

**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, 2025

Commission file number 1-04851

THE SHERWIN-WILLIAMS COMPANY

(Exact name of registrant as specified in its charter)

Ohio (State or other jurisdiction of incorporation or organization) 1 Sherwin Way Cleveland, Ohio (Address of principal executive offices)	34-0526850 (I.R.S. Employer Identification No.) 44113-2206 (Zip Code)
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(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, 2025 was \$85,532,942,889 (computed by reference to the price at which the common stock was last sold on such date).

At January 31, 2026, 247,774,767 shares of common stock were outstanding, net of treasury shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement for the 2026 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, 2025 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 1 Sherwin Way, Cleveland, Ohio 44113-2206, 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.

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, 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 function. For further information about the Reportable Segments, see Note 22 to the consolidated financial statements in Item 8.

Paint Stores Group

Paint Stores Group consisted of 4,853 company-operated specialty paint stores in the United States, Canada and the Caribbean region at December 31, 2025. Each store 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, caulks and adhesives to retailers, including home centers and hardware stores, dedicated dealers and distributors throughout North America, Latin America and Europe. Sales and marketing of certain controlled brand and private-label products are 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 307 company-operated specialty paint stores in Latin America at December 31, 2025. Each store 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 63% of the total sales of the Consumer Brands Group in 2025 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. Sherwin-Williams® and other controlled brand products are distributed through the Paint Stores Group, this segment's 317 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 Function

The Administrative function includes the administrative expenses and assets of the Company's new global headquarters and research and development center. In addition, it includes 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 new and former global headquarters and former research and development center and disposal of idle facilities. The Administrative function's remaining assets consist primarily of cash and cash equivalents, investments and noncurrent pension assets. Also included in the Administrative function is 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. Sales of this function represented external leasing revenue. The Administrative function 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 function.

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.

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 function.

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®, Suvinil®, Thompson's® WaterSeal®, Valspar®, White Lightning®

- *Performance Coatings Group*: Sherwin-Williams®, Acrolon®, AcromaPro®, ATX®, DeBeer Refinish®, Duraspar®, EcoDex®, Envirolastic®, Excelo®, EzDex®, Fastline®, Firetex®, Fluropon®, Gross & Perthun™, Heat-Flex®, House of Kolor®, Huarun®, ICA®, Inver®, Kem Aqua®, Klumpp Coatings™, Lazzuril®, Macropoxy®, Martin Senour®, Matrix Edge®, M.L. Campbell®, Octoral®, Oskar Nolte™, PermaClad®, Polane®, Powdura®, Sayerlack®, Sher-Wood®, Sumaré®, Ultra 9K®, Ultra 7000®, ValPure®, Valspar®

Patent and Licensing Income

Although patents and licenses are not of material importance to our business as a whole or any segment, each segment 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 2026.

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 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 function 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, 2025, we employed 64,249 people worldwide, of which approximately 73% were in the United States. 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 a broad range of 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.

Belonging and Culture. We strive to foster a strong workplace culture that drives belonging, employee experience, performance and above market growth while attracting, retaining, developing and progressing a pipeline of talent ready to serve the communities in which we operate. As reflected in our Code of Conduct and reinforced through our values, fostering a strong culture and a positive employee experience is imperative for long-term sustainable growth. The building blocks of our culture of belonging include:

- *Communicating impact:* Sharing the Company story, goals and priorities at all levels and supporting our employees in life, career and connections.

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- *Leading with intention:* Creating a culture where we inspire employees to Create Your Possible and leverage the unique contributions of each employee to foster a positive employee experience for all and drive above-market growth.
- *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 at all levels 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 a broad range of 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 a positive employee experience for all and ultimately leverage our workforce to deliver customer-focused differentiated products, services and solutions. In 2025, we continued supporting employees in life, career and connection. Our employee-led communities have served as champions of the employee value proposition, Create Your Possible, a framework for initiatives with a shared purpose of driving professional development, employee engagement and business results. We have over 450 employee-led communities that bring together employees from various groups, divisions and functional teams to create greater synergy around business objectives and serve as a hub for innovation, 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 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. 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 a broad mix of skills, backgrounds and experiences. During 2025, we hired approximately 1,700 professionals through our management trainee program as part of our long-term growth initiatives.

We invest in our people by providing learning and employee networking opportunities to drive retention, development and engagement and help employees excel in their current and future roles. During 2025, our employees collectively 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 excellence that empowers employees to learn, grow and achieve their aspirations by conducting periodic pulse surveys and a global engagement survey, which we conducted in 2025 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 seeking to improve the programs that are in place to help keep our employees, customers and communities safe, including by regularly re-evaluating our global management systems, standards and performance measures.

Total Rewards. We prioritize the fair and consistent 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 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 paid sick leave, family leave and voluntary leave of absence policies and programs. In 2025, we introduced a new backup child and elder care benefit and increased the annual discount on medical plan contributions that employees can earn by participating in our well-being program. More recently, in 2026 we launched a new global well-being program and platform to give all employees access to engaging tools and resources that will help drive better health outcomes.

Regulatory Compliance

For further information regarding environmental-related matters, see Notes 1, 10 and 19 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” 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 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 “anticipate,” “aspire,” “believe,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “potential,” “project,” “seek,” “should,” “strive,” “target,” “will,” or “would” 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 and economic conditions in the United States and worldwide;
- inflation rates, interest rates, unemployment rates, labor costs, healthcare costs, recessionary conditions, geopolitical conditions, terrorist activity, armed conflicts and wars, public health crises, pandemics, outbreaks of disease and supply chain disruptions;
- shifts in consumer behavior driven by economic downturns in cyclical segments of the economy;
- shortages and increases in the cost of raw materials and energy;
- catastrophic events, adverse weather conditions and natural disasters (including those that may be related to climate change);
- disruptions to our information technology systems, including due to digitization efforts or cybersecurity incidents;
- our ability to attract, retain, develop and progress a qualified global workforce;
- the loss of any of our largest customers;
- increased competition or failure to keep pace with developments in key competitive areas of our business;
- our ability to successfully integrate past and future acquisitions into our existing operations;
- risks and uncertainties associated with our expansion into and our operations in South America, Asia, Europe and other foreign markets;
- policy changes affecting international trade, including import/export restrictions and tariffs;
- our ability to achieve our strategies or expectations relating to sustainability considerations, including as a result of 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 and carbon accounting rules;
- damage to our business, reputation, image or brands due to negative publicity;
- the infringement or loss of our intellectual property rights or the theft or unauthorized use of our trade secrets or other confidential business information;
- a weakening of global credit markets or changes to our credit ratings;
- our ability to generate cash to service our indebtedness;
- fluctuations in foreign currency exchange rates and changing monetary policies;
- our ability to comply with a variety of complex U.S. and non-U.S. laws, rules and regulations;
- increases in tax rates, or changes in tax laws or regulations;
- our ability to comply with numerous, complex and increasingly stringent domestic and foreign health, safety and environmental laws, regulations and requirements;
- our liability related to environmental investigation and remediation activities at some of our currently- and formerly-owned sites;
- the nature, cost, quantity and outcome of pending and future litigation, including lead pigment and lead-based paint litigation; and
- the other risk factors discussed in Item 1A of this Annual Report on Form 10-K and our other reports filed with the SEC.

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 have in the past adversely affected and may in the future 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 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 (including import and export requirements such as new or increased tariffs, sanctions, quotas or trade barriers), business disruptions due to cybersecurity incidents, terrorist activity, armed conflicts and wars (including the ongoing conflict between Russia and Ukraine), 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.

In particular, ongoing global inflation has impacted consumer and manufacturing behavior in recent years. We expect inflationary pressure to continue to impact consumer and manufacturing customer behavior during 2026, 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. Such impacts could adversely affect the demand for some of our products and our results of operations, cash flow, liquidity or financial condition. In addition, market uncertainty and volatility in various geographies have been magnified as a result of shifts in U.S. and foreign trade, economic and other policies, and such shifts, including price increases on certain raw materials, and changes in the availability of, or tariffs on certain imported raw materials, could continue to adversely impact our results of operations, cash flow, liquidity or financial condition.

Protracted duration of economic downturns in cyclical segments of the economy has in the past and may in the future 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, in particular, drive shifts in consumer behavior with respect to the housing market, and have in the past adversely affected and may in the future adversely affect demand for new residential homes, existing home turnover and new non-residential construction. These shifts in consumer behavior have in the past adversely impacted and may in the future adversely impact demand for some of our products, and our results of operations, cash flow, liquidity or financial condition. Although the

Federal Reserve cut interest rates in 2025, mortgage rates have remained high and we have not experienced meaningful positive impacts on demand for our products that serve these segments of the economy to date. Although changes in inflation, the interest rate environment and the mortgage market are difficult to predict, we expect the recent and continued combination of high interest rates and inflation to continue to impact consumer and manufacturing customer behavior in 2026. 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, labor markets are impacted by a number of factors, including high employment levels, unemployment programs and subsidies, immigration laws and volatility in general macroeconomic factors. We have in the past and may in the future see project backlogs in these segments 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, inflation, interest rates, and other economic conditions may delay a recovery in demand, which may result in any such labor shortage and other conditions adversely impacting our sales, earnings, cash flow or financial condition.

OPERATIONAL RISKS

Unexpected shortages and increases in the cost of raw materials and energy have in the past and may in the future 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, import/export restrictions, 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 in the past adversely impacted, and may in the future adversely impact, the availability and cost of raw materials and fuel supplies, our ability to meet customer demands for some of our products, adequately staff and maintain operations at affected facilities and our costs generally. In addition, environmental 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 any expansion or increase in the severity and intensity of the same) 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, in the past the conflict between Israel and Hamas 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, certain raw material and energy prices decreased in 2023 and 2024, and remained flat in 2025, 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 causing significant damage to any one or more of our principal manufacturing or distribution facilities, we may not be able to provide 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.

Disruptions to our information technology systems, including due to digitization efforts or cybersecurity incidents, may interfere with our operating and financial processes, 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. Information technology systems are important to many of our business-critical operating and financial processes, including production planning, manufacturing, distribution, communication with our employees, customers and suppliers, sales and customer service, research and development, recording and processing transactions and the production of accurate and timely reports on our financial and operating results. In connection with our digitization initiative, we are engaged in a multi-year phased process to upgrade and harmonize certain components of our information technology systems, including our financial processing systems. We are making significant investments in this complex, enterprise-wide initiative. Planned implementations will lead to changes in our operating and financial processes as well as our internal control over financial reporting. Disruptions to our information technology systems could occur if we do not effectively design or implement these systems solutions, or otherwise fail to manage resulting changes in processes and controls. This could adversely affect our operations, negatively impact our financial reporting and the effectiveness of our internal control over financial reporting and have a material adverse effect on our business, results of operations and financial condition.

Some of the information technology systems we rely on are maintained or operated by third-party providers, including cloud-based systems. Cybersecurity incidents, threats and attacks are increasingly sophisticated, including due to advances in artificial intelligence (AI) capabilities, constantly evolving, and originate from many sources globally. In addition, often these incidents cannot be recognized or understood until the target has already been attacked. 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 operating and financial processes. Disruptions to these systems may impair our ability to conduct business and threaten the availability, confidentiality and integrity of our systems and information and have a material adverse effect on our business, results of operations and financial condition.

As part of our business, we collect and handle 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, or affected by damage or interruption resulting from, cybersecurity issues, including cyber attacks (including AI-powered cyberattacks), security breaches, fraud (including through phishing or social engineering attempts), 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.

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 information or access systems or facilities. Any such event involving the misappropriation, loss or other unauthorized disclosure of information or disruption of our systems, 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, including individual claims or consumer class actions, commercial litigation, administrative and civil or criminal investigations or actions, regulatory intervention and sanctions or fines, investigation and remediation costs, loss of intellectual property, release of confidential information, alteration or corruption of data or systems, costs related to remediation or the payment of ransom, and litigation and possible prolonged negative publicity, and disrupt our operations and have a material adverse effect on our business, results of operations and financial condition.

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. Although we implement various controls to try to mitigate risks to our systems, information and other property, there can be no guarantee that the actions and controls we have implemented, or which we have caused third-party service providers to implement, will be sufficient to protect and mitigate risks to our systems, information or other property.

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, Brazil's General Data Protection Law, the California Consumer Privacy Act as amended by the California Privacy Rights Act, other U.S. state privacy laws and a growing number of 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, commercial 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. 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, workplace culture and strategies, initiatives, programs and practices that drive belonging and a positive employee experience, or if qualified candidates or employees become more difficult to attract or retain under reasonable terms, we have in the past and may in the future experience higher labor-related costs. If we are unable to attract, retain, develop and progress a qualified global workforce, this could adversely affect our business and future success and impair our ability to meet our strategic objectives and the needs of our customers.

A number of factors may adversely affect the labor force available to us or increase labor costs generally, including high employment levels, population migration, unemployment programs and subsidies, immigration laws and volatility in general macroeconomic factors impacting the labor market. Although we have not experienced any material labor shortage to date, over the past few years, we have experienced an increasingly competitive labor market and higher labor-related costs. A sustained labor shortage or increased turnover rates within our employee base (or within the employee base of key suppliers or third-party manufacturers), could negatively affect our supply chain or our ability to efficiently operate our manufacturing and distribution facilities and overall business.

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 2025, 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 in certain regions. 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. In October 2025, we completed our acquisition of Suvinil, a leading provider of architectural paints in Brazil, with annual sales of approximately \$525 million. The success of the Suvinil acquisition, and other 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 South America, Asia, Europe and other foreign markets have in the past and could in the future adversely affect our results of operations, cash flow, liquidity or financial condition.

Net sales of our consolidated foreign subsidiaries totaled approximately 19.6%, 19.2% and 19.2% of our total consolidated Net sales in 2025, 2024 and 2023, 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 have in the past and could in the future 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), 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 have in the past and could in the future 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, have in the past, and could in the future, 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 have and may continue to 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, has in the past and could in the future impact the global supply of raw materials. Government actions taken in connection with the United States-China trade conflict have in the past and could in the future impact business, including sales, imports and exports. Our business benefits from free trade agreements, including the United States-Mexico-Canada Agreement and EU-UK Trade and Cooperation Agreement. 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.

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 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 and carbon accounting rules. The pursuit of our strategies or expectations, failures or delays (whether actual or perceived) in achieving our strategies or expectations or changes to 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 focused on sustainability considerations relating to businesses, including climate change and greenhouse gas emissions, natural capital circularity, human capital and belonging, and employee experience. Our business may face scrutiny from such stakeholders and if our strategies or expectations 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 new and emerging 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 guiding values, is of great importance. 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.

Our business could be adversely affected by the infringement or loss of our intellectual property rights or by the theft or unauthorized use of our trade secrets or other confidential business information.

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 copyrights 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 cybersecurity 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. In addition, advances in AI technology and increasingly widespread use of generative AI tools may increase the risk of unauthorized access to intellectual property, may increase the risk that existing intellectual property law may not provide adequate protection and may introduce potential liability from the use of AI tools. 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.

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, 2025, we had total debt of approximately \$10.871 billion, which is an increase of \$982.9 million since December 31, 2024. We have the ability under our existing credit facilities and otherwise 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, 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;
- limit cash flow available to return to shareholders in the form of dividends and share repurchases;
- 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 Canadian dollar, the Mexican peso, the British pound, the Chinese yuan, the Chilean peso 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.

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 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 and related adverse outcomes of which could lead to enforcement actions, the imposition of fines or costs, requirements to suspend operations at certain facilities, the assertion of private litigation claims and damages or damage to our reputation.

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, Brazil's General Data Protection Law, the California Consumer Privacy Act as amended by the California Privacy Rights Act, other U.S. state privacy laws, and a growing number of 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, commercial litigation, or reputational harm. Ongoing efforts to comply with these laws also may divert management and employee attention from other business and growth initiatives.

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 income taxes in more detail in Note 20 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 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, producer responsibility 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.

