Grantee had remained employed in a Participating Position throughout the Restriction Period; provided, however, that Grantee must provide the Company with written notice of Grantee's Retirement at least 180 days prior to the anticipated date of Retirement in order to be eligible for continued vesting under this Section 3(A)(iii) (the "Notice Deadline") (if such written notice is not received by the Company on or before the Notice Deadline, any award granted to the Grantee under the Plan during the 180-day period prior to the date of the Grantee's cessation of employment with the Company or a Subsidiary shall be immediately cancelled and forfeited (unless the reason for such failure is due to the Grantee becoming "Disabled")). "Retirement" shall be defined as Grantee's voluntary cessation of employment with the Company or any Subsidiary after: (x) the attainment of age 65 or (y) the attainment of age 55 or older and Grantee's combination of age and years of service with the Company or any Subsidiary equals at least 75. Notwithstanding the foregoing, if Grantee participates in the Company's Key Employee Separation Plan (the "KESP"),

experiences a “covered termination” (as defined in the KESP), and meets the age and/or service requirements for a qualifying “Retirement” under this Section 3(A)(iii), the Grantee shall continue to vest as provided herein and Section 4.2 of the KESP without regard to the Notice Deadline requirement.

(iv) Notwithstanding Section 2 above, in the event of a Change of Control, the Total RSUs shall Vest on fulfillment of the conditions specified in Section 12 of the Plan, and, for clarification in this regard, the phrase “as if 100% of the Management Objectives have been achieved” contained in Section 12 of the Plan, as applied to this Agreement, means as if all Management Objectives have been achieved (i.e., achievement at or above the maximum target levels set forth in this Agreement).

(B) With respect to a Grantee that is a corporate officer and operating management, in the event Grantee is transferred from a Participating Position, the Committee shall have the right to cancel Grantee’s rights hereunder, continue Grantee’s rights hereunder in full, or prorate the number of Total RSUs evidenced hereby for the portion of the Restriction Period completed as of the date of such transfer or as the Committee may otherwise deem appropriate. In the event Grantee’s rights hereunder continue in full or the number of Total RSUs is prorated, the other requirements for Vesting will continue to apply, including that Grantee remain continuously employed by the Company or a Subsidiary through the Date of Vesting, subject to earlier Vesting pursuant to Section 3(A). Any such Award will be settled in accordance with Section 4.

(C) In the event that Grantee knowingly or willfully engages in misconduct, which is materially harmful to the interests of the Company or a Subsidiary, as may be determined by the Committee, in its sole discretion, or violates Section 14 or Section 15 of this Agreement, all rights of Grantee to the RSUs shall terminate.

4. Settlement of RSUs.

(A) General. Upon satisfaction of the Vesting requirements set forth in Sections 2 and/or 3 hereof, and as soon as administratively practicable following (but no later than thirty (30) days following) the Date of Vesting, the Company shall issue Grantee one share of Common Stock free and clear of any restrictions for each Vested RSU.

(B) Other Payment Events for Vested RSUs. Notwithstanding Section 4(A), to the extent that prior to the Date of Vesting there are any Vested RSUs pursuant to Section 3 hereof, such Vested RSUs shall be settled prior to the date set forth under Section 4(A) as follows:

(i) Death. In the event of the death of the Grantee during the Restriction Period, the Company shall issue to Grantee’s proper beneficiaries one share of Common Stock free and clear of any restrictions for each Vested RSU within thirty (30) days of the date of Grantee’s death.

(ii) Disability. In the event that Grantee becomes "Disabled" during the Restriction Period, the Company shall issue Grantee one share of Common Stock free and clear of any restrictions for each Vested RSU within thirty (30) days of the date on which Grantee becomes Disabled. "Disabled" shall mean that Grantee (x) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (y) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

(iii) Change of Control. In the event of a Change of Control during the Restriction Period, Vested RSUs shall be settled in accordance with Section 12 of the Plan. Notwithstanding any provision of this Agreement or the Plan to the contrary, if Section 409A of the Code applies to the payment and Grantee experiences a termination of employment after the Change of Control resulting in Vested RSUs under Section 12 of the Plan, Grantee is entitled to receive settlement of any Vested RSUs under Section 12 of the Plan on the date that would have otherwise applied pursuant to Sections 4(A), 4(B)(i) or 4(B)(ii) as though such Change of Control had not occurred. Notwithstanding any provision of this Agreement or the Plan to the contrary and to the extent required to comply with Section 409A, if any Target RSU is Assumed, any outstanding Target RSUs which at the time of the Change of Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be not Assumed and will be payable in accordance with Section 12(b) of the Plan.

5. **Dividend Equivalents; Other Rights.** From and after the Date of Grant and until the earlier of (A) the time when the RSUs Vest and are settled in accordance with Section 4 hereof or (B) the time when Grantee's rights to the RSUs are forfeited in accordance with Section 3 hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, Grantee shall be entitled to a deferred cash payment equal to the value of the product of (x) the dollar amount of the cash dividend paid per share of Common Stock on such date and (y) 200% of the Target RSUs; however, such dividend equivalents (if any) shall be paid in cash only, and shall not be paid unless and until the Restriction Period has lapsed, and shall be subject to such other applicable terms and conditions (including payment or forfeitability) as the RSUs on which the dividend equivalents were credited. In this regard, the right to any such dividend equivalent payment shall Vest at the same time as the RSUs to which they relate and shall be distributed to Grantee concurrently with the RSUs (and in proportion to the percentage of the RSUs that Vest and are to be paid in Common Stock in settlement of such RSUs), without regard to the number of shares of Common Stock withheld to pay any applicable withholding tax obligations. The obligations of the Company hereunder will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock or cash, as the case may be, in the future, and the rights of Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company hereunder.

6. **No Shareholder/Voting Rights.** Grantee will not be a shareholder of record and shall have no voting rights with respect to shares of Common Stock underlying an RSU prior to the Company's issuance of such shares following the Date of Vesting or the otherwise applicable settlement date.

7. **Transferability.** During the Restriction Period, Grantee shall not be permitted to sell, transfer, pledge, encumber, assign or dispose of the RSUs.

8. **Withholding; Taxes.** If the Company shall be required to withhold (including required to account to any tax authority for) any federal, state, local or foreign taxes or other amounts in connection with the RSUs or the underlying shares of Common Stock, the Company shall automatically and mandatorily withhold a number of shares of Common Stock issuable hereunder equal to the Grantee's minimum statutory withholding tax obligation. Notwithstanding any other provision of this Agreement or the Plan, the Company shall not be obligated to guarantee any particular tax result for Grantee with respect to any payment provided to Grantee hereunder, and Grantee shall be responsible for any taxes imposed on Grantee with respect to any such payment.

9. **No Right to Future Awards or Employment.** The grant is a voluntary, discretionary bonus being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant and any related payments made to Grantee will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained herein will confer upon Grantee any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate Grantee's employment or other service at any time.

10. **Nature of Grant.** Grantee acknowledges that (A) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty and (B) in consideration of the grant of the RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or diminution in value of the shares received upon settlement including (without limitation) any claim or entitlement resulting from termination of Grantee's active employment by the Company or a Subsidiary (for any reason whatsoever and whether or not in breach of local labor laws) and Grantee hereby releases the Company and its Subsidiaries from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the RSUs and this Agreement, Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

11. **Severability.** If any provision of this grant or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this grant and the application of such provision to any other person or circumstances shall not be affected, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

12. **Governing Law.** Where permitted, this grant shall be governed by and construed with the internal substantive laws of the State of Ohio, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

13. **Clawback/Recapture/Recoupment Rights and Policies.** Grantee acknowledges and agrees that the terms and conditions set forth in The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time, the "Executive Clawback Policy") and The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time, the "Key Employee Clawback Policy") are incorporated in this Agreement by reference. To the extent the Executive Clawback Policy or the Key Employee Clawback Policy is applicable to Grantee, it creates additional rights for the Company with respect to Grantee's RSUs and other applicable compensation, including, without limitation, annual cash incentive compensation awards granted to Grantee under The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated), or any successor plan. Notwithstanding any provisions in this Agreement to the contrary, any RSUs granted under the Plan and such other applicable compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by Grantee to the Company to the extent Grantee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting RSUs under the Plan and pursuant to this Agreement, Grantee consents to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agrees and acknowledges that Grantee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup RSUs, any gains or earnings related to RSUs, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from Grantee of any such amounts, including from Grantee's accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

14. **Ownership and Protection of Intellectual Property and Confidential Information.**

(A) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Grantee, individually or in conjunction with others, during Grantee's employment by the Company or any of its Subsidiaries, both before and after the Date of Grant

(whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its Subsidiaries (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information), and all writings or materials of any type embodying any of such items (collectively, "Work Product"), shall be the sole and exclusive property of the Company or a Subsidiary, as the case may be, and shall be treated as "work for hire." It is recognized that the Grantee is an experienced executive in the business of the Company and its Subsidiaries and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 14.

(B) Grantee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its Subsidiaries' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Grantee agrees to assist the Company, at the Company's expense, to secure the Company's and its Subsidiaries' rights in the Work Product in any and all countries, including the execution by the Grantee of all applications and all other instruments and documents which the Company and/or its Subsidiaries shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its Subsidiaries the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of Grantee's mental or physical incapacity or for any other reason (including Grantee's refusal to do so after request therefor is made by the Company) to secure Grantee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Subsidiaries pursuant to Section 14(A) above, then the Grantee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as Grantee's agent and attorney-in-fact to act for and in Grantee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by Grantee. The Grantee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this Section 14 in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Subsidiaries.

(C) Grantee acknowledges that the businesses of the Company and its Subsidiaries are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Subsidiaries use in their

business to obtain a competitive advantage over their competitors. The Grantee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Subsidiaries in maintaining their competitive position. The Grantee acknowledges that by reason of the Grantee's duties to, and association with, the Company and its Subsidiaries, the Grantee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Subsidiaries. The Grantee hereby agrees that the Grantee will not, at any time during or after his or her employment by the Company or its Subsidiaries, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Subsidiaries, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. The Grantee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Grantee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that the Grantee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its Subsidiaries an opportunity (which the Grantee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its Subsidiaries would not be considered confidential to the Company and its Subsidiaries.

(D) All written materials, records, and other documents made by, or coming into the possession of, the Grantee during the period of Grantee's employment by the Company or its Subsidiaries which contain or disclose confidential business information or trade secrets of the Company or its Subsidiaries, or which relate to Grantee's Work Product described in Section 14(A) above, shall be and remain the property of the Company, or its Subsidiaries, as the case may be. Upon termination of Grantee's employment, for any reason, the Grantee promptly shall deliver the same, and all copies thereof, to the Company.

(E) Nothing in this Agreement shall prohibit or restrict the Grantee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Grantee does not need the prior authorization of the Company to engage in conduct protected by this Section 14, and the Grantee does not need to notify the Company that the Grantee has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their

attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

15. Covenants Not to Compete and Not to Solicit

Grantee acknowledges and agrees that, during Grantee's employment with the Company, Grantee has and will become acquainted with and obtain confidential, proprietary, and trade secret information about the Company's processes, plans, strategies and operations, customers, suppliers and distributors, including the status of the Company's relationships with customers, suppliers, vendors and distributors; the preferences of the Company's customers, suppliers and distributors; pricing, discounting, margin and contracting terms related to the Company's customers, suppliers and distributors; information related to the technology, products and services of the Company, the amounts and sources of income, profits, losses or expenditures or other information of commercial value; and other non-public information about the Company's customer, supplier and distributor relationships that give the Company a competitive edge in the marketplace. In exchange for and by accepting the benefits afforded by this Agreement, including the RSUs referenced herein, and to protect the Company's confidential, proprietary, and trade secret information, and the Company's investment in building the relationships with its customers, suppliers and distributors, the Grantee agrees to these terms:

(A) To the fullest extent permitted by law and only where permitted by governing law, Grantee hereby agrees that during his or her employment with the Company or any of its Subsidiaries and for a period of two years following Grantee's termination of employment with the Company and its Subsidiaries (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material shareholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its Subsidiaries engages in or is planning to engage in during the term of Grantee's employment with the Company or any Subsidiary, including but not limited to, any business engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers (the "Business"). Such restriction shall cover Grantee's activities anywhere in the contiguous United States. Section 15(A) shall not be applicable to any Grantee who lives or primarily performs services for the Company in any jurisdiction that does not, at the time Grantee accepts the Award, permit non-competition provisions, including California, Minnesota, North Dakota and Oklahoma. Similarly, Section 15(A) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits non-competition provisions only if certain compensation thresholds or other conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions. Section 15(A) also does not restrict the right of a Grantee employed by Company as an attorney to practice law after separation from employment.

(B) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period and for a one (1) year period

thereafter, the Grantee will not, directly or indirectly, on behalf of Grantee or any other person or entity, solicit, induce or attempt to solicit or induce any person who is or was employed by, or in a contractor relationship with, the Company or its Subsidiaries within the one (1) year period immediately preceding the date of solicitation or inducement, to (i) interfere with the activities or businesses of the Company or any of its Subsidiaries, (ii) discontinue employment or contractor status with the Company or any of its Subsidiaries, or (iii) interfere with, alter or modify their employment or contractor relationship with the Company or any of its Subsidiaries. Grantee also agrees that during the Non-Compete Period and for a one (1) year period thereafter, the Grantee will not, on behalf of Grantee or any other person or entity, hire, attempt to hire, assist in any way with the hiring of, or otherwise employ or engage, or attempt to employ or engage, any person who is or was employed by or in a contractor relationship with the Company or its Subsidiaries within the one (1) year period immediately preceding the date of such hiring, assistance with hiring, employment or engagement.

(C) To the fullest extent permitted by law and only where permitted by governing law, Grantee agrees that during the Non-Compete Period, the Grantee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Subsidiaries to divert their business to any competitor of the Company or any of its Subsidiaries or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Subsidiaries (including, without limitation, making any negative statements or communications about the Company and its Subsidiaries). During such Non-Compete Period, the Grantee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Subsidiaries, prior to the Grantee's termination of employment with the Company and its Subsidiaries, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Subsidiaries, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Subsidiaries.