Global focus on climate change and chemical use and management may result in the imposition of new or additional regulations or requirements applicable to, and new or additional 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 and the management and use of chemicals in operations and products. For example, the European Union Corporate Sustainability Reporting Directive requires that we make expansive disclosures on various environmental- and social-related topics. Similarly, California has enacted legislation that will require broad disclosures, including of greenhouse gas emissions. Chemicals we use in our products, packaging and operations may be restricted or prohibited by initiatives to address new and existing chemicals under current laws and regulations or by emerging laws and regulations in domestic and foreign jurisdictions. The outcome of new and emerging legislation or regulation in the U.S., European Union and other jurisdictions in which we operate may result in fees or restrictions on certain activities or materials (including changes to our products or product packaging) 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, chemical management and other initiatives has in the past and may in the future 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, additional restrictions on production or operations and increased costs associated with reporting and data assurance. They may also require us to alter the contents of our products and/or product packaging, which may alter the performance and profitability of such products and packaging. 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 such 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 or on our customers or employees 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 continue to evolve and to be applied with increasing stringency on our industry. 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 10 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 actual and potential claims, lawsuits, and other proceedings, including, but not limited to, litigation relating to product liability and warranty, raw materials used in our products, personal injury, environmental (including alleged 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 avoidance or reduction of a liability. In accordance with the Contingencies Topic of the Accounting Standards Codification (ASC), we accrue for 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 matters where no accrual is recorded because it is not probable that a liability will be 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 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. 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 any such litigation that remains ongoing. We expect additional 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 such 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 claims, lawsuits, and other proceedings against us, the number or nature of possible future claims, lawsuits, 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 matters, or resulting from any such legislation and regulations. We currently have not accrued any amounts for the pending lead pigment and lead-based paint litigation, because we do not believe it is probable that a loss will occur, or 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 11 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 the National Institute of Standards and Technology (NIST) Cybersecurity Framework 2.0. 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 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 cybersecurity issues, including cyber attacks (including cyberattacks powered by AI), security breaches, fraud (including through phishing or social engineering attempts), 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.

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 further 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 function, is located in Cleveland, Ohio. During 2025, the Company substantially completed the construction of its new global headquarters and research and development center. Refer to Item 7 for further information on 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	5	8
Canada		3	3	2		2
Europe	2	17	19	3	13	16
Jamaica		1	1		1	1
Latin America		14	14	7	8	15
United States	6	42	48	13	12	25
Total	11	84	95	28	40	68
Performance Coatings Group						
Australia				1		1
Europe	1	8	9	2	4	6
Latin America		1	1		1	1
United States		1	1			
Total	1	10	11	3	5	8

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

The operations of the Paint Stores Group included 4,853 company-operated specialty paint stores, of which 206 were owned, in the United States, Canada, Puerto Rico, Virgin Islands, Grenada, Trinidad and Tobago, St. Maarten, Jamaica, Curaçao, Aruba, St. Lucia and Barbados at December 31, 2025. 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 2025:

- the Mid Western Division operated 1,219 paint stores primarily located in the mid west and upper west coast states;
- the Eastern Division operated 929 paint stores along the upper east coast and New England states;
- the Canada Division operated 263 paint stores throughout Canada;
- the Southeastern Division operated 1,232 paint stores principally covering the lower east and gulf coast states, Puerto Rico, Virgin Islands, Grenada, Trinidad and Tobago, St. Maarten, Jamaica, Curaçao, Aruba, St. Lucia and Barbados; and
- the Southwestern Division operated 1,210 paint stores in the central plains and lower west coast states.

During 2025, the Paint Stores Group opened 80 net new stores, consisting of 83 new stores opened and 3 stores closed.

The Consumer Brands Group operated 307 specialty paint stores in Latin America at December 31, 2025. 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 (190), Chile (47), Ecuador (33), Brazil (26) and Uruguay (11). During 2025, the Consumer Brands Group opened 13 new stores and closed 40 locations for a net decrease of 27 stores.

The Performance Coatings Group operated 218 branches in the United States and 99 branches internationally at December 31, 2025. International locations consisted of branches in Europe (46), Canada (23), Chile (11), Mexico (5), Peru (3), Ecuador (2), Brazil (2), Thailand (2), Indonesia (2), Vietnam (1), Singapore (1) and China (1). During 2025, the Performance Coatings Group opened 6 branches and closed 13 branches for a net decrease of 7 branches.

All real property within the Administrative function is owned with the exception of the former global headquarters, former research and development center and new global headquarters. For further information regarding real property within the Administrative function, refer to Item 1 and Item 7 of this report, which are incorporated herein by reference.

For further information regarding real property leases, see Note 9 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.

On May 12, 2025, a subsidiary of the Company, The Sherwin-Williams Manufacturing Company (SWM), was served with a Petition and Application for Injunctive Relief from the State of Texas, through its Attorney General on behalf of the Texas Commission on Environmental Quality, filed in the District Court of Travis County, Texas, and on January 30, 2026, the State filed a First Amended Petition and Application for Injunctive Relief (together, the Petition). The Petition alleges that one of SWM's Garland, Texas facility's past operations violated Texas environmental regulations related to air and water emissions, and includes events related to the fire experienced at that facility on August 8, 2023. The Petition seeks injunctive relief, civil penalties, reimbursement of response costs, expenses, and attorney fees and costs. SWM denies the violations and claims for relief as alleged and intends to vigorously defend these claims if SWM is unable to resolve this matter to the mutual satisfaction of the parties.

For information regarding certain other environmental matters and legal proceedings, see the information included under the captions titled "Other Long-Term Liabilities" and "Litigation and Other Contingent Liabilities" of "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Notes 1, 10, 11 and 19 to the consolidated financial statements in Item 8. The information contained in Note 11 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 a brief description of their business experience. 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>
Heidi G. Petz	51	Chair, President and Chief Executive Officer
Benjamin E. Meisenzahl	44	Senior Vice President – Finance and Chief Financial Officer
Marlena K. Boyce	47	Senior Vice President – Chief Human Resources Officer
Mary L. Garceau	53	Senior Vice President – Chief Legal Officer and Secretary
James R. Jaye	59	Senior Vice President – Investor Relations and Corporate Communications
J. Paul Lang	49	Senior Vice President – Enterprise Finance and Chief Accounting Officer
Bryan J. Young	50	Senior Vice President – Corporate Strategy and Development
Justin T. Binns	50	President, Global Architectural
Karl J. Jorgenrud	49	President, Global Industrial
Todd D. Rea	51	President, Consumer Brands Group
Colin M. Davie	57	President & General Manager, Global Supply Chain Division, Consumer Brands Group

Ms. Petz has served as Chair of the Board of Directors since January 2025, and as President and Chief Executive Officer since January 2024. Prior to her current role, Ms. Petz served as President and Chief Operating Officer from March 2022 to January 2024, and President, The Americas Group (now known as the Paint Stores 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. Meisenzahl has served as Senior Vice President – Finance and Chief Financial Officer since January 2026. Mr. Meisenzahl served as Senior Vice President – Finance from May 2023 to January 2026, and as Senior Vice President – Finance Transformation from March 2021 to May 2023. Prior to that, Mr. Meisenzahl served within the Performance Coatings Group as Senior Vice President – Financial Excellence Initiatives from August 2020 to March 2021 and as Vice President – Finance, Industrial Wood Division from March 2018 to August 2020. Mr. Meisenzahl has been employed with the Company since January 2004.

Ms. Boyce has served as Senior Vice President – Chief Human Resources Officer since October 2025. Ms. Boyce served as Senior Vice President – Human Resources from January 2025 to October 2025. Prior to that, Ms. Boyce served within the Performance Coatings Group as Senior Vice President, Human Resources from May 2022 to December 2024, within the Consumer Brands Group as Senior Vice President, Human Resources from January 2021 to May 2022, and as Vice President, Human Resources, Industrial Wood Division, Performance Coatings Group from March 2019 to January 2021. Ms. Boyce has been employed with the Company since October 2008.

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. Lang has served as Senior Vice President – Enterprise Finance and Chief Accounting Officer since January 2025. Mr. Lang served as Vice President – Enterprise Finance, Reporting & Controls from May 2022 to January 2025. Mr. Lang served as Vice President – Assistant Corporate Controller from August 2019 to May 2022 and Director – External Financial Reporting from February 2018 until August 2019. Mr. Lang has been employed with the Company since February 2018.

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.

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, 2026 was 4,662. 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 2025.

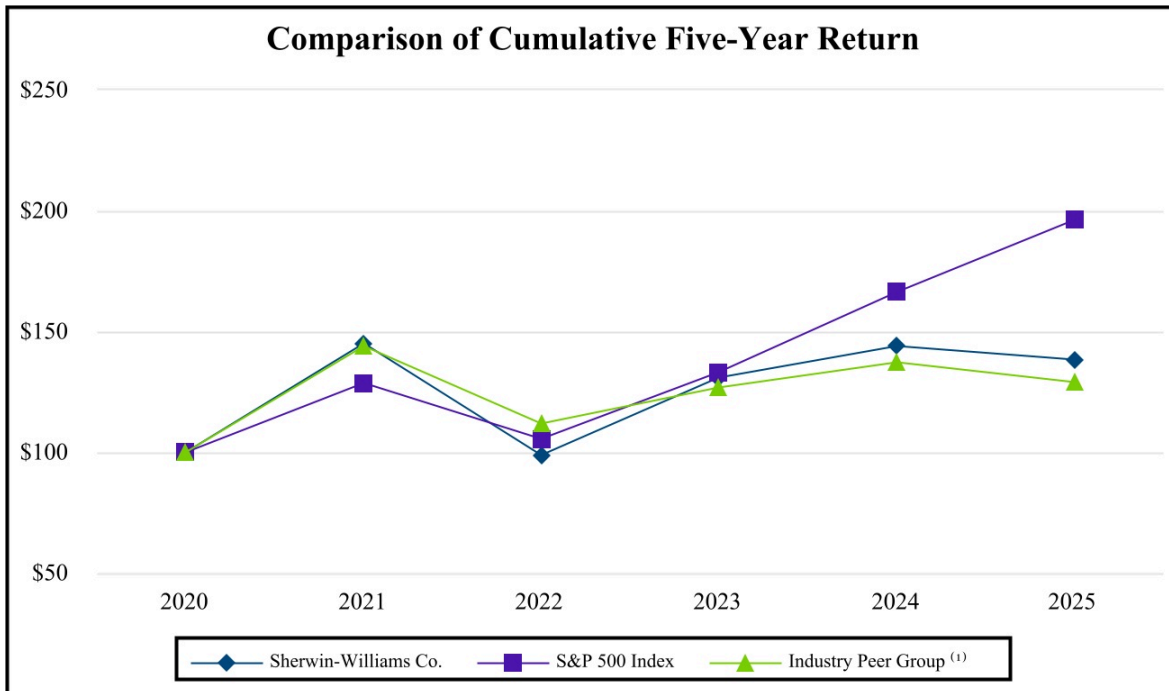
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan
October 1 – October 31				
Share repurchase program ⁽¹⁾	—	\$ —	—	29,975,000
Employee transactions ⁽²⁾	1,921	\$ 257.31	—	N/A
November 1 – November 30				
Share repurchase program ⁽¹⁾	350,000	\$ 337.27	350,000	29,625,000
Employee transactions ⁽²⁾	586	\$ 340.99	—	N/A
December 1 – December 31				
Share repurchase program ⁽¹⁾	—	\$ —	—	29,625,000
Employee transactions ⁽²⁾	1,913	\$ 333.93	—	N/A
Total				
Share repurchase program ⁽¹⁾	350,000	\$ 337.27	350,000	29,625,000
Employee transactions ⁽²⁾	4,420	\$ 301.57	—	N/A

⁽¹⁾ Shares were purchased through the Company’s publicly announced share repurchase program. The Company had remaining authorization at December 31, 2025 to purchase 29,625,000 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 an industry peer group of companies selected on a line-of-business basis. The cumulative five-year total return assumes \$100 was invested on December 31, 2020 in Sherwin-Williams common stock, the S&P 500 and the industry peer group. The cumulative five-year total return, including reinvestment of dividends, represents the cumulative value through December 31, 2025.



⁽¹⁾ Industry peer group of companies is 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 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 function, which is representative of the way it is internally organized for assessing performance and making decisions regarding the allocation of resources. See Note 22 to the consolidated financial statements in Item 8 for further information on the Company's Reportable Segments.

Summary

- Consolidated Net sales increased 2.1% in the year to \$23.574 billion
 - Net sales from stores in the Paint Stores Group open more than twelve calendar months increased 1.7% in the year
- Diluted net income per share decreased 2.7% to \$10.26 per share in the year compared to \$10.55 per share in the full year 2024
 - Adjusted diluted net income per share increased 0.9% to \$11.43 per share in the year compared to \$11.33 per share in the full year 2024
- Generated Net operating cash of \$3.452 billion, or 14.6% of Net sales in the year

Outlook

Sherwin-Williams delivered strong 2025 results driven by solid core performance and a focus on operational discipline despite continued demand choppiness. Full year Net sales grew to a record level, and gross profit and gross margin expanded. The Company continued to generate strong cash flow from operations, which was used for investment in capital expenditures, funding acquisitions and returning cash to shareholders through dividends and repurchases of common stock. Although the softer-for-longer demand environment is expected to continue in 2026, we have confidence in our differentiated strategy, Success by Design, that continues to deliver innovative and productive solutions for our customers. Significant opportunities exist for each business, and we will continue to support our growth strategy by executing initiatives within our enterprise priorities, including talent, simplification, digitization, supply chain responsiveness and sustainability.

Within the Paint Stores and Consumer Brands groups, we anticipate continued economic pressures to impact customer buying behavior in 2026. Our investments in sales reps, training and digital tools, coupled with home builder relationships are expected to drive growth opportunities. The outlook for the Performance Coatings Group is varied by end market and region with an expectation that the core business remains flat, however, new account wins and favorable business sales mix should drive growth. At the business unit level, we expect modest growth in Automotive Refinish, Industrial Wood and General Industrial while Packaging sales are anticipated to be flattish. Coil sales are expected to be slightly negative due to demand softness. As it relates to consolidated expenses, raw material costs could be impacted by evolving tariff policies. We will continue to monitor changes and impacts to our operations as we navigate this uncertain environment. We expect these costs and employee-related expenses to contribute to a low-single digit percentage increase, offset by cost saving simplification efforts across our supply chain such as capacity and productivity improvements.

Our capital deployment strategy remains balanced and consistent. We have a strong liquidity position, with \$207.2 million in cash and \$3.649 billion of unused capacity under our credit facilities at December 31, 2025. We are, and expect to remain, in compliance with all financing covenants. Long-term debt maturities due in 2026 are \$350.1 million, which were fully repaid in January 2026 with short-term borrowings. With the long-term debt maturities refinanced during 2025 and the interest related to the delayed draw term loans to fund the Suvinil acquisition, coupled with the incremental interest expense related to the new global headquarters and research and development center and the higher interest rates used to refinance the long-term debt maturities due in 2026, Interest expense is expected to increase by approximately \$85 million in 2026. We plan to expand our footprint by opening 80 to 100 new stores in the United States and Canada in 2026, continue to evaluate acquisitions that align with our strategy and return value to our shareholders through the payment of dividends and repurchases of common stock.

See Item 1A Risk Factors for further information regarding the current and potential impact of general business and macroeconomic conditions, including inflation rates and interest rates, tariffs, supply chain disruptions, raw material availability and fluctuations in foreign currency.

RESULTS OF OPERATIONS

The following discussion and analysis addresses comparisons of material changes in the consolidated financial statements for the years ended December 31, 2025 and 2024. For comparisons of the years ended December 31, 2024 and 2023, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed on February 20, 2025.

Net Sales

	Year Ended December 31,					
	2025	2024	\$ Change	% Change	Currency Impact	Acquisition and Divestiture Impact
Paint Stores Group	\$ 13,605.9	\$ 13,188.0	\$ 417.9	3.2 %	(0.1)%	0.2 %
Consumer Brands Group	3,166.4	3,108.0	58.4	1.9 %	(1.1)%	5.3 %
Performance Coatings Group	6,795.2	6,797.3	(2.1)	— %	0.4 %	1.0 %
Administrative	6.8	5.2	1.6	30.8 %	1.9 %	— %
Total	\$ 23,574.3	\$ 23,098.5	\$ 475.8	2.1 %	(0.1)%	1.1 %

Consolidated Net sales for 2025 increased 2.1% primarily due to higher Net sales in the Paint Stores and Consumer Brands Groups. Net sales of all consolidated foreign subsidiaries increased to \$4.615 billion in 2025 compared to \$4.426 billion in 2024 primarily as a result of the higher Net sales in Latin America due to the October 2025 acquisition of Suvinil, partially offset by unfavorable foreign currency translation driven by Latin America. Net sales of all operations other than consolidated foreign subsidiaries increased to \$18.959 billion for 2025 compared to \$18.673 billion for 2024.

Net sales in the Paint Stores Group increased 3.2% primarily due to selling price increases, which impacted Net sales by a mid-single digit percentage, partially offset by a low-single digit decrease in sales volume. Net sales from stores in the Paint Stores Group open for more than twelve calendar months increased 1.7% in the year over the prior year comparable period. During 2025, the Paint Stores Group opened 83 new stores and closed 3 locations for a net increase of 80 stores. The total number of stores in operation at December 31, 2025 was 4,853 in the United States, Canada and the Caribbean region. The Paint Stores Group's objective is to grow sales through the expansion of its store base by an approximate average of 2% each year. Sales of products other than paint increased 0.5% 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 increased 1.9% in 2025 primarily due to the October 2025 acquisition of Suvinil, which contributed \$164.5 million, or 5.3%, partially offset by 1.1% of unfavorable foreign currency translation driven by Latin America. In 2025, the Consumer Brands Group opened 13 new stores and closed 40 locations for a net decrease of 27 stores. The total number of stores in operation at December 31, 2025 was 307 in the Latin America region.