Sections 15(B) and 15(C) shall not be applicable to the extent that Grantee lives or primarily performs services for the Company in a jurisdiction that does not permit customer, supplier or non-distributor non-solicitation provisions. Similarly, Sections 15(B) and 15(C) shall not be applicable to any Grantee who lives or primarily performs services in any jurisdiction that permits customer, supplier or non-distributor non-solicitation provisions only if certain compensation thresholds or conditions have been satisfied, and Grantee does not meet such compensation thresholds or conditions.

(D) Grantee understands that the provisions of Section 14 and Section 15 hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Subsidiaries he or she nevertheless agrees and hereby acknowledges that such provisions: (i) do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any of its Subsidiaries; (ii) contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) are supported by sufficient consideration to compensate the Grantee for the restrictions contained in Section 14 and Section 15 hereof.

(E) If, at the time of enforcement of Section 14 or Section 15 of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Grantee acknowledges that he or she is a member of the Company's and its Subsidiaries' management group with access to the Company's and its Subsidiaries' confidential business information and his or her services are unique to the Company and its Subsidiaries. The Grantee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in Section 14 or Section 15 hereof will be inadequate and that in the event of any such breach, the Company and its Subsidiaries may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Grantee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Grantee of this Section 15, the Non-Compete Period set forth herein shall be tolled until such breach or violation has been cured.

(F) Each of the covenants of Section 14 and Section 15 hereof are given by the Grantee as part of the consideration for the RSUs granted hereunder and as an inducement to the Company to grant such RSUs and accept the obligations thereunder.

16. **Data Privacy.** Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this document by and among, as applicable, Grantee's employer ("Employer") and the Company and its Subsidiaries, for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that Employer and the Company and its Subsidiaries hold (but only process or transfer to the extent required or permitted by local law) the following personal information about Grantee: Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor, for the purpose of implementing, administering and managing the Plan (collectively, the "Data"). Grantee understands that Data may be transferred to third parties assisting in the implementation, administration and management of the Plan, including Fidelity Stock Plan Service LLC, that these recipients may be located in Grantee's country or elsewhere (including countries outside of the European Union or the European Economic Area, such as the United States of America), and that the recipient's country may have different data privacy laws and protections than those that apply in Grantee's country. Grantee understands that Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting Grantee's local human resources representative. Grantee authorizes these recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom Grantee may elect to deposit any shares acquired upon vesting or earning of the RSUs. Grantee understands that Data will be held only as long as is

necessary to implement, administer and manage Grantee's participation in the Plan and in accordance with local law. Grantee understands that Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative. Grantee understands, however, that refusing or withdrawing Grantee's consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee hereby understands that Grantee may contact his or her local human resources representative.

17. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs and Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request Grantee's consent to participate in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. Compliance with Section 409A of the Code. The award covered by this Agreement is intended to be excepted from coverage under, or compliant with, the provisions of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder ("Section 409A"). Notwithstanding the foregoing or any other provision of this Agreement or the Plan to the contrary, if the award is subject to the provisions of Section 409A (and not exempted therefrom), the provisions of this Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Grantee agrees that the Company may, without the consent of Grantee, modify the Agreement to the extent and in the manner the Company deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Company deems appropriate in order either to preclude any such payment or benefit from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be subject to the imposition of taxes and/or interest thereunder. If, at the time of Grantee's separation from service (within the meaning of Section 409A of the Code), (A) Grantee shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (B) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the settlement of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company shall not settle such amount on the otherwise scheduled settlement date but shall instead settle it, without interest, on the first business day of the month after such six-month period. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with Section 409A, and Grantee recognizes and acknowledges that Section 409A could potentially

impose upon Grantee certain taxes and/or interest charges for which Grantee is and shall remain solely responsible.

19. **Construction.** This Agreement is made and granted pursuant to the Plan and is in all respects limited by and subject to the terms of the Plan. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

20. **Compliance with Laws and Regulations.** The issuance of shares of Common Stock pursuant to this Agreement shall be subject to compliance by Grantee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which Company's stock may be listed for trading at the time of such issuance.

21. **Binding Effect; No Third Party Beneficiaries.** This Agreement shall be binding upon and inure to the benefit of the Company and Grantee and their respective heirs, representatives, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than the Company and Grantee and their respective heirs, representatives, successors and permitted assigns.

22. **Notice.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate office. Except to the extent electronic notice is authorized hereunder, any notice required to be given or delivered to Grantee shall be in writing and addressed to Grantee at Grantee's most recent address set forth in the Company's records. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage, prepaid and properly addressed to the party to be notified.

Exhibit A

Cumulative Earnings Per Share shall be equal to the sum of the Earnings Per Share ("EPS") for each fiscal year of the Company during the Measurement Period.

Example:

Year 1 EPS	\$[_____]
Year 2 EPS	\$[_____]
Year 3 EPS	\$[_____]
Cumulative EPS	\$[_____]

Cumulative EPS = \$[_____]

Exhibit B

Average Annual Return On Net Assets Employed shall be equal to the sum of the Return On Net Assets Employed ("RONAE") for each fiscal year of the Company during the Measurement Period divided by three.

Example:

Year 1 RONAE	[]%
Year 2 RONAE	[]%
Year 3 RONAE	[]%
Average Annual RONAE	[]%

Average Annual RONAE = []%

THE SHERWIN-WILLIAMS COMPANY

2007 Executive Annual Performance Bonus Plan
(Amended and Restated as of October 13, 2023)

1. **Purpose.** The purpose of The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated Effective October 13, 2023) (formerly known as The Sherwin-Williams Company 2007 Executive Performance Bonus Plan) (the "Plan") is to attract and retain executives and other key employees for The Sherwin-Williams Company, an Ohio corporation (the "Company"), and its Subsidiaries (as hereinafter defined) and to incent such persons for superior performance in producing results that increase shareholder value, as well as to encourage individual and team behavior that helps the Company achieve both short- and long-term corporate objectives. This Plan is intended to provide performance-based compensation to certain individuals as further described herein that is fully deductible by the Company under federal tax law and is to be interpreted and operated accordingly.
2. **Definitions.**
 - (a) "162(m) Participant" means an eligible individual who is, or who the Committee determines is, likely to become a "Covered Employee" within the meaning of Section 162(m) with respect to an Award of Performance-Based Compensation made under this Plan, in each case, as designated by the Committee.
 - (b) "Award" means, with respect to each Participant, the award determined pursuant to Section 8 for a Plan Year. Each Award is determined by a Payout Formula(e) for the applicable Plan Year, subject to the Committee's authority to adjust the Award otherwise payable.
 - (c) "Base Salary" means, as to any Plan Year, the Participant's actual salary paid during the Plan Year. Such Base Salary shall be determined before both (i) deductions for taxes or benefits, and (ii) deferrals of compensation pursuant to Company-sponsored plans.
 - (d) "Board" means the Board of Directors of the Company.
 - (e) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
 - (f) "Committee" means the Compensation and Management Development Committee of the Board, or a sub-committee of that Committee, which shall, with respect to payments hereunder intended to qualify as Performance-Based Compensation, consist solely of two or more members of the Board who are not employees of the Company and who otherwise qualify as "outside directors" within the meaning of Section 162(m).
 - (g) "Determination Date" means the date which is 90 days after the commencement of the Plan Year (or such earlier or later date as may be required or permitted under applicable regulations under Section 162(m)).
 - (h) "Executive Clawback Policy" means The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy (as may be amended and restated from time to time).
 - (i) "Key Employee Clawback Policy" means The Sherwin-Williams Company Key Employee Clawback Policy (as may be amended and restated from time to time).
 - (j) "Maximum Award" means, as to any Participant for any particular Plan Year for any Performance-Based Compensation, \$7.5 Million and 00/100 Dollars (\$7,500,000.00) paid under this Plan for that year.
 - (k) "Participant" means an eligible executive or other key employee of the Company or a Subsidiary participating in this Plan for a particular Plan Year as determined pursuant to Section 4.

- (l) "Payout Formula(e)" means as to any Plan Year, the formula(e), or payout matrix or matrices established by the Committee pursuant to Section 7 in order to determine the Awards (if any) to be paid to Participants. The formula(e), matrix or matrices may differ from Participant to Participant.
- (m) "Performance-Based Compensation" means compensation that is intended to qualify as "performance-based compensation" within the meaning of Section 162(m). Effective for tax years after 2017, the performance-based compensation exception under Section 162(m) was repealed; provided, however that notwithstanding such repeal, the performance-based compensation exception under Section 162(m) is subject to a transition rule for remuneration that is payable pursuant to a written binding contract that was in effect on November 2, 2017 and is not materially modified thereafter. For the avoidance of doubt, it is the intent of the Company to preserve Performance-Based Compensation that is and/or may be payable under this Plan to the maximum extent permissible by law.
- (n) "Performance Goals" means the goal(s) (or combined goal(s)) determined by the Committee (in its discretion) to be applicable to a Participant with respect to an Award. As determined by the Committee, the Performance Goals applicable to an Award may be described in terms of Company-wide objectives and/or objectives that are related to the performance of an individual Participant or of a Subsidiary, division, department or function within the Company or Subsidiary in which the Participant is employed. Performance Goals may differ from Participant to Participant and from Award to Award.
- (o) "Plan Year" means the Company's fiscal year.
- (p) "Section 162(m)" means Section 162(m) of the Code, or any successor to Section 162(m), as that Section may be interpreted from time to time by the Internal Revenue Service, whether by regulations, notice or otherwise.
- (q) "Shareholder Approved Performance Measurement(s)" means Performance Goal(s) determined by the Committee that are based upon measurements with respect to any of the following: appreciation in value of shares; shareholder return (including, without limitation, total shareholder return and absolute shareholder return); earnings per share; book value per share; operating income; net income; earnings (including, without limitation, pretax earnings, retained earnings, earnings before interest and taxes, and earnings before interest, taxes, depreciation and amortization); pro forma net income; return on equity; return on assets (including, without limitation, designated assets); return on net assets employed, return on capital; return on sales; sales; sales per employee; revenues; expenses; cash flow (including, without limitation, operating cash flow and free cash flow); cash flow return on investment; operating profit margin or net profit margin; cost of capital; total debt to capitalization; gallon growth; interest coverage; inventory management; profit after tax; reduction of fixed costs; working capital; return on equity; enterprise value; any of the above criteria as compared to the performance of a published or a special index deemed applicable by the Committee, including, but not limited to, the Standard & Poor's 500 Stock Index; or any other objective goals established by the Committee. Where more specific metrics are listed within the categories herein, they are intended to be illustrative and are not to be construed as limitations on the more generic metrics.

Prior to the repeal of the exception relating to performance-based compensation under Section 162(m), Performance Goals for Performance-Based Compensation were based upon Shareholder Approved Performance Measurements in order to comply with the requirements of the qualified performance-based compensation exception under Section 162(m). For the avoidance of doubt, awards that are not intended to be Performance-Based Compensation, including awards to non-162(m) Participants and awards to 162(m) Participants established after January 1, 2018 that are not tax deductible, may be based on Performance Goals that are Shareholder Approved Performance Measurements.

To the extent consistent with Section 162(m), on or prior to the Determination Date, the Committee may determine that certain adjustments to Performance-Based Compensation shall apply, in whole or in part, in such manner as specified by the Committee, to exclude or include the effect of specified events that occur during a Plan Year, including the following: the impairment of tangible or intangible assets; asset write-downs; litigation or claim judgments or settlements; acquisitions or divestitures; gains or losses on

the sale of assets; severance, contract termination and other costs relating to certain business activities; gains or losses from the disposition of businesses or assets or from the early extinguishment of debt; foreign exchange gains and/or losses; changes in tax law, accounting principles, accounting estimates or other such laws or provisions affecting reported results; changes in regulations that directly impact the business; the effect of any statements issued by the Financial Accounting Standards Board or its committees; business combinations, reorganizations and/or restructuring programs, including, but not limited to, reductions in force and early retirement incentives; currency fluctuations; any unusual, infrequent or non-recurring items, including, but not limited to, such items described in management's discussion and analysis of financial condition and results of operations or the financial statements and/or notes thereto appearing in the Company's annual report for the applicable period; and expenses related to goodwill and other intangible assets, stock offerings, stock repurchases and loan loss provisions.

Shareholder Approved Performance Measurement(s) applicable to an Award may be described in terms of Company-wide objectives or objectives that are related to the performance of an individual Participant or of a Subsidiary, division, department or function within the Company or Subsidiary in which the Participant is employed. Shareholder Approved Performance Measurement(s) may also differ from Participant to Participant and from Award to Award. Shareholder Approved Performance Measurement(s) relating to Performance-Based Compensation must be substantially uncertain at the time they are established by the Committee.

- (r) "Subsidiary" means a corporation, partnership, joint venture, unincorporated association or other entity in which the Company has a direct or indirect ownership or other equity interest.
- (s) "Target Award" means the target award payable under this Plan to a Participant for a Plan Year, expressed as a percentage of his or her Base Salary or a specific dollar amount, as may be determined by the Committee in accordance with Section 6.

3. Administration.

- (a) The Committee shall be responsible for the general administration and interpretation of this Plan and for carrying out its provisions. The Committee may adopt, amend and rescind such rules and regulations as it deems necessary, desirable or appropriate in administering this Plan, and the Committee may act at a meeting or in a written action without a meeting.
- (b) Subject to the requirements for qualifying compensation as Performance-Based Compensation:
 - (i) the Committee may delegate specific tasks, responsibilities and authority to the Company's Chief Executive Officer, the Company's and/or its Subsidiaries' employees or others as it deems appropriate in accordance with this Plan and applicable law and regulations; and, in connection therewith, all references to the Committee in this Plan shall be deemed references to the Company's Chief Executive Officer or such employee(s) as it relates to those aspects of this Plan that have been so delegated; and
 - (ii) except as the Committee may otherwise delegate to Company and Subsidiary employees, the Committee shall, based on recommendations by the Chief Executive Officer:
 1. select from the employees of the Company or a Subsidiary, those employees who shall be Participants;
 2. make Awards in the forms and amounts as the Committee shall determine;
 3. impose such limitations, restrictions and conditions upon such Awards as the Committee shall deem appropriate;
 4. interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan;

5. correct any defect or omission or reconcile any inconsistency in this Plan or in any Award granted hereunder; and
6. make all other necessary determinations and take all other actions as the Committee deems necessary or advisable for the implementation and administration of this Plan.