Net sales in the Performance Coatings Group were essentially flat in 2025 when compared to 2024 due to an offsetting favorable impact from acquisitions and foreign currency translation and an unfavorable impact from selling prices attributable to product mix. In 2025, the Performance Coatings Group opened 6 new branches and closed 13 branches for a net decrease of 7 branches, decreasing the total at December 31, 2025 to 317 branches.

Net sales in the Administrative function, which primarily consists of external leasing revenue, increased by an insignificant amount in 2025.

Income Before Income Taxes

The following table presents the components of Income before income taxes as a percent of Net sales:

	Year Ended December 31,			
	2025		2024	
		% of Net Sales		% of Net Sales
Net sales	\$ 23,574.3	100.0 %	\$ 23,098.5	100.0 %
Cost of goods sold	12,058.8	51.2 %	11,903.4	51.5 %
Gross profit	11,515.5	48.8 %	11,195.1	48.5 %
Selling, general and administrative expenses (SG&A)	7,695.0	32.6 %	7,422.1	32.1 %
Other general (income) expense - net	(10.2)	— %	(38.8)	(0.1)%
Impairment	17.8	0.1 %	—	— %
Interest expense	465.0	1.9 %	415.7	1.8 %
Interest income	(11.2)	(0.1)%	(11.0)	— %
Other expense (income) - net	20.9	0.1 %	(44.7)	(0.2)%
Income before income taxes	\$ 3,338.2	14.2 %	\$ 3,451.8	14.9 %

Consolidated Cost of goods sold increased \$155.4 million, or 1.3% in 2025 compared to the same period in 2024 primarily due to the impact of the October 2025 Suvinil acquisition, partially offset by moderating raw material costs and lower sales volume.

Consolidated Gross profit increased \$320.4 million, or 2.9% in 2025 compared to the same period in 2024 primarily due to favorable selling prices in the Paint Stores Group, the acquisition of Suvinil within the Consumer Brands Group and moderating raw material costs, partially offset by unfavorable product mix within the Performance Coatings Group. Consolidated Gross profit as a percent to consolidated Net sales increased to 48.8% in 2025 from 48.5% in 2024 for these same reasons.

The Paint Stores Group's Gross profit for 2025 increased \$364.2 million compared to the same period in 2024 primarily due to growth in Net sales from favorable selling prices and moderating raw material costs, partially offset by lower sales volume. 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 decreased \$42.2 million in 2025 compared to the same period in 2024 primarily due to lower sales volumes and unfavorable currency translation impact, partially offset by the impact from the October 2025 acquisition of Suvinil. The Consumer Brands Group's Gross profit as a percent of Net sales decreased for these same reasons. The Performance Coatings Group's Gross profit decreased \$38.1 million compared to the same period in 2024 primarily due to an unfavorable impact from selling prices attributable to product mix, partially offset by the impact of acquisitions and favorable foreign currency translation. The Performance Coatings Group's Gross profit as a percent of Net sales decreased for these same reasons.

Consolidated SG&A increased by \$272.9 million, or 3.7% in 2025 compared to the same period in 2024 primarily due to investments in long-term growth opportunities in the Paint Stores Group, including expenses to support net new store openings, costs related to the October 2025 Suvinil acquisition, costs related to the new global headquarters and research and development (R&D) center buildings, higher employee-related costs and other expenses associated with targeted restructuring actions. As a percent of Net sales, SG&A increased 50 basis points compared to the same period in 2024 for these same reasons.

The Paint Stores Group's SG&A increased \$183.7 million, or 4.2% for the year primarily due to higher employee-related costs and investments in long-term growth initiatives, including increased spending from net new store openings and costs to support higher sales. The Consumer Brands Group's SG&A increased \$32.8 million, or 3.8% for the year primarily due to costs related to the October 2025 Suvinil acquisition, increased marketing & advertising and higher employee-related costs. The Performance Coatings Group's SG&A increased by \$3.1 million, or 0.2% for the year primarily due to targeted restructuring activities and higher employee-related costs. The Administrative function's SG&A increased \$53.3 million, or 7.5% primarily due to targeted restructuring activities and costs related to the new global headquarters and R&D center buildings.

Other general (income) expense - net decreased by \$28.6 million from income of \$38.8 million in 2024 to income of \$10.2 million in 2025. The change was primarily attributable to a gain recognized in 2024 from insurance recoveries related to environmental matters at a current manufacturing site. See Note 19 to the consolidated financial statements in Item 8 for further information.

Impairment of \$17.8 million was recorded in 2025 related to restructuring activities which impacted certain trademarks in the Asia, Latin America and Europe regions. There was no impairment in 2024. For further information on impairment considerations, see Notes 3 and 6 to the consolidated financial statements in Item 8.

Interest expense increased \$49.3 million in 2025 compared to 2024 primarily due to an increase in long-term debt, interest expense related to the new global headquarters and research and development center which were both placed into service in 2025 and an increase in short-term borrowings primarily to fund the October 2025 acquisition of Suviniil. See Note 7 to the consolidated financial statements in Item 8 for further information on the Company's outstanding debt.

Other expense (income) - net changed by \$65.6 million from income of \$44.7 million in 2024 to expense of \$20.9 million in 2025 primarily due to higher foreign currency transaction related losses in 2025 compared to 2024, including impacts from highly inflationary economies such as Argentina and an immaterial loss recognized in 2025 from a transaction to convert a foreign currency with limited liquidity to the U.S. dollar. The remaining change is due to miscellaneous other income and expense, none of which were individually significant. See Note 19 to the consolidated financial statements in Item 8 for further information related to Other expense (income) - net.

The following table presents Income before income taxes by segment and as a percent of Net sales by segment:

	Year Ended December 31,			
	2025	2024	\$ Change	% Change
Income Before Income Taxes:				
Paint Stores Group	\$ 3,061.5	\$ 2,902.6	\$ 158.9	5.5 %
Consumer Brands Group	509.6	589.9	(80.3)	(13.6)%
Performance Coatings Group	942.7	1,027.9	(85.2)	(8.3)%
Administrative	(1,175.6)	(1,068.6)	(107.0)	(10.0)%
Total	\$ 3,338.2	\$ 3,451.8	\$ (113.6)	(3.3)%
Income Before Income Taxes as a percent of Net sales:				
Paint Stores Group	22.5 %	22.0 %		
Consumer Brands Group	16.1 %	19.0 %		
Performance Coatings Group	13.9 %	15.1 %		
Administrative	nm	nm		
Total	14.2 %	14.9 %		

nm - not meaningful

Income Tax Expense

The effective income tax rate for 2025 was 23.1% compared to 22.3% in 2024. The increase in the effective rate was primarily due to less favorable impacts of tax benefits related to employee share-based payments. The other significant components of the Company's effective tax rate were consistent year-over-year. See Note 20 to the consolidated financial statements in Item 8 for further information.

Net Income Per Share

Diluted net income per share for 2025 decreased to \$10.26 per share from \$10.55 per share in 2024. Currency translation rate changes decreased diluted net income per share by \$0.06 per share in 2025. Diluted net income per share in 2025 included acquisition-related amortization expense of \$0.78 per share, severance and other restructuring expenses of \$0.34 per share, and impairment related to trademarks of \$0.05 per share. Diluted net income per share for 2024 included acquisition-related amortization expense of \$0.78 per share. See Notes 1, 6 and 21 to the consolidated financial statements in Item 8 for further information.

FINANCIAL CONDITION, LIQUIDITY AND CASH FLOW

Overview

The Company's financial condition, liquidity and cash flow remained strong in 2025. The Company generated \$3.452 billion in Net operating cash and invested approximately \$1.15 billion in the acquisition of Suvnil and \$797.6 million in capital expenditures. Cash of \$2.446 billion was returned to shareholders in the form of cash dividends and share repurchases during the year.

During 2025, the Company generated Net income of \$2.569 billion, EBITDA of \$4.480 billion and Adjusted EBITDA of \$4.609 billion. See the Non-GAAP Financial Measures section for the definitions and calculations of EBITDA and Adjusted EBITDA. As of December 31, 2025, the Company had Cash and cash equivalents of \$207.2 million and total debt outstanding of \$10.871 billion. Total debt, net of Cash and cash equivalents, was \$10.664 billion and was 2.4 times the Company's EBITDA in 2025.

Net Working Capital

Net working capital, defined as Total current assets less Total current liabilities, increased \$495.0 million to a deficit of \$912.9 million at December 31, 2025 compared to a deficit of \$1.408 billion at December 31, 2024. The net working capital increase is primarily due to an increase in current assets, particularly Accounts receivable, net and Other current assets and a decrease in the Current portion of long-term debt, partially offset by an increase in Short-term borrowings and Accounts payable.

Current asset balances increased \$606.6 million at December 31, 2025 compared to December 31, 2024 primarily due to an increase in Accounts receivable, net of \$402.4 million, an increase in Other current assets of \$177.3 million, primarily related to prepaid expenses and recoverable income taxes, and an increase in Inventories of \$30.1 million. These increases were offset by a decrease in Cash and cash equivalents of \$3.2 million.

Current liability balances increased \$111.6 million at December 31, 2025 compared to December 31, 2024 primarily due to an increase in Short-term borrowings of \$538.1 million, an increase in Other accruals of \$148.7 million primarily related to increases in liabilities related to customer considerations, accrued severance, current portion of non-traded investments and miscellaneous other accruals, partially offset by a decrease in insurance payables, an increase in Accounts payable of \$101.0 million, an increase in Current portion of operating lease liabilities of \$13.2 million and an increase in Accrued taxes of \$13.1 million. These increases were partially offset by a decrease in the Current portion of long-term debt of \$699.1 million.

As a result of the net effect of these changes, the Company's current ratio increased to 0.87 at December 31, 2025 from 0.79 at December 31, 2024. Accounts receivable as a percent of Net sales increased to 11.8% in 2025 from 10.3% in 2024. Accounts receivable days outstanding was 62 days in 2025 and 58 days in 2024. In 2025, the allowance for current expected credit losses increased \$2.1 million, or 3.5%. Inventories as a percent of Net sales decreased to 9.8% in 2025 from 9.9% in 2024. Inventory days outstanding was 88 days in 2025 compared to 93 days in 2024. The Company has sufficient total available borrowing capacity to fund its current operating needs.

Property, Plant and Equipment

Property, plant and equipment, net increased \$604.2 million to \$4.137 billion at December 31, 2025 primarily due to capital expenditures of \$745.9 million, assets acquired through business combinations of \$153.7 million and foreign currency translation and other adjustments of \$44.9 million, offset by depreciation expense of \$340.3 million.

Buildings within Property, plant and equipment, net increased by \$1.491 billion in the twelve months since December 31, 2024 primarily due to the new global headquarters and the R&D center meeting the criteria to be placed into service during 2025. An immaterial amount of capital expenditures related to finalizing the construction of the new global headquarters and R&D center will be placed into service during 2026. The new global headquarters and associated parking garage assets are depreciated over their useful lives of 60 and 45 years, respectively. Additionally, the R&D center asset is depreciated over its useful life of 60 years.

Also included in 2025 capital expenditures were expenditures related to manufacturing capacity expansion, operational efficiencies and maintenance projects in the Consumer Brands and Performance Coatings Groups and the opening of new paint stores and renovation and improvements in existing stores in the Paint Stores Group.

In 2026, the Company expects to spend less than 2025 for capital expenditures, which it will fund primarily through the generation of operating cash. Core capital expenditures are targeted to be approximately 2% of Net sales in 2026 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.

Real Estate Financing

In December 2022, the Company closed a transaction to sell and subsequently lease back its new global 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 received the final proceeds for the new global headquarters in 2025 for a total of \$800 million. 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. Lease payments over the next twelve months are expected to be approximately \$51 million. The amount of the lease payments during the initial 30 year lease term is estimated to be approximately \$1.938 billion. Refer to the Contractual and Other Obligations and Commercial Commitments section below for further information on the Company's obligations.

The following table summarizes the activity related to this transaction and the corresponding balances recognized in the Consolidated Balance Sheets.

	2025	2024
Activity:		
Proceeds received	\$ 40.9	\$ 244.2
Capitalized interest	37.2	45.2
Balances:		
Short-term liability	\$ 51.0	\$ 49.7
Long-term liability	762.0	715.9
Total liability	<u>\$ 813.0</u>	<u>\$ 765.6</u>

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 Company will continue to recognize the related assets, including any capitalized interest, within Property, plant and equipment, net on the Consolidated Balance Sheets. These assets are 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. See Note 10 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 \$456.5 million to \$8.037 billion at December 31, 2025, due to purchase accounting allocations of \$306.8 million, primarily related to the Suvinil acquisition, and foreign currency translation rate fluctuations and other adjustments of \$149.7 million.

Intangible assets increased \$432.9 million to \$3.966 billion at December 31, 2025 due to purchase price accounting allocations of \$643.4 million, primarily related to the Suvinil acquisition, foreign currency translation rate fluctuations and other adjustments of \$104.0 million and capitalization of software of \$39.9 million, offset by amortization of finite-lived intangible assets of \$336.6 million and trademark impairment of \$17.8 million.

See Note 3 to the consolidated financial statements in Item 8 for further information related to acquisitions. See Note 6 to the consolidated financial statements in Item 8 for a description of goodwill, identifiable intangible assets, asset impairments and summaries of the remaining carrying values of goodwill and intangible assets.

Other Assets

Other assets increased \$127.5 million to \$1.759 billion at December 31, 2025. The increase was primarily due to an increase in non-traded investments and pension plan assets. See Notes 1 and 8 to the consolidated financial statements in Item 8 for further information.

Debt (including Short-term borrowings)

	December 31, 2025	December 31, 2024
Long-term debt	\$ 9,670.8	\$ 9,226.0
Short-term borrowings	1,200.5	662.4
Total debt outstanding	<u>\$ 10,871.3</u>	<u>\$ 9,888.4</u>

Total debt outstanding, including Short-term borrowings, increased by \$982.9 million to \$10.871 billion in 2025. Short-term borrowings are primarily comprised of amounts outstanding under the Company's domestic commercial paper program, delayed draw term loans and various foreign credit facilities. The Company's Long-term debt primarily consists of senior notes. The Company targets Net debt, which is total debt outstanding, net of Cash and cash equivalents, to be 2.0 to 2.5 times EBITDA. At December 31, 2025, Net debt was \$10.664 billion and was 2.4 times the Company's EBITDA in 2025. See the Non-GAAP Financial Measures section for the definition and calculation of EBITDA.

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, 2025, the Company had unused capacity under its various credit agreements of \$3.649 billion.

See Note 7 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 \$15.5 million to \$83.3 million primarily due to changes in actuarial assumptions and the acquisition of a Suvinil defined benefit pension plan. The Company's liability for domestic other postretirement benefits decreased \$9.5 million to \$125.6 million at December 31, 2025 primarily due to benefits paid and changes in actuarial assumptions.

The assumed discount rate used to determine the projected benefit obligation for the domestic defined benefit pension plan decreased to 5.7% at December 31, 2025 from 5.8% at December 31, 2024. The assumed discount rate used to determine the projected benefit obligation for foreign defined benefit pension plans of 5.5% remained substantially the same at December 31, 2025 and December 31, 2024. The assumed discount rate used to determine the benefit obligation for domestic other postretirement benefit obligations decreased to 5.4% at December 31, 2025 from 5.6% at December 31, 2024.

In determining 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, 2025 was 3.0% for the domestic pension plan and 3.2% 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 6.0% and 6.5% at December 31, 2025 and 2024, respectively. The expected long-term rate of return on assets for the foreign defined benefit pension plans was 5.1% and 4.8% at December 31, 2025 and 2024, respectively.

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 benefit obligation for domestic other postretirement benefit obligations at December 31, 2025 were 6.0% and 11.0% for medical and prescription drug cost increases, respectively, both decreasing gradually to 4.5% in 2034. The assumed health care cost trend rates for medical and prescription costs used to determine the benefit obligation for domestic other postretirement benefit obligations at December 31, 2024 were 6.5% and 11.8%, 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 (credit) cost in 2026 for the domestic pension plan and foreign pension plans is expected to be approximately \$(3.2) million and \$6.1 million, respectively. Net periodic benefit cost in 2026 for domestic other postretirement benefits is expected to be approximately \$2.6 million.

Employees and their eligible dependents in certain consolidated foreign subsidiaries of the Company are eligible for health care benefits upon retirement, subject to the terms of the plans, and are recorded as other postretirement benefits. The associated benefit obligation and net periodic benefit cost did not have a material impact on the Company's consolidated financial statements.