(c) Any rule or decision by the Committee (including its delegates) that is not inconsistent with the provisions of this Plan shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

4. **Eligibility.** The employees eligible to participate in this Plan for a given Plan Year shall be executives and other key employees of the Company or a Subsidiary as are designated by the Committee; provided, however that such Committee designation shall take into consideration recommendations made by the Chief Executive Officer. No person shall be automatically entitled to participate in this Plan. Subject to Section 9, an employee who becomes eligible after the beginning of a Plan Year may participate in this Plan for that Plan Year.

5. Performance Goal Determination.

- (a) Subject to Section 9, the Chief Executive Officer shall recommend, subject to the approval of the Committee, the process for measuring performance and results. Such recommendation may include, but shall not be limited to: (i) the organizational level of performance measurement, e.g. corporate, business unit, division, product line, function, individual or another level, either singly or in combination; (ii) specific measures of performance for each organizational level; and (iii) specific Performance Goals for each organizational level.
- (b) If the Committee, after consulting with the Chief Executive Officer, determines that external changes or other unanticipated business conditions make it appropriate to modify or adjust Performance Goals, in its sole discretion, then adjustments may be made to the Performance Goals (either up or down).

The Committee (including its delegates), in its sole discretion, may also establish such additional restrictions or conditions that must be satisfied as conditions precedent to the payment of all or a portion of any Awards. Such additional restrictions or conditions need not be performance-based and may include, among other things, the receipt by a Participant of a specified annual performance rating, the continued employment by the Participant and/or the achievement of specified Performance Goals by the Company, business unit or Participant. Furthermore, and notwithstanding any provision of this Plan to the contrary, the Committee (including its delegates), in its sole discretion, may retain the discretion to increase or reduce the amount of any Award to a Participant if it concludes that such increase or reduction is necessary or appropriate based upon: (i) an evaluation of such Participant's performance; (ii) comparisons with compensation received by other similarly situated individuals working within the Company's industry or peer group; (iii) the Company's financial results and conditions; or (iv) such other factors or conditions that the Committee (and its delegates) deems relevant; provided, however, the Committee shall not use its discretionary authority to increase any Award of Performance-Based Compensation to the extent prohibited under Section 162(m).

Notwithstanding the foregoing, for Performance-Based Compensation, the Shareholder Approved Performance Measurement(s) shall be set forth in writing prior to the Determination Date and such Performance Measurement(s), as specified (including with related adjustments) prior to the Determination Date, shall not be subject to modification thereafter.

6. **Target Award Determination.** Subject to Section 9, the Chief Executive Officer may recommend, subject to the approval of the Committee in its sole discretion, each Participant's Target Award.
7. **Determination of Payout Formula(e).** The Committee, in its sole discretion, shall establish a Payout Formula(e) for purposes of determining the Award (if any) payable to each Participant.

8. Determination of Awards; Award Payment.

- (a) **Determination and Certification.** After the end of each Plan Year, and prior to March 15 of the immediately following calendar year, the Committee shall determine and certify in writing the extent to which any Shareholder Approved Performance Measurement(s) and Performance Goals applicable to each Participant for the Plan Year were achieved or exceeded and the resulting amount of the Award (if any) payable to each Participant pursuant to the Payout Formula(e), including any application of the Committee's discretionary authority described herein. For purposes of this provision, and for so long as the Code permits, the minutes of the Committee meeting in which the certification is made may be treated as written certification.
- (b) **Adjustment of Determination.** Except as provided in Section 9, if Performance Goals are not achieved, the Chief Executive Officer may recommend, subject to approval of the Committee, payment of awards on a discretionary basis.
- (c) **Right to Receive Payment.** Participants must be actively employed by the Company or a Subsidiary on the last day of the Plan Year to receive an Award for that Plan Year; provided, however, that, subject to Section 9, a Participant who is not employed on the last day of the Plan Year as a result of the Participant's death, disability, retirement, a reduction in force (in the case of disability, retirement and a reduction in force, as determined in the sole discretion of the Committee) directly affecting the Participant or the Participant's transfer to a non-included Subsidiary during the Plan Year, shall nonetheless be eligible to receive the Award, which Award shall be determined solely with respect to amounts of Base Salary earned by the Participant during the period of the Plan Year in which he/she was a Participant. Each Award under this Plan shall be paid solely from the general assets of the Company. Nothing in this Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of an Award other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.
- (d) **Form of Payments.** Payments of Awards, to the extent earned under the terms of this Plan, shall be made by the Company to the Participants in the form of cash.
- (e) **Timing of Payments.** The Company shall pay any amounts payable to Participants as soon as is practicable following the determination and written certification of the Award for a Plan Year, but in no event later than two and one-half months after the end of the applicable Plan Year.
- (f) **Deferral of Awards.** If applicable, a Participant may defer any or all of an amount otherwise payable in connection with an Award in accordance with the provisions of a deferred compensation plan maintained by the Company, if any, provided that: (i) the Participant makes such election by delivering to the Company written notice of such election, at such time and in such form as the Committee may from time to time prescribe in accordance with the deferral requirements set forth in Section 409A; (ii) such election is irrevocable; (iii) such deferred payment will be made in accordance with the provisions of such deferred compensation plan; and (iv) the terms of the deferred compensation plan and the election to defer under this Plan comply with Section 409A.

9. Additional Restrictions with Respect to Performance-Based Compensation .

- (a) Notwithstanding anything contained herein to the contrary, the provisions of this Section 9 shall only apply to 162(m) Participants and only to Shareholder Approved Performance Measurement(s) that are intended to qualify a 162(m) Participant's Award as Performance-Based Compensation that was available under Section 162(m) prior to the repeal of the performance-based compensation exception for tax years after 2017. In the event of any inconsistencies between this Section 9 and any other provisions of this Plan, the provisions of this Section 9 shall control.
- (b) A 162(m) Participant who becomes eligible after the beginning of a Plan Year may participate in this Plan beginning with the succeeding Plan Year, unless such Participant becomes eligible and is approved

by the Committee for participation during the first 90 days of the current Plan Year (or such longer or shorter period as may be permitted or required by the regulations promulgated under Section 162(m)).

- (c) The Committee shall determine the Shareholder Approved Performance Measurement(s) and the portion of the Payout Formula(e) that establishes the maximum amount that would be payable to each 162(m) Participant upon satisfaction of the Shareholder Approved Performance Measurement(s) for the Plan Year in writing no later than 90 days after the beginning of the Plan Year (or such longer or shorter period as may be permitted or required by the regulations promulgated under Section 162(m)).
- (d) Once established, Shareholder Approved Performance Measurement(s) that are intended to qualify the Award as Performance-Based Compensation shall not be changed during the Plan Year, except as approved by the Committee in accordance with Section 2(o). 162(m) Participants shall not receive any payout pursuant to this Section 9 if the Shareholder Approved Performance Measurement(s) intended to qualify the Award as Performance-Based Compensation established by the Committee under the Payout Formula(e) are not met.
- (e) The Committee may not increase the amount payable under the Payout Formula(e) (or portion thereof) that is established to qualify the Award as Performance-Based Compensation, but retains the discretionary authority to reduce such amount or Award through the application of an additional Payout Formula(e) or otherwise. The Committee may establish factors to take into consideration in implementing its discretion, including, but not limited to, corporate, business unit and individual objectives, and other factors.
- (f) Notwithstanding anything to the contrary in this Section 9, in no event shall a Participant's Award for any Plan Year exceed the Maximum Award.

10. Amendment and Termination. The Committee may amend, modify, suspend or terminate this Plan, in whole or in part, at any time; provided, however, that no amendment, modification, suspension or termination shall be made which would materially impair any payments to Participants made prior to such amendment, modification, suspension or termination, unless the Committee has made a determination that such amendment or modification is in the best interests of all persons to whom Awards have theretofore been granted; provided further, however, that in no event with respect to 162(m) Participants, may such amendment or modification cause compensation that is, or may become, payable hereunder to fail to qualify as Performance-Based Compensation. If necessary under applicable law, Plan amendments shall be subject to shareholder approval. At no time before the actual payment of Awards to Participants under this Plan shall any Participant accrue any vested interest or right whatsoever under this Plan except as otherwise stated in this Plan.

11. Withholding. Payments pursuant to this Plan shall be subject to all applicable federal, state, local and other tax and withholding requirements.

12. At-Will Employment. No statement in this Plan should be construed to grant any employee an employment contract of fixed duration or any other contractual rights, nor should this Plan be interpreted as creating an implied or an expressed contract of employment or any other contractual rights between the Company or a Subsidiary and its employees. The employment relationship between the Company or a Subsidiary and its employees is terminable at-will. This means that an employee or the Company or a Subsidiary may terminate the employment relationship at any time and for any reason or no reason.

13. Successors. All obligations of the Company under this Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

14. Nonassignment. The rights of a Participant under this Plan shall not be assignable or transferable by the Participant except by will or the laws of intestacy.

15. **Governing Law.** This Plan shall be governed by the laws of the State of Ohio, without giving effect to its conflict of law provisions.
16. **Section 409A.** The benefits provided under this Plan are intended to be excepted from coverage under Section 409A of the Code and the regulations promulgated thereunder ("Section 409A") and shall be administered and construed accordingly. Notwithstanding any provision of this Plan to the contrary, (a) if any benefit provided under this Plan is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of this Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed), and (b) the Company shall be permitted at any time to make any amendment necessary or desirable to further the intent that this Plan be excepted from coverage under Section 409A or to comply with Section 409A (which amendment may be retroactive to the extent permitted by Section 409A and may be made by the Company without the consent of the Participant).
17. **Clawback Provisions.** All Awards granted under this Plan shall be subject to the terms and conditions set forth in the Executive Clawback Policy and the Key Employee Clawback Policy. To the extent the Executive Clawback Policy or the Key Employee Clawback Policy is applicable to a Participant, it creates additional rights for the Company with respect to Awards provided to the Participant under this Plan. Any Award granted under this Plan will be subject to potential mandatory cancellation, forfeiture and/or repayment by the Participant to the Company to the extent the Participant is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Executive Clawback Policy, the Key Employee Clawback Policy, and any other policies that are adopted to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to Awards under this Plan and the recovery of amounts relating thereto. By accepting an Award under this Plan, the Participant consents to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and agrees and acknowledges that the Participant is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup an Award, any gains or earnings related to an Award, or any other applicable compensation subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Participant of any such amounts, including from the Participant's accounts or from any other compensation, to the extent permissible under Section 409A.
18. **Effective Date.** This Plan was last approved by the Company's shareholders on April 19, 2017, and was further amended on February 13, 2018 and October 13, 2023. Notwithstanding the foregoing, or anything else contained herein to the contrary, with respect to any compensation to be paid under the Plan with respect to a written binding contract that was in effect on November 2, 2017, all terms and conditions of the payment of any such compensation shall be governed by the terms and conditions of this Plan and any underlying documents that combined to constitute the applicable written binding contract relating to such compensation that were in effect on November 2, 2017.

The Sherwin-Williams Company

The following is a list of subsidiaries of The Sherwin-Williams Company, omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of February 1, 2024.

<u>Subsidiary</u>	<u>Domestic</u>	<u>State of Incorporation</u>
165 Kirkwood Road Corp.		NJ
Acquire Sourcing, LLC		DE
Comex North America, Inc.		DE
Contract Transportation Systems Co.		DE
CTS National Corporation		DE
Omega Specialty Products & Services LLC		OH
Purdy International Corporation		OR
Sherwin-Williams International Holdings LLC		DE
Sherwin-Williams Leasing, Inc.		DE
Sherwin-Williams Realty Holdings, Inc.		IL
SW Insurance Company, LLC		VT
SWI Company		NV
SWIMC LLC		DE
SWSE Holdings, Inc.		OH
The Sherwin-Williams Acceptance Corporation		NV
The Sherwin-Williams Foundation ¹		OH
The Sherwin-Williams Headquarters Company		OH
The Sherwin-Williams Manufacturing Company		OH
The Sherwin-Williams US Licensing Company		DE
Valspar Specialty Paints, LLC		DE
Valspar Specialty Paints Holdings Corporation		DE

<u>Subsidiary</u>	<u>Foreign</u>	<u>Country of Incorporation</u>
Compania Sherwin-Williams, S.A. de C.V.		Mexico
EPS B.V.		Netherlands
EPS (Shanghai) Trading Co., Ltd.		China

¹ The Sherwin-Williams Foundation is a 501(c)(3) organization and is not included within the consolidated financial statements of The Sherwin-Williams Company.

FK Verwaltungs GmbH	Germany
Forton B.V.	Netherlands
Friedrich Klumpp GmbH & Co. KG Woodcoatings	Germany
Guangdong Valspar Paints Manufacturing Co Ltd.	China
Guangdong Huarun Paints Co., Ltd	China
ICA China Company Ltd.	Hong Kong
ICA Deutschland Lacke GmbH	Germany
ICA Iberia Sau	Spain
ICA Polska Sp. z o.o.	Poland
ICA Spa	Italy
ICA Zhongshan Ltd.	China
Invercolor Bologna S.r.l.	Italy
Inver East Med S.A.	Greece
Inver France SAS	France
Inver GmbH	Germany
Inver Industrial Coatings Srl	Romania
Inver Polska Spolka Z o.o.	Poland
Inver S.p.A.	Italy
Isocoat Tintas e Vernizes Ltda	Brazil
Isva Vernici S.r.l.	Italy
Klumpp Coatings do Brasil Ltd.	Brazil
Klumpp Coatings (Shanghai) Co., Ltd.	China
Klumpp Coatings GmbH	Germany
Klumpp Coatings Vietnam Ltd.	Vietnam
ON Beteiligungs GmbH	Germany
ON Holding GmbH	Germany
ON Verwaltungs GmbH	Germany
Oskar Nolte GmbH	Germany
Oskar Nolte Woodcoatings Ağaç Kaplama San. Ltd. Şti	Turkey
Oskar Nolte Woodcoatings Spain SL	Spain
Piton Paints Limited	St. Lucia
Pinturas Condor S.A.	Ecuador
Pinturas Industriales S.A.	Uruguay
Productos Quimicos y Pinturas, S.A. de C.V.	Mexico
P.T. Friedrich Klumpp Woodcoatings	Indonesia
Phoenix Fire Protection (Asia) Limited	Virgin Islands, British
Phoenix Fire Technologies (UK) Limited	United Kingdom
Powdertech OU	Estonia
PT Sherwin-Williams Indonesia	Indonesia
PT Valspar Indonesia	Indonesia
Quetzal Pinturas, S.A. de C.V.	Mexico