See Note 8 to the consolidated financial statements in Item 8 for further 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, 2025 increased \$157.8 million to \$765.3 million primarily due to provisions of the One Big Beautiful Bill Act signed into law in 2025 which allows for the immediate expensing of certain domestic capital expenditures and domestic research and development costs, and the ability to accelerate previously capitalized domestic research and development costs, partially offset by the amortization of intangible assets in the current year. See Note 20 to the consolidated financial statements in Item 8 for further information on deferred taxes.

Other Long-Term Liabilities

Other long-term liabilities increased \$266.4 million to \$2.576 billion at December 31, 2025 primarily due to liabilities associated with net investment hedges, commitments related to non-traded investments and real estate financing. See Notes 1, 9, 10 and 16 to the consolidated financial statements in Item 8 for further information.

Environmental-Related Liabilities

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 help protect the environment and promote continued compliance.

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 2025. 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 2026. See Note 10 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, 2025.

Contractual and Other Obligations	Payments Due by Period				
	Total	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years
Long-term debt	\$ 9,750.1	\$ 350.1	\$ 2,400.0	\$ 1,800.0	\$ 5,200.0
Interest on Long-term debt	3,759.3	293.9	487.3	404.8	2,573.3
Operating leases	2,342.0	558.9	856.0	492.9	434.2
Finance leases	648.7	11.9	17.6	18.5	600.7
Short-term borrowings	1,200.5	1,200.5			
Real estate financing transactions	2,058.1	66.7	137.4	141.8	1,712.2
Purchase obligations ⁽¹⁾	382.6	382.6			
Other contractual obligations ⁽²⁾	792.9	125.0	229.4	187.4	251.1
Total contractual cash obligations	\$ 20,934.2	\$ 2,989.6	\$ 4,127.7	\$ 3,045.4	\$ 10,771.5

⁽¹⁾ Relates to open purchase orders for raw materials at December 31, 2025.

⁽²⁾ 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 1 Year	1–3 Years	3–5 Years	More Than 5 Years
Standby letters of credit	\$ 129.8	\$ 129.8			
Surety bonds	215.0	215.0			
Total commercial commitments	\$ 344.8	\$ 344.8	\$ —	\$ —	\$ —

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 2025 and 2024, including customer satisfaction settlements during the year, were as follows:

	2025	2024
Balance at January 1	\$ 46.4	\$ 40.4
Charges to expense	29.3	34.2
Settlements	(18.4)	(28.2)
Balance at December 31	\$ 57.3	\$ 46.4

Shareholders' Equity

Shareholders' equity increased \$547.1 million to \$4.598 billion at December 31, 2025 from \$4.051 billion last year. The increase was primarily attributable to the generation of \$2.569 billion of Net income, benefits from stock option exercises and the recognition of stock-based compensation expense of \$242.9 million and a decrease in Accumulated other comprehensive income (loss) of \$240.8 million mainly due to foreign currency translation adjustments. These increases were partially offset by the repurchase of \$1.656 billion in Treasury stock and the payment of \$789.8 million in cash dividends. During the fourth quarter of 2025, the Company retired 29.5 million common stock shares held in treasury stock, which resulted in decreases of Common stock, Other capital, Retained earnings and Treasury stock of \$9.9 million, \$578.5 million, \$7.996 billion, and \$8.584 billion, respectively. See the Statements of Consolidated Shareholders' Equity and Statements of Consolidated Comprehensive Income in Item 8 for further information.

The Company purchased 4.8 million shares of its common stock for treasury purposes through open market purchases during 2025. 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, 2025 to purchase 29.6 million shares of its common stock.

The Company's 2025 annual cash dividend of \$3.16 per share represented 30% of 2024 diluted net income per share. The 2025 annual dividend represented the 47th consecutive year of increased dividend payments. On January 26, 2026, the Board of Directors increased the quarterly cash dividend to \$0.80 per share. This quarterly dividend, if approved in each of the remaining quarters of 2026, would result in an annual dividend for 2026 of \$3.20 per share, or a 31% payout of 2025 diluted net income per share.

Cash Flow

Net operating cash increased \$298.4 million in 2025 to a cash source of \$3.452 billion from a cash source of \$3.153 billion in 2024 primarily due to an increase in Deferred income taxes and lower cash requirements for working capital, partially offset by lower Net income. Net operating cash increased as a percent of Net sales to 14.6% in 2025 compared to 13.7% in 2024.

Net investing cash usage increased \$870.0 million to a usage of \$2.066 billion in 2025 from a usage of \$1.196 billion in 2024 primarily due to an increase in cash used for the Suvnil acquisition in the current year, partially offset by a decrease in capital expenditures. See Note 3 to the consolidated financial statements in Item 8 for further information on acquisitions.

Net financing cash usage decreased \$638.5 million to a usage of \$1.379 billion in 2025 from a usage of \$2.017 billion in 2024. This decrease was primarily due to proceeds from long-term debt, an increase in short-term borrowings in 2025 and a lower amount of treasury stock repurchased, partially offset by lower proceeds from real estate financing transactions related to the new global headquarters and lower proceeds from stock options exercised.

In the normal course of business, the Company may receive proceeds related to claims for incurred damages under its insurance policies. No amounts have been recorded in the consolidated financial statements for any insurance proceeds that have not been received as of the balance sheet date and any future recoveries are indeterminable at this time.

Market Risk

The Company is exposed to market risk associated with interest rates, 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 2025 and 2024, 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. In addition, the Company entered into forward foreign currency exchange contracts during 2025 and 2024 primarily to hedge value changes in foreign currency. There were no material contracts outstanding at December 31, 2025. Lastly, the Company entered into interest rate lock contracts in 2025 to hedge the variability in the benchmark interest rate for the 2025 issuance of long-term fixed rate debt. The contracts were designated as cash flow hedges and settled in 2025. See Notes 1, 16 and 19 to the consolidated financial statements in Item 8 for further information on the use of derivative instruments. The Company believes it may experience losses from foreign currency translation and transactions, interest rate movement and commodity price fluctuations. However, the Company does not expect foreign currency translation or transactions, interest rate movement, commodity price fluctuations or hedging contract losses to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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 July 31, 2024. 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, 2025, 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 7 to the consolidated financial statements in Item 8 for further 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 and additionally, may elect to make discretionary contributions. The Company's matching and discretionary contributions to the defined contribution savings plan charged to operations were \$184.2 million in 2025 compared to \$165.1 million in 2024. At December 31, 2025, there were 14,886,577 shares of the Company's common stock being held by the defined contribution savings plan, representing 6.0% of the total number of voting shares outstanding. See Note 13 to the consolidated financial statements in Item 8 for further 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 as an indicator of operating performance. The reader should refer to the determination of Net income in accordance with US GAAP disclosed in the Statements of Consolidated Income in Item 8.

The following table reconciles Net income computed in accordance with US GAAP to EBITDA and Adjusted EBITDA as calculated by management for the years indicated below:

	2025	2024
Net income	\$ 2,568.5	\$ 2,681.4
Interest expense	465.0	415.7
Income taxes	769.7	770.4
Depreciation	340.3	297.4
Amortization	336.6	326.6
EBITDA	4,480.1	4,491.5
Severance and other restructuring expenses	111.0	—
Trademark impairment	17.8	—
Adjusted EBITDA	<u>\$ 4,608.9</u>	<u>\$ 4,491.5</u>

Free Cash Flow After Dividends

Free cash flow after dividends 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 after dividends 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 after dividends 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 after dividends as calculated by management for the years indicated below:

	2025	2024
Net operating cash	\$ 3,451.6	\$ 3,153.2
Capital expenditures	(797.6)	(1,070.0)
Cash dividends	(789.8)	(723.4)
Free cash flow after dividends	<u>\$ 1,864.2</u>	<u>\$ 1,359.8</u>

Adjusted Diluted Net Income Per Share

Management believes 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. Valspar acquisition-related amortization expense is excluded from diluted net income per share due to its significance as a result of the purchase price assigned to finite-lived intangible assets at the date of acquisition and the related impact on underlying business performance and trends. While these intangible assets contribute to the Company's revenue generation, the related revenue is not excluded. 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, 2025		
	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 10.26
Acquisition-related amortization expense ⁽²⁾	\$ 1.03	\$.25	.78
Severance and other restructuring expenses	.44	.10	.34
Trademark impairment	.07	.02	.05
Adjusted diluted net income per share			\$ 11.43

	Year Ended		
	December 31, 2024		
	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 10.55
Acquisition-related amortization expense ⁽²⁾	\$ 1.02	\$.24	.78
Adjusted diluted net income per share			\$ 11.33

⁽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, which is included within Selling, general and administrative expenses, consists of the amortization of intangible assets related to the Valspar acquisition. These intangible assets are primarily customer relationships and intellectual property and are being amortized over their remaining useful lives.

Adjusted Segment Profit

Management believes 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. Valspar acquisition-related amortization expense is excluded from Segment profit due to its significance as a result of the purchase price assigned to finite-lived intangible assets at the date of acquisition and the related impact on underlying business performance and trends. While these intangible assets contribute to the Company's revenue generation, the related revenue is not excluded. 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, 2025				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Total
Net sales	\$ 13,605.9	\$ 3,166.4	\$ 6,795.2	\$ 6.8	\$ 23,574.3
Income before income taxes	\$ 3,061.5	\$ 509.6	\$ 942.7	\$ (1,175.6)	\$ 3,338.2
<i>Percent to Net sales</i>	22.5 %	16.1 %	13.9 %	nm	14.2 %
Acquisition-related amortization expense ⁽¹⁾		62.0	196.3		258.3
Severance and other restructuring expenses		39.1	17.9	54.0	111.0
Trademark impairment			17.8		17.8
Adjusted segment profit	\$ 3,061.5	\$ 610.7	\$ 1,174.7	\$ (1,121.6)	\$ 3,725.3
<i>Percent to Net sales</i>	22.5 %	19.3 %	17.3 %	nm	15.8 %

	Year Ended December 31, 2024				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Total
Net sales	\$ 13,188.0	\$ 3,108.0	\$ 6,797.3	\$ 5.2	\$ 23,098.5
Income before income taxes	\$ 2,902.6	\$ 589.9	\$ 1,027.9	\$ (1,068.6)	\$ 3,451.8
<i>Percent to Net sales</i>	22.0 %	19.0 %	15.1 %	nm	14.9 %
Acquisition-related amortization expense ⁽¹⁾		63.8	196.3		260.1
Adjusted segment profit	\$ 2,902.6	\$ 653.7	\$ 1,224.2	\$ (1,068.6)	\$ 3,711.9
<i>Percent to Net sales</i>	22.0 %	21.0 %	18.0 %	nm	16.1 %

nm - not meaningful

⁽¹⁾ Acquisition-related amortization expense, which is included within Selling, general and administrative expenses, consists of the amortization of intangible assets related to the Valspar acquisition. These intangible assets are primarily customer relationships and intellectual property and are being amortized over their remaining useful lives.

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

In accordance with the Inventory Topic of the ASC, inventories are stated at the lower of cost or market with cost determined principally on the last-in, first-out (LIFO) method based on inventory quantities and costs determined during the fourth quarter and market representing current replacement cost, which is the cost to purchase or reproduce the inventory. Market shall not exceed net realizable value and shall not be less than net realizable value reduced by an allowance for an approximately normal profit margin. 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 an estimate of the lower of cost or market whenever the utility of inventory is impaired by damage, deterioration, obsolescence, changes in price levels or other causes 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 current market price is provided for in the reserve for obsolescence. See Note 4 to the consolidated financial statements in Item 8 for further 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.

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. 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 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 reportable operating segments) with goodwill as of October 1, 2025, the date of the annual impairment test. The Company performed the optional qualitative impairment test as of October 1, 2025, and determined that there was no indication of impairment on a more likely than not basis in the Company's reporting units.

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. 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 long-term growth rate. The royalty savings valuation methodology and calculations used in 2025 impairment testing are consistent with prior years. The Company performed the optional qualitative impairment test as of October 1, 2025, and determined that there was indication of impairment on a more likely than not basis in certain of the Company's trademarks. The quantitative impairment tests performed as of October 1, 2025 resulted in \$17.8 million of trademark impairment in the Performance Coatings Group primarily related to restructuring activities which impacted certain trademarks in the Asia, Latin America and Europe regions. 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. See Note 6 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 and finance 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. 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, 2025, 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 5 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 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 and credits are recognized and recorded in Accumulated other comprehensive income (loss) (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 Net income over a period of years through the net pension and net periodic benefit costs. Based on facts and circumstances, the

expense amounts recorded in AOCI can also have accelerated amortization due to certain plan changes, including those that result in a curtailment. See Note 8 to the consolidated financial statements in Item 8 for further 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 10 to the consolidated financial statements in Item 8 for further 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 actual and potential claims, lawsuits, and other proceedings, including, but not limited to, litigation relating to product liability and warranty, raw materials used in our products, personal injury, environmental (including alleged natural resource damages), intellectual property, commercial, contractual and antitrust claims, that are inherently subject to many uncertainties regarding the possibility of a loss to the Company. In accordance with the Contingencies Topic of the ASC, management accrues for contingencies 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. 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, and the recording of the additional liability may result in a material impact on Net income for the annual or interim period during which such additional liability is accrued. In matters where no accrual is recorded because it is not probable that a liability will be incurred or the amount of any such loss cannot be reasonably estimated, any potential liability ultimately determined to be attributable to the Company arising out of any such claims, lawsuits or other proceedings, may result in a material adverse effect on the Company's results of operations, liquidity or financial condition. See Note 11 to the consolidated financial statements in Item 8 for further 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.

The Company also considers both positive and negative evidence when measuring the realizability of our deferred tax assets and the need for a valuation allowance when it is more likely than not that all or a portion of such assets will not be realized. The weight given to the evidence is commensurate with the extent to which it may be objectively verified. The Company places significant weight on operating results during the most recent three-year period in its analysis. Future reversals of existing temporary differences are heavily weighted sources of objectively verifiable positive evidence. It is typical to only consider forecasts of future profitability when positive cumulative operating results exist in the most recent three-year period. If necessary and available, tax planning strategies could be implemented to accelerate taxable amounts to utilize expiring

carryforwards. A valuation allowance is not required to the extent that, in the Company's judgment, positive evidence exists with a magnitude and duration sufficient to result in a conclusion that is more likely than not that deferred tax assets will be realized. See Note 20 to the consolidated financial statements in Item 8 for further information concerning income taxes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk associated with interest rates, 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 2025, 2024 and 2023, 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. In addition, the Company entered into forward foreign currency exchange contracts during 2025, 2024 and 2023 primarily to hedge value changes in foreign currency. There were no material contracts outstanding at December 31, 2025. The Company entered into interest rate lock contracts in 2025 to hedge the variability in the benchmark interest rate for the 2025 issuance of long-term fixed rate debt. The contracts were designated as cash flow hedges and settled in 2025. See Notes 1, 16 and 19 to the consolidated financial statements in Item 8 for further information on the use of derivative instruments. The Company believes it may experience losses from foreign currency translation and transactions, interest rate movement and commodity price fluctuations. However, the Company does not expect foreign currency translation or transactions, interest rate movement, commodity price fluctuations or hedging contract losses to have a material adverse effect on the Company's 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 policies or procedures may deteriorate.

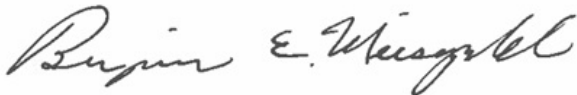
In order to ensure that the Company's internal control over financial reporting was effective as of December 31, 2025, we conducted an assessment of its effectiveness under the supervision and with the participation of our management group, including our principal executive officer and principal financial 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 October 2025 acquisition of BASF SE's Brazilian decorative paints business (Suvinil) from the scope of our assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. The Total assets and Net sales of Suvinil represented approximately 5.0% and less than 1.0% of the Company's respective consolidated Total assets and Net sales as of and for the year ended December 31, 2025.

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, 2025, 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, 2025 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 44 of this report.



Heidi G. Petz
Chair, President and Chief Executive Officer



Benjamin E. Meisenzahl
Senior Vice President - Finance and Chief Financial Officer



J. Paul Lang
Senior Vice President - Enterprise Finance and Chief Accounting Officer

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 and subsidiaries' internal control over financial reporting as of December 31, 2025, 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 and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, 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 BASF SE's Brazilian decorative paints business ("Suvinil"), which is included in the 2025 consolidated financial statements of the Company and constituted 5.0% of total assets as of December 31, 2025 and less than 1.0% 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 Suvinil.

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 Company as of December 31, 2025, 2024 and 2023, 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, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 19, 2026 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.

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 19, 2026

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

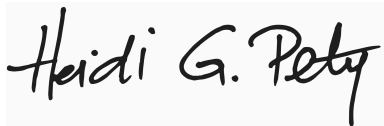
Shareholders of The Sherwin-Williams Company

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, 2025, 2024 and 2023 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.

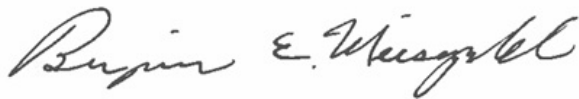
We have conducted an assessment of the effectiveness of internal control over financial reporting based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As discussed in the Report of Management on Internal Control Over Financial Reporting on page 43 of this report, we concluded that the Company’s internal control over financial reporting was effective as of December 31, 2025.

The Board of Directors fulfills 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.



Heidi G. Petz
Chair, President and Chief Executive Officer



Benjamin E. Meisenzahl
Senior Vice President - Finance and Chief Financial Officer



J. Paul Lang
Senior Vice President - Enterprise Finance and Chief Accounting Officer

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 and subsidiaries (the Company) as of December 31, 2025, 2024 and 2023, 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, 2025, and the related notes and financial statement schedule listed in the Index at 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, 2025, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, 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, 2025, 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 19, 2026 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 10 to the consolidated financial statements, the Company had short-term and long-term accruals for environmental-related activities of \$52.7 million and \$224.9 million, respectively, at December 31, 2025. 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 judgment, 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 judgment 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 19, 2026

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME

(in millions, except per share data)

	Year Ended December 31,		
	2025	2024	2023
Net sales	\$ 23,574.3	\$ 23,098.5	\$ 23,051.9
Cost of goods sold	12,058.8	11,903.4	12,293.8
Gross profit	11,515.5	11,195.1	10,758.1
<i>Percent to Net sales</i>	48.8 %	48.5 %	46.7 %
Selling, general and administrative expenses	7,695.0	7,422.1	7,065.4
<i>Percent to Net sales</i>	32.6 %	32.1 %	30.6 %
Other general (income) expense - net	(10.2)	(38.8)	67.1
Impairment	17.8	—	57.9
Interest expense	465.0	415.7	417.5
Interest income	(11.2)	(11.0)	(25.2)
Other expense (income) - net	20.9	(44.7)	65.5
Income before income taxes	3,338.2	3,451.8	3,109.9
Income taxes	769.7	770.4	721.1
Net income	\$ 2,568.5	\$ 2,681.4	\$ 2,388.8
Net income per common share:			
Basic	\$ 10.37	\$ 10.68	\$ 9.35
Diluted	\$ 10.26	\$ 10.55	\$ 9.25
Weighted average shares outstanding:			
Basic	247.6	251.0	255.4
Diluted	250.4	254.1	258.3

See notes to consolidated financial statements.

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

<i>(in millions)</i>	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 2,568.5	\$ 2,681.4	\$ 2,388.8
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments ⁽¹⁾	253.5	(256.0)	93.9
Pension and other postretirement benefit adjustments:			
Amounts recognized in AOCI ⁽²⁾	(2.1)	23.0	3.9
Amounts reclassified from AOCI ⁽³⁾	(11.5)	(14.2)	(17.9)
Total	(13.6)	8.8	(14.0)
Unrealized net gains on cash flow hedges:			
Amounts recognized in AOCI ⁽⁴⁾	4.7	—	—
Amounts reclassified from AOCI ⁽⁵⁾	(3.8)	(3.7)	(3.6)
Total	0.9	(3.7)	(3.6)
Other comprehensive income (loss), net of tax	240.8	(250.9)	76.3
Comprehensive income	\$ 2,809.3	\$ 2,430.5	\$ 2,465.1

⁽¹⁾ The years ended December 31, 2025, 2024 and 2023 include unrealized (losses) gains, net of taxes, of \$(129.2) million, \$53.6 million and \$(24.9) million, respectively, related to net investment hedges. See Note 16 for further information.

⁽²⁾ Net of taxes of \$2.0 million, \$(6.6) million and \$(2.8) million in 2025, 2024 and 2023, respectively.

⁽³⁾ Net of taxes of \$3.8 million, \$4.6 million and \$5.9 million in 2025, 2024 and 2023, respectively.

⁽⁴⁾ Net of taxes of \$(1.5) million in 2025. See Note 16 for further information.

⁽⁵⁾ Net of taxes of \$1.3 million in 2025 and \$1.2 million in 2024 and 2023.

See notes to consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(in millions)</i>	December 31,		
	2025	2024	2023
Assets			
Current assets:			
Cash and cash equivalents	\$ 207.2	\$ 210.4	\$ 276.8
Accounts receivable, net	2,791.2	2,388.8	2,467.9
Inventories	2,318.2	2,288.1	2,329.8
Other current assets	690.8	513.5	438.4
Total current assets	6,007.4	5,400.8	5,512.9
Property, plant and equipment, net	4,137.4	3,533.2	2,836.8
Goodwill	8,036.6	7,580.1	7,626.0
Intangible assets	3,966.1	3,533.2	3,880.5
Operating lease right-of-use assets	1,995.2	1,953.8	1,887.4
Other assets	1,759.0	1,631.5	1,210.8
Total Assets	\$ 25,901.7	\$ 23,632.6	\$ 22,954.4
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term borrowings	\$ 1,200.5	\$ 662.4	\$ 374.2
Accounts payable	2,354.2	2,253.2	2,315.0
Compensation and taxes withheld	839.4	842.8	862.7
Accrued taxes	187.4	174.3	197.4
Current portion of long-term debt	350.1	1,049.2	1,098.8
Current portion of operating lease liabilities	479.8	466.6	449.3
Other accruals	1,508.9	1,360.2	1,329.5
Total current liabilities	6,920.3	6,808.7	6,626.9
Long-term debt	9,320.7	8,176.8	8,377.9
Postretirement benefits other than pensions	129.8	120.7	133.2
Deferred income taxes	765.3	607.5	683.1
Long-term operating lease liabilities	1,591.5	1,558.3	1,509.5
Other long-term liabilities	2,575.8	2,309.4	1,908.0
Shareholders' equity:			
Common stock - \$0.33-1/3 par value:			
247.7, 251.3 and 254.5 million shares outstanding			
at December 31, 2025, 2024 and 2023, respectively	83.1	92.5	91.8
Other capital	4,204.5	4,576.2	4,193.6
Retained earnings	1,029.4	7,246.3	5,288.3
Treasury stock, at cost	(84.3)	(6,988.6)	(5,233.6)
Accumulated other comprehensive income (loss)	(634.4)	(875.2)	(624.3)
Total shareholders' equity	4,598.3	4,051.2	3,715.8
Total Liabilities and Shareholders' Equity	\$ 25,901.7	\$ 23,632.6	\$ 22,954.4

See notes to consolidated financial statements.

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

(in millions)	Year Ended December 31,		
	2025	2024	2023
Operating Activities			
Net income	\$ 2,568.5	\$ 2,681.4	\$ 2,388.8
Adjustments to reconcile Net income to Net operating cash:			
Depreciation	340.3	297.4	292.3
Non-cash lease expense	508.6	460.5	452.7
Amortization of intangible assets	336.6	326.6	330.2
Gain on divestiture of business	—	—	(20.1)
Loss on extinguishment of debt	—	—	12.8
Impairment	17.8	—	57.9
Provisions for environmental-related matters - net	15.3	(1.3)	80.7
Provisions for restructuring	111.0	—	15.3
Deferred income taxes	153.2	(74.9)	(88.9)
Stock-based compensation expense	123.5	138.1	115.9
Amortization of non-traded investments	104.0	75.0	65.4
(Gain) loss on sale or disposition of assets	(20.8)	(49.9)	0.9
Other	2.6	(10.9)	(8.8)
Change in working capital accounts:			
(Increase) decrease in accounts receivable	(162.8)	(10.7)	85.6
Decrease (increase) in inventories	132.5	(32.9)	323.4
(Decrease) increase in accounts payable	(37.8)	21.8	(241.1)
Decrease in accrued taxes	(22.5)	(14.3)	(8.9)
(Decrease) increase in accrued compensation and taxes withheld	(25.9)	(7.9)	75.7
(Increase) decrease in refundable income taxes	(16.1)	0.8	25.8
Other	(74.8)	(20.7)	363.7
Change in operating lease liabilities	(503.7)	(460.7)	(453.4)
Costs incurred for environmental-related matters	(35.1)	(24.1)	(35.3)
Costs incurred for restructuring	(71.3)	—	(57.0)
Other	8.5	(140.1)	(251.7)
Net operating cash	<u>3,451.6</u>	<u>3,153.2</u>	<u>3,521.9</u>
Investing Activities			
Capital expenditures	(797.6)	(1,070.0)	(888.4)
Acquisitions of businesses, net of cash acquired	(1,211.3)	(78.9)	(264.7)
Proceeds from divestiture of business	—	—	103.7
Proceeds from sale of assets	10.7	11.6	70.1
Other	(68.1)	(59.0)	(60.0)
Net investing cash	<u>(2,066.3)</u>	<u>(1,196.3)</u>	<u>(1,039.3)</u>
Financing Activities			
Net increase (decrease) in short-term borrowings	537.4	288.6	(603.9)
Proceeds from long-term debt	1,499.2	848.7	—
Payments of long-term debt	(1,050.0)	(1,100.0)	(136.4)
Payments for credit facility and debt issuance costs	(13.5)	(8.6)	—
Payments of cash dividends	(789.8)	(723.4)	(623.7)
Proceeds from stock options exercised	140.6	242.0	111.6
Treasury stock purchased	(1,656.4)	(1,738.8)	(1,432.0)
Proceeds from real estate financing transactions	40.7	244.2	306.5
Other	(86.8)	(69.8)	(46.7)
Net financing cash	<u>(1,378.6)</u>	<u>(2,017.1)</u>	<u>(2,424.6)</u>
Effect of exchange rate changes on cash	(9.9)	(6.2)	20.0
Net (decrease) increase in cash and cash equivalents	(3.2)	(66.4)	78.0
Cash and cash equivalents at beginning of year	210.4	276.8	198.8
Cash and cash equivalents at end of year	<u>\$ 207.2</u>	<u>\$ 210.4</u>	<u>\$ 276.8</u>
Supplemental cash flow information			
Income taxes paid	\$ 592.7	\$ 779.8	\$ 816.7
Interest paid	\$ 453.0	\$ 406.9	\$ 416.5

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, 2023	\$ 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	91.8	4,193.6	5,288.3	(5,233.6)	(624.3)	3,715.8
Net income			2,681.4			2,681.4
Other comprehensive loss					(250.9)	(250.9)
Treasury stock purchased				(1,738.8)		(1,738.8)
Stock-based compensation activity	0.7	383.0		(16.2)		367.5
Other adjustments		(0.4)				(0.4)
Cash dividends -- \$2.86 per share			(723.4)			(723.4)
Balance at December 31, 2024	92.5	4,576.2	7,246.3	(6,988.6)	(875.2)	4,051.2
Net income			2,568.5			2,568.5
Other comprehensive income					240.8	240.8
Treasury stock purchased				(1,656.4)		(1,656.4)
Treasury stock retired	(9.9)	(578.5)	(7,995.6)	8,584.0		—
Stock-based compensation activity	0.5	265.7		(23.3)		242.9
Other adjustments		(58.9)				(58.9)
Cash dividends -- \$3.16 per share			(789.8)			(789.8)
Balance at December 31, 2025	<u>\$ 83.1</u>	<u>\$ 4,204.5</u>	<u>\$ 1,029.4</u>	<u>\$ (84.3)</u>	<u>\$ (634.4)</u>	<u>\$ 4,598.3</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 included in this report have been prepared by management of The Sherwin-Williams Company (herein referred to as the Company). These statements include the accounts of the Company and all consolidated subsidiaries. Intercompany accounts and transactions have been eliminated. The Company's share of earnings or losses from nonconsolidated affiliates is included in the consolidated financial statements using the equity method of accounting when the Company is able to exercise significant influence over the operating and financial decisions of the affiliate.

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.

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.

Under the Financial Instruments - Credit Losses topic of the Accounting Standards Codification (ASC), 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 18 for further information.

Inventories

Inventories are stated at the lower of cost or market with cost determined principally on the last-in, first-out (LIFO) method. Market represents current replacement cost, which is the cost to purchase or reproduce the inventory. 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 the lower of cost or market whenever the utility of inventory is impaired by damage, deterioration, obsolescence, changes in price levels, or other causes 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 current market price is provided for in the reserve for obsolescence. See Note 4 for further information.

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 60 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. See Note 5 for further information.

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 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 3 to 29 years. See Note 6 for further information.

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 5 for further information.

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. These include foreign currency forward contracts, cross currency swaps designated as net investment hedges and interest rate lock contracts designated as cash flow hedges. 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. See Note 16 for further information.

Non-Traded Investments

The Company has invested in U.S. affordable housing, historic renovation and other real estate investments (Non-Traded Investments) that have been identified as variable interest entities which qualify for certain tax credits and other tax benefits. Since the Company does not have the power to direct the day-to-day operations of the Non-Traded Investments and the risk of loss is limited to the amount of contributed capital, the Company is not considered the primary beneficiary. Therefore, in accordance with the Consolidation Topic of the ASC, the Non-Traded Investments are not consolidated.

Under the Investments - Equity Method and Joint Ventures Topic of the ASC, the Company uses the proportional amortization method, whereby the initial cost and any subsequent changes in the level of investment of Non-Traded Investments is amortized in proportion to the receipt of related tax credits. The Company reasonably expects amortization based on the receipt of tax credits would produce a measurement substantially similar to amortization based on the receipt of tax credits and other tax benefits. Both the amortization and related tax credits and other tax benefits are recognized in Income tax expense on the Statements of Consolidated Income.

	2025	2024	2023
Amortization of Non-Traded Investments	\$ 104.0	\$ 75.0	\$ 65.4
Tax credits and other tax benefits received	128.3	104.9	94.8

The carrying value of Non-Traded Investments is recorded in Other assets. The liabilities for estimated future capital contributions are recorded in Other accruals and Other long-term liabilities. In addition, the associated impact of related tax credits and other tax benefits are recorded as a reduction of Accrued taxes and a net deferred income tax asset within Deferred income taxes. On the Statements of Consolidated Cash Flows, the tax credits and other tax benefits are presented as a change in Accrued taxes and in Deferred income taxes within Operating activities. Tax credits and other tax benefits reduced Accrued taxes by \$128.3 million, \$104.9 million and \$94.8 million at December 31, 2025, 2024 and 2023, respectively. The following table summarizes the balances related to Non-Traded Investments and related tax credits and other tax benefits on the Consolidated Balance Sheets:

	2025	2024	2023
Other assets	\$ 826.1	\$ 744.0	\$ 675.0
Other accruals	123.4	101.4	80.9
Other long-term liabilities	667.8	600.3	568.2
Net deferred income tax asset	2.6	7.6	19.4

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 \$129.8 million, \$125.5 million and \$146.2 million at December 31, 2025, 2024 and 2023, 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 2025, 2024 and 2023, including customer satisfaction settlements during the year, were as follows:

Balance at January 1	\$	46.4	\$	40.4	\$	36.2
Charges to expense		29.3		34.2		37.0
Settlements		(18.4)		(28.2)		(32.8)
Balance at December 31	\$	57.3	\$	46.4	\$	40.4

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 Accumulated other comprehensive income (loss) (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 earnings over a period of years through the net pension (credit) cost and net periodic benefit (credit) cost. See Note 8 for further information.

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 related to the employer contribution portion of the defined contribution savings plan for employee services rendered during the year. See Note 13 for further information.

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 10 and 19 for further information.

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 14 for further information.

Other Liabilities

The Company retains risk for certain liabilities. Estimated amounts are accrued for certain workers' compensation, employee medical and disability benefits, automobile and general liability 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 product and property 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 19 for further information.

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 18 for further information.

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 \$224.8 million, \$217.3 million and \$196.6 million during 2025, 2024 and 2023, 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 \$393.2 million, \$386.9 million and \$394.0 million in advertising costs during 2025, 2024 and 2023, 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.

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 the 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 \$206.1 million, \$215.7 million and \$213.1 million at December 31, 2025, 2024 and 2023, respectively.

The following table presents a rollforward of the Company's outstanding obligations under its supplier finance programs for the years ended December 31:

	2025	2024
Balance at January 1	\$ 215.7	\$ 213.1
Invoices confirmed during the year	986.3	988.8
Confirmed invoices paid during the year	(995.9)	(986.2)
Balance at December 31	<u>\$ 206.1</u>	<u>\$ 215.7</u>

Earnings Per Share

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 21 for further information. Common stock held in a revocable trust is excluded from outstanding shares for basic or diluted income per share calculations. See Note 12 for further information.

Reclassifications

Certain amounts in the consolidated financial statements for 2024 and 2023 have been reclassified to conform to the 2025 presentation.

Restructuring Initiatives

During 2025, the Company implemented certain restructuring initiatives to simplify its operating model and reduce the cost structure within the Administrative function, as well as the Consumer Brands and Performance Coatings Groups. The actions taken better position the Company to continue to add long-term shareholder value.

The following table summarizes the activity associated with restructuring initiatives:

	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Balance at January 1, 2025	\$ —	\$ —	\$ —	\$ —
Provisions:				
Severance and related costs	15.1	15.5	54.0	84.6
Other qualified costs	24.0	2.4	—	26.4
Total	39.1	17.9	54.0	111.0
Payments, currency and other adjustments	(29.6)	(12.4)	(29.3)	(71.3)
Balance at December 31, 2025	<u>\$ 9.5</u>	<u>\$ 5.5</u>	<u>\$ 24.7</u>	<u>\$ 39.7</u>

The provisions above were recorded in Cost of goods sold, Selling, general and administrative expenses, and Other general (income) expense - net and the balance at December 31, 2025 is recorded within Accrued taxes and Other accruals. In addition, trademark impairment of \$17.8 million related to restructuring actions was also recorded in the Performance Coatings Group. See Note 6 for further information. As of December 31, 2025, the restructuring initiatives are complete and the remaining amounts accrued are expected to be substantially paid out by the end of the second quarter of 2026.

NOTE 2 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Adopted

In December 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-12, "Codification Improvements." This ASU clarifies existing guidance and makes incremental improvements to 33 issues identified within various ASC topics. This ASU is effective for fiscal years beginning after December 15, 2026, with early adoption on an issue-by-issue basis permitted. The Company elected to early adopt "Issue 10: Clarify Methods to Account for Treasury Stock" effective December 31, 2025. This issue clarifies the accounting for retirement of treasury shares. See the Statements of Consolidated Shareholders' Equity for further information. The Company is evaluating the impact of adopting the remaining issues within ASU 2025-12.

Effective December 31, 2025, the Company adopted ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” on a prospective basis. 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. The adoption 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 20 for further information.

Not Yet Adopted

In September 2025, the FASB issued ASU 2025-06, “Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software”. This ASU clarifies and modernizes the accounting for costs related to internal-use software by removing references to prescriptive and sequential software development states and clarifies the threshold entities apply to begin capitalizing costs. Additionally, this ASU specifies that the disclosures in Subtopic 360-10, Property, Plant and Equipment - Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. This ASU is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of adopting ASU 2025-06.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” This ASU enhances expense disclosures on both an annual and interim basis by requiring public business entities to disclose additional information about specific expense categories in the notes to the consolidated financial statements. This ASU requires public entities to disclose, in a tabular format, purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion, as applicable, for each income statement line item that contains those expenses. Specific expenses, gains and losses that are already disclosed under existing US GAAP are also required to be included in the disaggregated income statement expense line-item disclosures, and any remaining amounts will need to be described qualitatively. Additionally, the ASU requires disclosure of the total amount of selling expenses and the entity’s definition of selling expenses. In January 2025, the FASB issued ASU 2025-01, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date” which clarified that ASU 2024-03 is effective for annual fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of adopting ASU 2024-03.

NOTE 3 – ACQUISITIONS AND DIVESTITURES

Acquisitions

Closed in current year

In October 2025, the Company completed the acquisition of BASF SE’s Brazilian decorative paints business (Suvinil) for approximately \$1.15 billion. The purchase price is subject to revision for a contractual working capital adjustment, which is expected to be finalized in 2026. The acquired business develops, manufactures and sells a comprehensive portfolio of innovative products under the well-known Suvinil and Glasu! brand names to professional painters, designers, architects and consumers across the country. The business also operates two manufacturing facilities located in the Northeast and Southeast regions of Brazil. The acquired business is reported within the Company’s Consumer Brands Group. The following table summarizes the preliminary amounts recognized as part of the opening balance sheet as of December 31, 2025:

Cash and cash equivalents	\$	53.8
Accounts receivable, net		154.1
Inventories		73.7
Property, plant and equipment		141.4
Indefinite-lived intangibles		300.1
Finite-lived intangibles		308.6
Other assets		42.0
Liabilities assumed		(173.5)
Fair value of net assets acquired		900.2
Goodwill		247.8
Total purchase price	\$	1,148.0

As of December 31, 2025, the Company is in the process of finalizing the net assets acquired in the acquisition, most notably, the valuation of property, plant and equipment, Intangible assets and Deferred income taxes. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

In June 2025, the Company completed the acquisition of a domestic regional floor covering provider for an immaterial purchase price. The acquired business is reported within the Company's Paint Stores Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

In March 2025, the Company completed the acquisition of a European coil and industrial coatings company for approximately \$80 million. The acquired business is reported within the Company's Performance Coatings Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Closed in 2024

In October 2024, the Company completed the acquisition of a metal packaging coatings business for approximately \$80 million. The acquired business develops, manufactures and sells coatings for the food and household product markets and is reported within the Company's Performance Coatings Group. The Company finalized the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Closed in 2023

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). The acquired business specializes in foil coatings as well as radiation-cured and waterbased industrial wood coatings for the board, furniture and flooring industry. The total purchase price for the acquisition was approximately \$290 million, including an immaterial amount paid in 2024 to finalize certain representations, warranties and closing conditions. The Company finalized the purchase price allocation within the allowable measurement period, and \$110.8 million of finite-lived intangible assets, \$181.3 million of Goodwill, \$46.0 million of Other assets, net of cash and \$47.5 million of liabilities were recognized from this transaction.

Divestitures

Closed in 2023

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 in 2023 within the Administrative function. This gain was recorded within Other general (income) expense - net. See Note 19 for further information.

During the third quarter of 2023, the Company completed the divestiture of the China architectural business within the Consumer Brands Group. An immaterial working capital adjustment was finalized during the first quarter of 2024. 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 during 2023. 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. As a result of this comparison, the Company recorded an additional impairment charge of \$27.1 million within the Administrative function in the second quarter of 2023. 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.

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.

NOTE 4 – INVENTORIES

Included in Inventories were the following:

	2025	2024	2023
Finished goods	\$ 1,784.2	\$ 1,751.9	\$ 1,810.9
Work in process and raw materials	534.0	536.2	518.9
Inventories	<u>\$ 2,318.2</u>	<u>\$ 2,288.1</u>	<u>\$ 2,329.8</u>

Inventories were stated at the lower of cost or market, 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 method, and presents the effect on Inventories had the Company used the first-in, first-out (FIFO) inventory valuation method.

	2025	2024	2023
Percentage of total inventories on LIFO	71 %	74 %	74 %
Excess of FIFO over LIFO	\$ 616.8	\$ 630.2	\$ 668.0

During 2025, 2024 and 2023, 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 2025 liquidation reduced Net income by \$3.5 million and the 2024 and 2023 liquidations increased Net income by \$4.8 million and \$1.2 million, respectively.

The Company recorded a reserve for obsolescence of \$138.3 million, \$137.7 million and \$170.8 million at December 31, 2025, 2024 and 2023, respectively, to reduce Inventories to their estimated current market price.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

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

	2025	2024	2023
Land	\$ 314.1	\$ 259.9	\$ 257.5
Buildings	2,667.3	1,175.9	1,048.7
Machinery and equipment	3,885.1	3,689.5	3,459.8
Construction in progress	520.0	1,598.1	1,111.0
Property, plant and equipment, gross	<u>7,386.5</u>	<u>6,723.4</u>	<u>5,877.0</u>
Less allowances for depreciation	3,249.1	3,190.2	3,040.2
Property, plant and equipment, net	<u>\$ 4,137.4</u>	<u>\$ 3,533.2</u>	<u>\$ 2,836.8</u>

The Company capitalizes interest costs incurred in the construction of certain property, plant and equipment. The Company capitalized interest of \$46.1 million, \$59.6 million and \$30.7 million in 2025, 2024 and 2023, respectively.

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, an impairment test is 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 further information on the impairment tests performed in 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 2025, 2024 or 2023.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

In 2025, the Company completed three acquisitions, which resulted in the recognition of Goodwill of \$307.0 million and Intangible assets of \$642.9 million. The acquisition of Suvinil accounted for \$247.8 million and \$608.7 million of the total Goodwill and Intangible assets recognized, respectively. Of the total intangibles acquired, \$342.8 million were finite-lived intangibles and \$300.1 million were indefinite-lived intangibles. The acquired finite-lived intangibles are being amortized over a weighted-average useful life of approximately 19 years.

In 2024, the Company completed the acquisition of a metal packaging coatings business, which resulted in the recognition of Goodwill of \$20.9 million and finite-lived intangibles of \$27.9 million. The acquired finite-lived intangibles are being amortized over a weighted-average useful life of approximately 15 years.

In 2023, the Company completed the acquisition of SIC Holding, which resulted in the recognition of Goodwill of \$181.3 million and finite-lived intangibles of \$110.8 million. The acquired finite-lived intangibles are being amortized over a weighted-average useful life of approximately 15 years.

See Note 3 for further 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 a nonsignificant high-performance flooring business being realigned to the Paint Stores Group from the Performance Coatings Group effective January 1, 2025, 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, 2025 resulted in no goodwill impairment and trademark impairment of \$17.8 million in the Performance Coatings Group, related to restructuring activities which impacted certain trademarks in the Asia, Latin America and Europe regions.

The annual impairment review performed as of October 1, 2024 did not result in any goodwill or trademark impairment.

As a result of the Latin America architectural paint business being realigned to the Consumer Brands Group from the Paint Stores Group 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 region.

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

Goodwill ⁽¹⁾	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Consolidated Totals
Balance at January 1, 2023	\$ 2,231.8	\$ 1,801.9	\$ 3,549.5	\$ 7,583.2
Reclassification related to segment change ⁽²⁾	144.3		(144.3)	—
Acquisitions and acquisition adjustments			8.3	8.3
Currency and other adjustments		(9.1)	43.6	34.5
Balance at December 31, 2023	2,376.1	1,792.8	3,457.1	7,626.0
Acquisitions and acquisition adjustments			48.2	48.2
Currency and other adjustments		(0.3)	(93.8)	(94.1)
Balance at December 31, 2024	2,376.1	1,792.5	3,411.5	7,580.1
Acquisitions and acquisition adjustments	31.6	247.8	27.4	306.8
Currency and other adjustments	0.1	(7.5)	157.1	149.7
Balance at December 31, 2025	<u>\$ 2,407.8</u>	<u>\$ 2,032.8</u>	<u>\$ 3,596.0</u>	<u>\$ 8,036.6</u>

⁽¹⁾ Goodwill by reportable segment is presented 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) as of December 31, 2025, 2024 and 2023.

⁽²⁾ Effective January 1, 2025, the Company realigned a nonsignificant high-performance flooring business to the Paint Stores Group from the Performance Coatings Group. The Goodwill balance attributable to this business has been retrospectively adjusted to reflect this change.

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, 2025							
Gross	\$ 231.1	\$ 3,654.9	\$ 2,002.3	\$ 229.3	\$ 6,117.6		
Accumulated amortization	(164.2)	(1,766.2)	(853.2)	(161.8)	(2,945.4)		
Net value	<u>\$ 66.9</u>	<u>\$ 1,888.7</u>	<u>\$ 1,149.1</u>	<u>\$ 67.5</u>	<u>\$ 3,172.2</u>	<u>\$ 793.9</u>	<u>\$ 3,966.1</u>
December 31, 2024							
Gross	\$ 185.0	\$ 3,187.8	\$ 1,973.0	\$ 225.8	\$ 5,571.6		
Accumulated amortization	(154.3)	(1,489.6)	(747.7)	(154.7)	(2,546.3)		
Net value	<u>\$ 30.7</u>	<u>\$ 1,698.2</u>	<u>\$ 1,225.3</u>	<u>\$ 71.1</u>	<u>\$ 3,025.3</u>	<u>\$ 507.9</u>	<u>\$ 3,533.2</u>
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>

⁽¹⁾ Trademarks are net of accumulated impairment losses of \$181.6 million as of December 31, 2025 and \$163.8 million as of December 31, 2024 and 2023.

Amortization of finite-lived intangible assets is estimated as follows for the next five years: \$345.3 million in 2026, \$340.3 million in 2027, \$337.3 million in 2028, \$335.7 million in 2029 and \$334.7 million in 2030.

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 these 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 7 – DEBT
Long-Term Debt

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

	Due Date	2025	2024	2023
3.45% Senior Notes	2027	\$ 1,497.5	\$ 1,495.7	\$ 1,493.9
4.50% Senior Notes	2047	1,234.5	1,233.7	1,233.0
2.95% Senior Notes	2029	796.5	795.5	794.6
3.80% Senior Notes	2049	544.0	543.7	543.6
2.30% Senior Notes	2030	498.0	497.6	497.1
4.30% Senior Notes	2028	497.1	—	—
2.20% Senior Notes	2032	496.1	495.5	494.8
4.50% Senior Notes	2030	495.5	—	—
5.15% Senior Notes	2035	495.4	—	—
3.30% Senior Notes	2050	494.8	494.6	494.3
2.90% Senior Notes	2052	492.4	492.1	491.9
4.80% Senior Notes	2031	445.7	445.0	—
4.55% Senior Notes	2028	398.4	397.6	—
4.55% Senior Notes	2045	395.6	395.4	395.2
3.95% Senior Notes	2026	350.1	351.6	353.1
4.00% Senior Notes	2042	297.3	297.2	297.0
4.40% Senior Notes	2045	241.8	241.3	240.9
0.53% to 8.00% Promissory Notes	Through 2026	0.1	0.2	0.9
3.45% Senior Notes	2025	—	399.8	399.4
4.25% Senior Notes	2025	—	399.5	398.6
3.30% Senior Notes	2025	—	250.0	249.9
4.05% Senior Notes	2024	—	—	598.8
3.125% Senior Notes	2024	—	—	499.7
Total ⁽¹⁾		<u>9,670.8</u>	<u>9,226.0</u>	<u>9,476.7</u>
Less amounts due within one year		<u>350.1</u>	<u>1,049.2</u>	<u>1,098.8</u>
Long-term debt		<u>\$ 9,320.7</u>	<u>\$ 8,176.8</u>	<u>\$ 8,377.9</u>

⁽¹⁾ Net of capitalized debt issuance costs of \$53.6 million, \$48.6 million and \$49.3 million and net of discounts and premiums of \$25.7 million, \$26.0 million and \$25.2 million at December 31, 2025, 2024 and 2023, respectively.

Maturities of long-term debt are as follows for the next five years: \$350.1 million in 2026; \$1.5 billion in 2027; \$900.0 million in 2028; \$800.0 million in 2029 and \$1.0 billion in 2030. Interest expense on long-term debt was \$396.2 million, \$354.7 million and \$374.6 million for 2025, 2024 and 2023, respectively.

Subsequent event

In January 2026, the Company repaid the principal of \$350 million related to the Company's 3.95% senior notes using commercial paper.

Activity in the current year

In July 2025, the Company issued \$500.0 million of 4.30% senior notes due 2028, \$500.0 million of 4.50% senior notes due 2030 and \$500.0 million of 5.15% senior notes due 2035 in a public offering. The net proceeds from the issuance of these senior notes were used to repay outstanding principal of \$400.0 million related to the Company's 3.45% senior notes due August 1, 2025, the outstanding principal of \$400.0 million related to the Company's 4.25% senior notes due August 8, 2025 and a portion of the outstanding borrowings under the Company's domestic commercial paper program. The newly issued senior notes contain customary qualitative covenants as defined in their respective agreements.

In February 2025, the Company repaid the principal of \$250.0 million related to the Company's 3.30% senior notes due February 1, 2025 using commercial paper.

Activity in 2024

In August 2024, the Company repaid principal of \$600.0 million related to the Company's 4.05% senior notes due August 8, 2024 using commercial paper and subsequently issued \$400.0 million of 4.55% senior notes due 2028 and \$450.0 million of 4.80% senior notes due 2031 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 and for general corporate purposes. The newly issued senior notes contain customary qualitative covenants as defined in their respective agreements.

In June 2024, the Company repaid the principal of \$500.0 million related to its 3.125% senior notes due June 1, 2024 using commercial paper.

Activity in 2023

In December 2023, the Company exercised its call provision to make-whole the entire outstanding \$119.4 million aggregate principal amount of its 7.38% 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 (income) expense - net. See Note 19 for further information.

Short-Term Borrowings

Activity in the current year

In November 2025, the Company amended and restated its credit agreement dated May 9, 2016, as amended (2016 Credit Agreement), to extend the maturity of \$75.0 million of the commitments available for borrowing or obtaining letters of credit from December 20, 2025 to December 20, 2030 (2025 Credit Agreement). This amended and restated credit agreement grants the Company the right to borrow or obtain letters of credit up to an aggregate availability of \$875.0 million and may be used for general corporate purposes, including the financing of working capital requirements. The 2025 Credit Agreement was subsequently amended in February 2026 to extend the maturity of commitments available for borrowing or letters of credit under the agreement.

In August 2025, the Company amended its revolving credit agreement dated July 31, 2024 (2024 Credit Agreement) to extend the maturity of \$2.5 billion of the commitments under the agreement from July 31, 2029 to August 8, 2030, remove a credit spread adjustment and modify the pricing grid.

Also in August 2025, the Company entered into a new 364-day senior unsecured delayed draw term loan (DDTL) credit agreement which provided for a \$750.0 million US dollar-denominated senior unsecured DDTL (USD DDTL) and a €250.0 million Euro-denominated senior unsecured DDTL (EUR DDTL) available as a single draw for general corporate purposes, including to finance working capital requirements. The Company exercised the full amount of the draw in September 2025 to fund the acquisition of Suviniil. See Note 3 for further information on the acquisition of Suviniil.

Activity in 2024

In July 2024, the Company entered into the \$2.5 billion 2024 Credit Agreement maturing on July 31, 2029, replacing the credit agreement dated August 30, 2022 (2022 Credit Agreement). Under the terms of the 2024 Credit Agreement, the Company may request to extend the maturity date for two additional one-year periods, request an uncommitted increase up to \$750.0 million and issue letters of credit under a \$250.0 million subfacility. This credit agreement may be used for general corporate purposes, including the financing of working capital requirements.

Activity in 2022 and prior

In August 2022, the Company entered into the 2022 Credit Agreement maturing on August 30, 2027, replacing the credit agreement dated June 29, 2021. The 2022 Credit Agreement gave the Company the right to borrow \$2.25 billion and to obtain letters of credit in an amount of up to \$250.0 million. This credit agreement was permitted to be used for general corporate purposes, including the financing of working capital requirements.

In August 2021, the Company amended and restated its credit agreement dated September 11, 2017, as amended, which gives the Company the right to borrow and obtain letters of credit up to an aggregate availability of \$625.0 million. This credit agreement may be used for general corporate purposes, including the financing of working capital requirements. 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.

In May 2016, the Company entered into the 2016 Credit Agreement which gives the Company the right to borrow and obtain letters of credit up to an aggregate availability of \$875.0 million. This credit agreement was permitted to be used for general corporate purposes, including the financing of working capital requirements. The 2016 Credit Agreement was subsequently amended on multiple dates to extend the maturity of commitments available for borrowing or letters of credit under the agreement.

Other than the outstanding balances on the USD DDTL and EUR DDTL at December 31, 2025 presented in the Short-term borrowings summary table below, there were no borrowings outstanding under any of the Company's credit agreements at December 31, 2025, 2024 and 2023.

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, 2025, the Company had unused capacity under its various credit agreements of \$3.649 billion. The table below summarizes the Company's Short-term borrowings:

	2025	2024	2023
Domestic:			
Domestic commercial paper	\$ 281.4	\$ 655.6	\$ 347.7
USD DDTL	625.0	—	—
Foreign:			
EUR DDTL	293.6	—	—
Foreign facilities	0.5	6.8	26.5
Total	<u>\$ 1,200.5</u>	<u>\$ 662.4</u>	<u>\$ 374.2</u>
Weighted average interest rate:			
Domestic	4.4 %	4.7 %	5.5 %
Foreign	2.8 %	3.1 %	3.6 %

Interest expense on Short-term borrowings was \$68.8 million, \$61.0 million and \$42.9 million for 2025, 2024 and 2023, respectively.

Among other restrictions, the Company's notes, debentures, revolving credit agreement and credit agreements 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.

NOTE 8 – PENSION, HEALTH CARE AND OTHER POSTRETIREMENT BENEFITS

The Company provides pension benefits to substantially all full-time domestic employees and certain foreign employees through primarily noncontributory defined contribution or defined benefit pension plans and health care and life insurance benefits to certain domestic and foreign 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 31,472, 32,283 and 31,327 active employees covered by the benefits under these plans at December 31, 2025, 2024 and 2023, respectively. The cost of these benefits for active employees, which includes claims incurred but not reported, amounted to \$425.4 million, \$382.6 million and \$363.2 million for 2025, 2024 and 2023, respectively.

Defined Contribution Pension Plans

The Company's annual contribution for its domestic defined contribution pension plan was \$105.2 million, \$103.5 million and \$97.8 million for 2025, 2024 and 2023, 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 \$22.2 million, \$20.6 million and \$19.5 million for 2025, 2024 and 2023, 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, 2025, the domestic defined benefit pension plan was overfunded, with a projected benefit obligation of \$101.7 million, fair value of plan assets of \$166.7 million and excess plan assets of \$65.0 million. The plan was funded in accordance with all applicable regulations at December 31, 2025.

The Company has thirty-eight foreign defined benefit pension plans. At December 31, 2025, thirty-two 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 \$94.8 million, \$116.1 million, \$32.8 million and \$83.3 million, respectively. At December 31, 2025, six of the Company's foreign defined benefit pension plans were overfunded, with combined accumulated benefit obligations, projected benefit obligations, fair values of net assets and excess plan assets of \$150.4 million, \$155.8 million, \$217.3 million and \$61.5 million, respectively.

The Company expects to make the following benefit payments for all domestic and foreign defined benefit pension plans: \$20.9 million in 2026; \$20.4 million in 2027; \$22.0 million in 2028; \$23.0 million in 2029; \$25.2 million in 2030; and \$158.4 million in 2031 through 2035. The Company expects to contribute \$7.0 million to the foreign defined benefit pension plans in 2026.

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 2026 are \$3.9 million and \$1.5 million, respectively.

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

	Domestic			Foreign		
	2025	2024	2023	2025	2024	2023
Net periodic pension (credit) cost:						
Service cost	\$ 2.4	\$ 2.9	\$ 3.0	\$ 4.6	\$ 4.6	\$ 4.4
Interest cost	5.2	4.9	4.6	13.3	11.8	11.8
Expected return on plan assets	(9.5)	(8.3)	(7.3)	(10.8)	(11.1)	(12.3)
Amortization of prior service cost (credit)	2.2	1.9	1.3	(0.2)	(0.1)	(0.2)
Amortization of actuarial gains	(2.1)	(0.5)	—	(1.2)	(1.3)	(1.5)
Ongoing periodic pension (credit) cost	(1.8)	0.9	1.6	5.7	3.9	2.2
Settlement credits	—	—	—	—	—	(1.1)
Curtailment cost	—	—	—	—	7.1	—
Net periodic pension (credit) cost	(1.8)	0.9	1.6	5.7	11.0	1.1
Other changes in plan assets and projected benefit obligation recognized in AOCI (before taxes):						
Net actuarial (gains) losses arising during the year	(11.0)	(20.9)	(8.6)	(1.1)	(8.0)	5.8
Prior service cost arising during the year	1.3	1.0	3.0	—	6.9	1.1
Amortization of actuarial gains	2.1	0.5	—	1.2	1.3	1.5
Amortization of prior service (cost) credit	(2.2)	(1.9)	(1.3)	0.2	(7.0)	0.2
Loss recognized for settlement	—	—	—	—	—	1.1
Effect of foreign exchange	—	—	—	(2.9)	1.6	(1.5)
Total recognized in AOCI	(9.8)	(21.3)	(6.9)	(2.6)	(5.2)	8.2
Total recognized in net periodic pension (credit) cost and AOCI	\$ (11.6)	\$ (20.4)	\$ (5.3)	\$ 3.1	\$ 5.8	\$ 9.3

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

In December 2024, the Company amended one of its foreign defined benefit plans to freeze future benefit accruals as of December 31, 2024. As a result of the amendment, the Company recognized a non-cash pre-tax curtailment charge of \$7.1 million primarily related to the acceleration of amounts previously recorded within AOCI in the Statements of Consolidated Comprehensive Income for the year ended December 31, 2024.

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 the domestic defined benefit pension plan assets are 35% – 65% equity securities, 35% – 65% fixed income securities and 0% – 9% other (including alternative investments and cash). The target allocations for the foreign defined benefit pension plan assets vary by plan, but on an average basis are 0% – 10% equity securities, 80% – 100% fixed income securities and 0% – 10% other (including alternative investments and cash).

The following tables summarize the fair value of the defined benefit pension plan assets at December 31, 2025, 2024 and 2023. The presentation is in accordance with the Fair Value Topic of the ASC.

	Fair Value at December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments at fair value:			
Cash and cash equivalents	\$ 7.6	\$ 7.6	\$ —
Equity investments ⁽¹⁾	104.3	99.4	4.9
Fixed income investments ⁽²⁾	248.9	43.6	205.3
Other assets ⁽³⁾	28.3	—	28.3
Total investments in fair value hierarchy	389.1	\$ 150.6	\$ 238.5
Investments measured at NAV or its equivalent ⁽⁴⁾	27.7		
Total investments	<u>\$ 416.8</u>		
	Fair Value at December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments at fair value:			
Cash and cash equivalents	\$ 8.7	\$ 8.7	\$ —
Equity investments ⁽¹⁾	95.3	86.6	8.7
Fixed income investments ⁽²⁾	226.5	36.8	189.7
Other assets ⁽³⁾	24.2	—	24.2
Total investments in fair value hierarchy	354.7	\$ 132.1	\$ 222.6
Investments measured at NAV or its equivalent ⁽⁴⁾	25.3		
Total investments	<u>\$ 380.0</u>		
	Fair Value at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments at fair value:			
Equity investments ⁽¹⁾	\$ 133.0	\$ 72.9	\$ 60.1
Fixed income investments ⁽²⁾	188.9	36.8	152.1
Other assets ⁽³⁾	34.6	—	34.6
Total investments in fair value hierarchy	356.5	\$ 109.7	\$ 246.8
Investments measured at NAV or its equivalent ⁽⁴⁾	25.3		
Total investments	<u>\$ 381.8</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 a domestic or an international bond index.

⁽³⁾ This category primarily includes insurance contracts and real estate.

⁽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.

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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:

	Domestic			Foreign		
	2025	2024	2023	2025	2024	2023
Accumulated benefit obligations at end of year	\$ 100.6	\$ 94.2	\$ 100.5	\$ 245.2	\$ 221.7	\$ 236.4
Projected benefit obligations:						
Balances at beginning of year	\$ 95.3	\$ 102.1	\$ 91.7	\$ 243.0	\$ 257.8	\$ 230.4
Service cost	2.4	2.9	3.0	4.6	4.6	4.4
Interest cost	5.2	4.9	4.6	13.3	11.8	11.8
Actuarial losses (gains)	1.1	(11.1)	2.8	(4.3)	(19.8)	8.8
Plan amendments and other	1.3	1.0	3.0	4.8	13.5	2.0
Settlements	—	—	—	(2.3)	(2.2)	(3.7)
Effect of foreign exchange	—	—	—	24.1	(12.2)	14.1
Benefits paid	(3.6)	(4.5)	(3.0)	(11.3)	(10.5)	(10.0)
Balances at end of year	101.7	95.3	102.1	271.9	243.0	257.8
Plan assets:						
Balances at beginning of year	148.7	135.1	119.4	231.3	246.7	223.6
Actual returns on plan assets	21.6	18.1	18.7	7.7	(2.6)	15.4
Contributions and other	—	—	—	5.4	5.7	8.6
Settlements	—	—	—	(2.3)	(2.2)	(3.7)
Effect of foreign exchange	—	—	—	19.3	(7.1)	12.8
Benefits paid	(3.6)	(4.5)	(3.0)	(11.3)	(10.5)	(10.0)
Balances at end of year	166.7	148.7	135.1	250.1	231.3	246.7
Excess (deficient) plan assets over projected benefit obligations	\$ 65.0	\$ 53.4	\$ 33.0	\$ (21.8)	\$ (11.7)	\$ (11.1)
Assets and liabilities recognized in the Consolidated Balance Sheets:						
Noncurrent pension assets	\$ 65.0	\$ 53.4	\$ 33.0	\$ 61.5	\$ 56.1	\$ 57.9
Other accruals	—	—	—	(6.7)	(6.0)	(3.4)
Other long-term liabilities	—	—	—	(76.6)	(61.8)	(65.6)
	\$ 65.0	\$ 53.4	\$ 33.0	\$ (21.8)	\$ (11.7)	\$ (11.1)
Amounts recognized in AOCI:						
Net actuarial gains	\$ 45.9	\$ 36.9	\$ 16.6	\$ 32.6	\$ 29.9	\$ 24.8
Prior service (costs) credits	(7.0)	(7.8)	(8.8)	0.3	0.4	0.3
	\$ 38.9	\$ 29.1	\$ 7.8	\$ 32.9	\$ 30.3	\$ 25.1
Weighted-average assumptions used to determine projected benefit obligations:						
Discount rate	5.70 %	5.78 %	5.09 %	5.50 %	5.49 %	4.81 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	3.18 %	3.29 %	3.33 %
Weighted-average assumptions used to determine net pension cost:						
Discount rate	5.78 %	5.09 %	5.27 %	5.49 %	4.81 %	5.06 %
Expected long-term rate of return on assets	6.50 %	6.25 %	6.25 %	4.78 %	4.78 %	5.48 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	3.29 %	3.33 %	3.39 %

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 3,325, 3,354 and 3,367 retired employees covered by these postretirement benefits at December 31, 2025, 2024 and 2023, respectively.

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

	2025	2024	2023
Benefit obligation:			
Balances at beginning of year - unfunded	\$ 135.1	\$ 147.2	\$ 153.8
Service cost	0.2	0.5	0.6
Interest cost	6.7	6.8	7.4
Actuarial gains	(2.3)	(8.6)	(8.0)
Benefits paid	(14.1)	(10.8)	(6.6)
Balances at end of year - unfunded	<u>\$ 125.6</u>	<u>\$ 135.1</u>	<u>\$ 147.2</u>
Liabilities recognized in the Consolidated Balance Sheets:			
Other accruals	\$ (14.1)	\$ (14.4)	\$ (14.0)
Postretirement benefits other than pensions	(111.5)	(120.7)	(133.2)
	<u>\$ (125.6)</u>	<u>\$ (135.1)</u>	<u>\$ (147.2)</u>
Amounts recognized in AOCI:			
Net actuarial gains	\$ 20.9	\$ 21.0	\$ 12.9
Prior service credits	1.9	16.2	40.0
	<u>\$ 22.8</u>	<u>\$ 37.2</u>	<u>\$ 52.9</u>
Weighted-average assumptions used to determine benefit obligations:			
Discount rate	5.35 %	5.61 %	4.97 %
Health care cost trend rate - pre-65	7.00 %	7.50 %	7.00 %
Health care cost trend rate - post-65	6.00 %	6.50 %	6.00 %
Prescription drug cost increases	11.00 %	11.75 %	9.00 %
Weighted-average assumptions used to determine net benefit cost:			
Discount rate	5.61 %	4.97 %	5.16 %
Health care cost trend rate - pre-65	7.50 %	7.00 %	6.25 %
Health care cost trend rate - post-65	6.50 %	6.00 %	5.50 %
Prescription drug cost increases	11.75 %	9.00 %	8.25 %

The following table summarizes the components of the net periodic benefit credit and changes recognized in AOCI related to domestic other postretirement benefits:

	2025	2024	2023
Net periodic benefit credit:			
Service cost	\$ 0.2	\$ 0.5	\$ 0.6
Interest cost	6.7	6.8	7.4
Amortization of actuarial (gains) losses	(2.4)	(0.4)	0.1
Amortization of prior service credit	(14.3)	(23.9)	(23.9)
Net periodic benefit credit	<u>(9.8)</u>	<u>(17.0)</u>	<u>(15.8)</u>
Other changes in benefit obligation recognized in AOCI (before taxes):			
Net actuarial gain arising during the year	(2.3)	(8.6)	(8.0)
Amortization of actuarial gains (losses)	2.4	0.4	(0.1)
Amortization of prior service credit	14.3	23.9	23.9
Total recognized in AOCI	<u>14.4</u>	<u>15.7</u>	<u>15.8</u>
Total recognized in net periodic benefit cost (credit) and AOCI	<u>\$ 4.6</u>	<u>\$ (1.3)</u>	<u>\$ —</u>

The estimated net actuarial gains and prior service credits for domestic other postretirement benefits that are expected to be amortized from AOCI into net periodic benefit cost in 2026 are \$3.0 million and \$0.1 million, respectively.

The assumed health care cost trend rate and prescription drug cost increases used to determine the net periodic benefit cost for domestic postretirement health care benefits for 2026 both decrease in each successive year until reaching 4.50% in 2034.

The Company expects to make retiree health care benefit cash payments for domestic other postretirement benefits as follows:

2026	\$ 14.1
2027	14.4
2028	14.0
2029	13.1
2030	11.8
2031 through 2035	41.9
Total expected benefit cash payments	<u>\$ 109.3</u>

Employees and their eligible dependents in certain consolidated foreign subsidiaries of the Company are eligible for health care benefits upon retirement, subject to the terms of the plans, and are recorded as other postretirement benefits. The associated benefit obligation and net periodic benefit cost did not have a material impact on the Company's consolidated financial statements.

NOTE 9 – LEASES

The Company leases retail stores, manufacturing and distribution facilities, office space and equipment under operating and finance lease agreements. Operating leases are included in Operating lease right-of-use (ROU) assets, Current portion of operating lease liabilities and Long-term operating lease liabilities and finance leases are included in Other assets, Other accruals and Other long-term liabilities on the Consolidated Balance Sheets. The majority of the operating lease ROU asset and lease liability balances are related to the retail operations of the Paint Stores Group. The majority of the finance lease ROU asset and lease liability balances are related to a distribution facility within the Consumer Brands 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.

Operating and finance lease ROU assets and lease liabilities are recognized based on the present value of lease payments 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.

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 excluded from ROU assets and lease 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.

Additional lease information is summarized below:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Components of Lease Expense</u>			
Operating lease cost	\$ 591.7	\$ 562.4	\$ 528.5
Finance lease cost:			
Amortization of right-of-use assets	\$ 4.4	\$ 0.7	\$ —
Interest on lease liabilities	10.8	1.5	—
Total	<u>\$ 15.2</u>	<u>\$ 2.2</u>	<u>\$ —</u>
Short-term lease cost	\$ 80.2	\$ 69.6	\$ 58.5
Variable lease cost	\$ 120.4	\$ 132.1	\$ 104.1
<u>Supplemental Cash Flow Information</u>			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	\$ 576.9	\$ 545.5	\$ 513.8
Operating cash outflows from finance leases	6.0	0.2	—
Financing cash outflows from finance leases	0.6	0.2	—
Leased assets obtained in exchange for new lease liabilities:			
Operating leases	\$ 550.0	\$ 526.9	\$ 473.3
Finance leases	1.5	188.2	—

	2025	2024	2023
Supplemental Balance Sheet Information			
Operating Leases:			
Operating lease right-of-use assets	\$ 1,995.2	\$ 1,953.8	\$ 1,887.4
Current portion of operating lease liabilities	479.8	466.6	449.3
Long-term operating lease liabilities	1,591.5	1,558.3	1,509.5
Finance Leases:			
Other assets	\$ 184.5	\$ 187.5	\$ —
Other accruals	0.7	3.7	—
Other long-term liabilities	194.7	185.6	—
Other Supplemental Information			
Weighted average remaining lease term:			
Operating leases	5.6 years	5.5 years	5.5 years
Finance leases	43.0 years	43.4 years	
Weighted average discount rate:			
Operating leases	4.5 %	4.2 %	3.8 %
Finance leases	5.7 %	5.5 %	

The following table reconciles the undiscounted cash flows for each of the next five years and thereafter related to the operating and finance lease liabilities recognized on the Consolidated Balance Sheets as of December 31, 2025. The reconciliation excludes short-term leases that are not recorded on the Consolidated Balance Sheets.

	Operating Leases	Finance Leases
2026	\$ 558.9	\$ 11.9
2027	473.9	8.7
2028	382.1	8.9
2029	290.0	9.1
2030	202.9	9.4
Thereafter	434.2	600.7
Total lease payments	2,342.0	648.7
Amount representing interest	(270.7)	(453.3)
Present value of lease liabilities	\$ 2,071.3	\$ 195.4

NOTE 10 – 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, 2025, 2024 and 2023, the Company had accruals reported on the Consolidated Balance Sheets as Other long-term liabilities of \$224.9 million, \$230.3 million and \$230.8 million, respectively. Estimated costs of current investigation and remediation activities of \$52.7 million, \$66.4 million and \$88.1 million are included in Other accruals on the Consolidated Balance Sheets at December 31, 2025, 2024 and 2023, 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 \$87.9 million higher than the minimum accruals at December 31, 2025. 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, 2025. At December 31, 2025, \$234.6 million, or 84.8% of the total accrual, related directly to the Major Sites. In the aggregate unaccrued maximum of \$87.9 million at December 31, 2025, \$65.2 million, or 74.2%, is 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 OUs. 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, remediation and monitoring 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, 2025, 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 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 flows 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, one of which was to sell and subsequently lease back its new global headquarters. The Company received the final proceeds for the new global headquarters in 2025 for a total of \$800 million. These proceeds are recognized within the Financing Activities section in the Statements of Consolidated Cash Flows. The following tables summarize the activity related to this transaction and the corresponding balances recognized in the Consolidated Balance Sheets.

	2025	2024	2023
Activity:			
Proceeds received	\$ 40.9	\$ 244.2	\$ 305.0
Capitalized interest ⁽¹⁾	37.2	45.2	23.8
Balances:			
Short-term liability ⁽²⁾	\$ 51.0	\$ 49.7	\$ 39.9
Long-term liability ⁽³⁾	762.0	715.9	475.9
Total liability	<u>\$ 813.0</u>	<u>\$ 765.6</u>	<u>\$ 515.8</u>

⁽¹⁾ Interest is capitalized within Property, plant and equipment, net.

⁽²⁾ The short-term portion of the liability is recorded in Other accruals.

⁽³⁾ The long-term portion of the liability is recorded in Other long-term liabilities.

NOTE 11 – LITIGATION

In the course of its business, the Company is subject to a variety of actual and potential claims, lawsuits, and other proceedings, including, but not limited to, litigation relating to product liability and warranty, raw materials used in our products, personal injury, environmental (including alleged natural resource damages), intellectual property, commercial, contractual and antitrust claims, that are inherently subject to many uncertainties regarding the possibility of a loss to the Company. Uncertainties to which litigation is inherently subject include, among other things, costs, unpredictable court or jury decisions that could affect other litigation against the Company and encourage an increase in the number and nature of future claims and proceedings, and differing laws and regulations in jurisdictions where the Company operates. 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 avoidance or reduction of a liability. In accordance with the Contingencies Topic of the ASC, the Company accrues for 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 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 the Company's results of operations, liquidity or financial condition for the annual or interim period during which such additional liability is accrued. In matters where no accrual is recorded because it is not probable that a liability will be 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 matters 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.

Due to the uncertainties involved in claims, lawsuits, and other proceedings, management is unable to predict the outcome of the matters identified below, the number or nature of possible future claims, lawsuits, and proceedings, or the effect that any legislation and/or administrative regulations may have on such matters or the Company. In addition, management cannot reasonably determine the scope or amount of the potential costs and liabilities related to such matters, or resulting from any such legislation and regulations. We currently have not accrued any amounts for the pending lead pigment and lead-based paint litigation identified below because the Company does not believe it is probable that a loss will occur, or the Company believes it is not possible to estimate the range of potential losses. 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 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.

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 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 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. Other than currently pending cases and the California Proceedings, identified in the Public Nuisance Claim Litigation section, all of these legal proceedings have been concluded in favor of the Company and other defendants at various stages in the 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. The Company is vigorously defending all lead pigment and lead-based paint 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 litigation that may be filed, including utilizing all avenues of appeal, if necessary.

Public Nuisance Claim Litigation. The Company and other companies have been defendants in legal proceedings seeking recovery based on public nuisance liability theories, among other theories, brought by various states, cities and counties, including 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. Except for the California Proceedings in which the Company reached a court-approved agreement in 2019 after nearly twenty years of litigation, all of those legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings. Most recently, on May 7, 2024, as further described below in Wisconsin Litigation, three plaintiffs filed amended complaints alleging, in part, public nuisance claims.

Wisconsin Litigation. 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 consist of two federal court cases pending in the United States District Court for the Eastern District of Wisconsin (Ernest Gibson v. American Cyanamid, et al. and Deziree and Detareion Valoe v. American Cyanamid, et. al.) and one case pending in Milwaukee County Circuit Court in Wisconsin (Arriena Beal v. Armstrong Containers, Inc., et al.). Those matters include claims by four individuals allegedly injured from ingestion of lead pigment or lead-containing paint while they were minors. 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. In the Gibson and Valoe cases, which are pending in federal court, the three individual plaintiffs filed amended complaints on May 7, 2024, alleging strict liability, negligence and public nuisance claims. The defendants filed motions to dismiss the plaintiffs' amended complaints on June 20, 2024. On November 8, 2024, the district court granted in part and denied in part defendants' motions to dismiss the amended complaints, dismissing the second cause of action for general negligence and plaintiffs' abatement allegations, but otherwise permitting the case to proceed. On December 6, 2024, the Company and some of the other defendants filed a third-party complaint against NL Industries, Inc. (NL) and the owners and landlords of the properties where the Gibson and Valoe plaintiffs resided. On January 30, 2025, the federal court entered a stipulated order dismissing NL pursuant to the execution of a Pierringer release settlement agreement between plaintiffs and NL where the plaintiffs have agreed to indemnify NL against claims for contribution from the Company and some of the other defendants. Some of the owners and landlords filed motions to dismiss the third-party complaints, which motions the federal court denied on September 4, 2025. The parties are conducting discovery, and discovery is scheduled to be completed by December 15, 2026. In the separate state court proceeding, on August 24, 2021, Arriena Beal 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. The plaintiff previously had sued her landlords. On January 3, 2024, the Company and some of the other manufacturing defendants filed a third-party complaint against NL 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. On February 27, 2025, landlord defendants Hattie and Jerry Mitchell were voluntarily dismissed pursuant to the execution of a Pierringer release settlement agreement between plaintiff and the landlord defendants where the plaintiff has agreed to indemnify the landlord defendants against claims for contribution from the Company and the other defendants. On October 6, 2025, the court entered an amended scheduling order indicating that trial will be scheduled between January 15, 2027 and March 31, 2027, on dates to be set by the court.

Other matters. 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. There is an ongoing discovery dispute that remains pending between the Company and the NJ DEP. The court adjourned a February 2026 trial date and set a status conference for March 2, 2026, with a new trial date to be determined.

In July 2024, a third-party assurance, testing, inspection and certification provider (the Third-Party Provider) changed its listing for Firetex FX9502, one of the Company's protective coatings products, an intumescent coating used for fire protection of steel beam assemblies. The Company has received claims regarding this matter, including from a competitor (which culminated in the false advertising claim described below), and is working with its customers and end users to assist in understanding the potential impacts of the listing change, including the extent of potential remedial action that may involve the application of additional product. The Company is also investigating potential inaccuracies for certain other Firetex intumescent products arising out of tests conducted on those products by the Third-Party Provider. Additionally, the Company is investigating an issue in connection with its Firetex Design Estimator software in which the software recommended estimated dry film thicknesses (DFT) for certain intumescent products that were in excess of published maximum DFTs, for which the Company has also received claims. The Company's review of these matters is ongoing.

On September 2, 2025, Carboline Global Inc. (Carboline) filed a lawsuit against the Company in the Eastern District of Missouri, which alleges that the Company violated the Lanham Act by disseminating false advertisements related to Firetex FX9502, an intumescent coating used for fire protection of steel beam assemblies. Carboline's claim arises from a change to the product's listing by the Third-Party Provider. Carboline seeks actual damages, treble damages, fees and costs, and injunctive relief. The Company moved to dismiss Carboline's complaint on October 24, 2025. Carboline filed an amended complaint on November 14, 2025, which the Company moved to dismiss on November 28, 2025.

NOTE 12 – SHAREHOLDERS' EQUITY

Capital Stock

At December 31, 2025, 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. There were no shares of serial preferred stock issued during 2025, 2024 or 2023.

Effective April 16, 2025, the Company's shareholders approved The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan (2025 Plan). The 2025 Plan replaces The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (2006 Plan) (Amended and Restated as of October 13, 2023), The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors and The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated as of October 13, 2023). The number of shares of common stock authorized for issuance under the 2025 Plan is 21,969,555.

An aggregate of 28,832,770, 13,603,814 and 15,830,386 shares of common stock at December 31, 2025, 2024 and 2023, respectively, were reserved for the exercise and future grants of option rights and future grants of restricted stock and restricted stock units collectively under the 2025 Plan and 2006 Plan. See Note 14 for further 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, 2025, 2024 and 2023. 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, 2023	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
Shares issued for exercise of option rights	—	1,879,285
Shares tendered as payment for option rights exercised	11,884	(11,884)
Shares issued for vesting of restricted stock units	—	122,276
Shares tendered in connection with vesting of restricted stock units	41,867	(41,867)
Treasury stock purchased	5,200,000	(5,200,000)
Balance at December 31, 2024	25,688,335	251,291,100
Shares issued for exercise of option rights	—	1,103,257
Shares tendered as payment for option rights exercised	7,885	(7,885)
Shares issued for vesting of restricted stock units	—	176,018
Shares tendered in connection with vesting of restricted stock units	61,027	(61,027)
Treasury stock purchased	4,800,000	(4,800,000)
Treasury stock retired	(29,491,963)	—
Balance at December 31, 2025	1,065,284	247,701,463

Treasury Stock

The Company acquires its common stock for general corporate purposes through its publicly announced share repurchase program. As of December 31, 2025, the Company had remaining authorization from its Board of Directors to purchase 29.6 million shares of its common stock. The table below summarizes the Company's share repurchase activity:

	2025	2024	2023
Treasury stock purchases (in millions)	\$ 1,656.4	\$ 1,738.8	\$ 1,432.0
Treasury stock purchases (in shares)	4,800,000	5,200,000	5,600,000
Average price per share	\$ 345.09	\$ 334.38	\$ 255.72

Other Capital

During the year ended December 31, 2025, \$58.9 million was recorded to Other capital related to settlements associated with accelerated treasury stock repurchase agreements.

Dividends

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

	2025	2024	2023
Cash dividend per share	\$ 3.16	\$ 2.86	\$ 2.42
Total dividends (in millions)	789.8	723.4	623.7

NOTE 13 – DEFINED CONTRIBUTION SAVINGS PLAN

As of December 31, 2025, 42,861 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 pre-tax 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. In addition to the matching contribution, the Company may elect to make discretionary contributions as permitted in the plan document. Participant and company 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 \$278.9 million, \$279.6 million and \$260.5 million in 2025, 2024 and 2023, respectively. The Company’s contributions charged to operations related to the defined contribution savings plan were \$184.2 million, \$165.1 million and \$153.9 million for 2025, 2024 and 2023, respectively.

At December 31, 2025, there were 14,886,577 shares of the Company’s common stock being held by the defined contribution savings plan, representing 6.0% of the total number of voting shares outstanding. Shares of Company common stock credited to each participant’s account under the defined contribution savings plan are voted by the trustee under instructions from each individual plan participant. Shares for which no instructions are received are voted by the trustee in the same proportion as those for which instructions are received.

NOTE 14 – STOCK-BASED COMPENSATION

At the Annual Meeting of Shareholders on April 16, 2025, the Company’s shareholders approved The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan (the 2025 Plan). The 2025 Plan became effective as of the approval date and replaced The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023), The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors and The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated as of October 13, 2023). The 2025 Plan authorizes the Board of Directors, or a committee of the Board of Directors, to issue or transfer up to the aggregate of 21,969,555 shares of common stock, plus any shares relating to awards that expire, are forfeited or canceled. The Company will issue new shares upon exercise of option rights (options) and vesting of restricted stock units (RSUs). The 2025 Plan permits the granting of options, appreciation rights, restricted stock, RSUs, performance shares and performance units to eligible employees and members of the Board of Directors who are not employees of the Company. Shares available for future grants under the 2025 Plan were 21,067,821 at December 31, 2025.

Now replaced, The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan and The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors (collectively, the 2006 Plans) authorized the Board of Directors, or a committee of the Board of Directors, to issue or transfer up to an aggregate of 71,100,000 and 600,000 shares of common stock, plus any shares relating to awards that expired, were forfeited or canceled to eligible employees and members of the Board of Directors who are not employees of the Company, respectively. While the Company issued shares upon exercise of options and vesting of RSUs, the 2006 Plans permitted the granting of options, appreciation rights, restricted stock, RSUs, performance shares and performance units to eligible employees and options, appreciation rights, restricted stock and RSUs to nonemployee directors. At December 31, 2025, no appreciation rights, performance shares or performance units had been granted to eligible employees and no options or appreciation rights had been granted to nonemployee directors. No further grants may be made under the 2006 Plans and all rights granted remain to their terms.

At December 31, 2025, the Company had total unrecognized stock-based compensation expense of \$173.5 million that is expected to be recognized over a weighted-average period of 1.06 years.

	2025	2024	2023
Stock-based compensation expense	\$ 123.5	\$ 138.1	\$ 115.9
Income tax benefit recognized	30.4	34