Sherwin-Williams Argentina I.y C.S.A.	Argentina
Sherwin-Williams Aruba VBA	Aruba
Sherwin-Williams (Australia) Pty Ltd	Australia
Sherwin-Williams Balkan S.R.L.	Romania
Sherwin-Williams Canada Inc.	Canada
Sherwin-Williams (Caribbean) N.V.	Curacao
Sherwin-Williams Cayman Islands Limited	Cayman Island
Sherwin-Williams Chile, S.A.	Chile
Sherwin-Williams Coatings S.à r.l.	Luxembourg
Sherwin Williams Colombia S.A.S.	Columbia
Sherwin-Williams Czech Republic Spol. s r.o.	Czech Republic
Sherwin-Williams Denmark A/S	Denmark
Sherwin-Williams UK Limited	UK
Sherwin-Williams do Brasil Industria e Comercio Ltda.	Brazil
Sherwin-Williams France Finishes SAS	France
Sherwin-Williams (Ireland) Limited	Ireland
Sherwin-Williams Italy S.r.l.	Italy
Sherwin-Williams Jersey Limited	Jersey
Sherwin-Williams Luxembourg S.à r.l.	Luxembourg
Sherwin-Williams Middle East Paints L.L.C.	United Arab Emirates
Sherwin-Williams (Nantong) Company Limited	China
Sherwin-Williams Norway AS	Norway
Sherwin-Williams Peru S.R.L.	Peru
Sherwin-Williams Poland Sp. zoo	Poland
Sherwin-Williams Portugal, Unipessoal, Lda	Portugal
Sherwin-Williams Services (Malaysia) Sdn. Bhd.	Malaysia
Sherwin-Williams (Shanghai) Limited	China
Sherwin-Williams Spain Coatings S.L.	Spain
Sherwin-Williams Sweden AB	Sweden
Sherwin-Williams (Thailand) Co., Ltd.	Thailand
Sherwin-Williams (Vietnam) Limited	Vietnam
Sherwin-Williams (West Indies) Limited	Jamaica
SIC Holding GmbH	Germany
Taiwan Valspar Co., Ltd.	Taiwan
The Valspar (Asia) Corporation Limited	Hong Kong
The Valspar (Australia) Corporation Pty Ltd	Australia
The Valspar (Finland) Corporation Oy	Finland
The Valspar (France) Corporation S.A.S.	France
The Valspar (France) Research Corporation SAS	France
The Valspar (Malaysia) Corporation Sdn Bhd	Malaysia
The Valspar (Nantes) Corporation S.A.S.	France

The Valspar (New Zealand) Corporation Limited	New Zealand
The Valspar (Singapore) Corporation Pte. Ltd	Singapore
The Valspar (South Africa) Corporation Proprietary Limited	South Africa
The Valspar (Switzerland) Corporation AG	Switzerland
The Valspar (Thailand) Corporation Ltd.	Thailand
The Valspar (UK) Funding Corporation Limited	United Kingdom
The Valspar (UK) Holding Corporation Limited	United Kingdom
The Valspar (Uruguay) Corporation S.A.	Uruguay
The Valspar (Vietnam) Corporation Ltd.	Vietnam
UAB Sherwin-Williams Baltic	Lithuania
Valspar Aries Coatings, S.de R.L. de C.V.	Mexico
Valspar (Asia) Industrial Holdings Limited	Hong Kong
Valspar (Asia) Trading Holdings Limited	Hong Kong
Valspar Coatings Industrial Holding Co., Limited	Hong Kong
Valspar Huarun Coatings Holding Co., Limited	Hong Kong
Valspar Paints (China) Company Limited	Hong Kong
Valspar Automotive Australia Pty Limited	Australia
Valspar B.V.	Netherlands
Valspar Coatings (Shanghai) Co. Ltd.	China
Valspar D.o.o Beograd	Serbia
Valspar Industrial Coatings (Guangdong) Co., Ltd.	China
Valspar (India) Coatings Corporation Private Limited	India
Valspar Industries GmbH	Germany
Valspar Rock Company Limited (Japan)	Japan
Valspar (Shanghai) Management Co., Ltd.	China
Valspar (South Africa) Proprietary Limited	South Africa
Valspar Turkey Boya Sanayi A.S.	Turkey

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

Registration Number	Description
333-253288	The Sherwin-Williams Company 2005 Key Management Deferred Compensation Plan (Amended and Restated Effective as of January 1, 2016) Form S-8 Registration Statement
333-266623	The Sherwin-Williams Company Form S-3 Registration Statement
333-217457	The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of April 19, 2017) Form S-8 Registration Statement
333-218406	The Valspar Corporation Amended and Restated 2015 Omnibus Equity Plan Form S-8 Registration Statement
333-219654	The Sherwin-Williams Company 2005 Deferred Compensation Savings and Pension Equalization Plan, (Amended and Restated Effective as of January 1, 2016) Form S-8 Registration Statement
333-166365	The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (as Amended and Restated as of February 17, 2015) Form S-8 Registration Statement
333-152443	The Sherwin-Williams Company Employee Stock Purchase and Savings Plan Form S-8 Registration Statement
333-133419	The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan and The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors Form S-8 Registration Statement
333-129582	The Sherwin-Williams Company 2005 Deferred Compensation Savings and Pension Equalization Plan, The Sherwin-Williams 2005 Key Management Deferred Compensation Plan and The Sherwin-Williams Company 2005 Director Deferred Fee Plan Form S-8 Registration Statement
333-105211	The Sherwin-Williams Company Employee Stock Purchase and Savings Plan Form S-8 Registration Statement
333-66295	The Sherwin-Williams Company Deferred Compensation Savings Plan, The Sherwin-Williams Company Key Management Deferred Compensation Plan and The Sherwin-Williams Company Director Deferred Fee Plan Form S-8 Registration Statement

of our reports dated February 20, 2024, with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of The Sherwin-Williams Company included in this Annual Report (Form 10-K) of The Sherwin-Williams Company for the year ended December 31, 2023.

/s/ Ernst & Young, LLP

Cleveland, Ohio
February 20, 2024

POWER OF ATTORNEY

THE SHERWIN-WILLIAMS COMPANY

KNOW ALL BY THESE PRESENTS, that each of the undersigned directors and/or officers of The Sherwin-Williams Company, an Ohio corporation (the "Company"), hereby constitutes and appoints each of Heidi G. Petz, Allen J. Mistysyn and Mary L. Garceau, with full power of substitution and resubstitution, as the true and lawful attorney-in-fact or attorneys-in-fact of the undersigned to execute and file with the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, with any and all amendments, supplements and exhibits thereto, and any and all other documents in connection therewith, with full power and authority to do and perform any and all acts and things necessary, appropriate or desirable to be done in the premises, or in the name, place and stead of the undersigned, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and approving all that said attorneys-in-fact or any of them and any substitute therefor may lawfully do or cause to be done by virtue thereof.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 20th day of February, 2024.

Signature

Title

/s/ Heidi G. Petz

Heidi G. Petz

President and Chief Executive Officer, Director (Principal Executive Officer)

/s/ John G. Morikis

John G. Morikis

Executive Chairman

/s/ Jane M. Cronin

Jane M. Cronin

Senior Vice President – Enterprise Finance
(Principal Accounting Officer)

/s/ Allen J. Mistysyn

Allen J. Mistysyn

Senior Vice President – Finance and Chief
Financial Officer (Principal Financial Officer)

/s/ Kerri B. Anderson

Kerri B. Anderson

Director

/s/ Arthur F. Anton

Arthur F. Anton

Director

/s/ Jeff M. Fettig

Jeff M. Fettig

Director

/s/ Christine A. Poon

Christine A. Poon

Director

/s/ Aaron M. Powell

Aaron M. Powell

Director

/s/ Marta R. Stewart

Marta R. Stewart

Director

/s/ Michael H. Thaman

Michael H. Thaman

Director

/s/ Matthew Thornton III

Matthew Thornton III

Director

/s/ Thomas L. Williams

Thomas L. Williams

Director

CERTIFICATE

I, the undersigned, Secretary of The Sherwin-Williams Company (the "Company"), hereby certify that attached hereto is a true and complete copy of a resolution of the Board of Directors of the Company, duly adopted at a meeting held on February 13-14, 2024, and that such resolution is in full force and effect and has not been amended, modified, revoked or rescinded as of the date hereof.

IN WITNESS WHEREOF, I have executed this certificate as of this 20th day of February, 2024.

/s/ Mary L. Garceau
Mary L. Garceau
Secretary

RESOLVED, that the appropriate officers of the Company are each authorized to execute and deliver a power of attorney appointing Heidi G. Petz, Allen J. Mistysyn and Mary L. Garceau, or any of them, with full power of substitution and resubstitution, to act as attorneys-in-fact for the Company and for such officers for the purpose of executing and filing with the Securities and Exchange Commission and any national securities exchange, on behalf of the Company the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and any and all amendments, exhibits and other documents in connection therewith, and to take any other actions deemed necessary and appropriate to effect the filing of such Annual Report on Form 10-K and any and all such amendments, exhibits and other documents in connection therewith.

CERTIFICATION

I, Heidi G. Petz, certify that:

1. I have reviewed this annual report on Form 10-K of The Sherwin-Williams Company;
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 officer(s) 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 officer(s) 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 the 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: February 20, 2024

/s/ Heidi G. Petz

Heidi G. Petz

President and Chief Executive Officer

CERTIFICATION

I, Allen J. Mistysyn, certify that:

1. I have reviewed this annual report on Form 10-K of The Sherwin-Williams Company;
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 officer(s) 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 officer(s) 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 the 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: February 20, 2024

/s/ Allen J. Mistysyn

Allen J. Mistysyn

Senior Vice President - Finance and

Chief Financial Officer

SECTION 1350 CERTIFICATION

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of The Sherwin-Williams Company (the "Company") for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Heidi G. Petz, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) 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 results of operations of the Company.

Dated: February 20, 2024

/s/ Heidi G. Petz

Heidi G. Petz

President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Sherwin-Williams Company and will be retained by The Sherwin-Williams Company and furnished to the Securities and Exchange Commission or its staff upon request.

SECTION 1350 CERTIFICATION

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of The Sherwin-Williams Company (the "Company") for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allen J. Mistysyn, Senior Vice President - Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) 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 results of operations of the Company.

Dated: February 20, 2024

/s/ Allen J. Mistysyn

Allen J. Mistysyn

Senior Vice President - Finance and Chief
Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Sherwin-Williams Company and will be retained by The Sherwin-Williams Company and furnished to the Securities and Exchange Commission or its staff upon request.

The Sherwin-Williams Company
Section 16 Executive Officer Clawback Policy
Effective October 10, 2023

Purpose

As required pursuant to the listing standards of the New York Stock Exchange (the “**Stock Exchange**”), Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Rule 10D-1 under the Exchange Act, the Compensation and Management Development Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of The Sherwin-Williams Company (the “**Company**”) has adopted this Section 16 Executive Officer Clawback Policy (the “**Policy**”) to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the “**Final Guidance**”). Questions regarding this Policy should be directed to the Senior Vice President – Human Resources.

Policy Statement

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an “**Accounting Restatement**”). If a Clawback Exception applies with respect to a Covered Officer, the Company may forgo such recovery under this Policy from such Covered Officer.

Covered Officers

For purposes of this Policy, “**Covered Officer**” is defined as any current or former “Section 16 officer” of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Committee. Covered Officers include, at a minimum, “executive officers” as defined in Rule 3b-7 under the Exchange Act and identified under Item 401(b) of Regulation S-K.

Upon being designated or assuming a position as a Covered Officer, such Covered Officer will become subject to this Policy and will not be subject to The Sherwin-Williams Company Key Employee Clawback Policy (the “**Key Employee Policy**”) with respect to Covered Compensation.

Covered Compensation

For purposes of this Policy:

- “**Covered Compensation**” is defined as the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid. Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Covered Officer begins service as a Covered Officer; (iii) such Covered Officer served as a Covered Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

- “**Incentive-Based Compensation**” is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.
- “**Financial Reporting Measure**” is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.
- Incentive-Based Compensation is deemed “**Received**” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery Period

For purposes of this Policy, the applicable “**Recovery Period**” is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company’s fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the “**Trigger Date**” as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

Clawback Exceptions

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a “**Clawback Exception**” applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
- recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or
- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

Prohibitions

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation.

Administration and Interpretation

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. This Policy is in addition to and is not intended to change or interpret any federal or state law or regulation, including the Ohio Revised Code, the Amended and Restated Articles of Incorporation of the Company, or the Regulations of the Company. The Committee will review the Policy from time to time and will have full and exclusive authority to take any action it deems appropriate.

As of their effective dates, this Policy and the Key Employee Policy supersede The Sherwin-Williams Company Executive Compensation Adjustment and Recapture Policy (the “**Prior Policy**”). For the avoidance of doubt, from and after the effective dates of this Policy and the Key Employee Policy, all existing references to the Prior Policy contained in the Company’s documents, plans, and policies, including, but not limited to, compensation plans and award agreements, are deemed to be replaced with references to this Policy and the Key Employee Policy.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, is required to execute and deliver to the Senior Vice President – Human Resources the Section 16 Executive Officer Clawback Policy Acknowledgement and Consent included as Exhibit A to this Policy.

Disclosure

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company’s filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.

EXHIBIT A

THE SHERWIN-WILLIAMS COMPANY

Section 16 Executive Officer Clawback Policy Acknowledgment and Consent

The undersigned hereby acknowledges that he or she has received and reviewed a copy of the Section 16 Executive Officer Clawback Policy (the "**Policy**") of The Sherwin-Williams Company (the "**Company**"), effective as of October 10, 2023, as adopted by the Compensation and Management Development Committee of the Company's Board of Directors.

Pursuant to such Policy, the undersigned hereby:

- acknowledges that he or she has been designated as (or assumed the position of) a Covered Officer (as defined in the Policy);
- acknowledges and consents to the Policy;
- acknowledges and consents to be bound by the terms of the Policy;
- agrees to fully cooperate with the Company in connection with any of the undersigned's obligations to the Company pursuant to the Policy, including, without limitation, the repayment by or recovery from the undersigned of Covered Compensation (as defined in the Policy); and
- agrees that the Company may enforce its rights under the Policy through any and all reasonable means permitted under applicable law as the Company deems necessary or desirable under the Policy.

ACKNOWLEDGED AND AGREED:

Name:

Date: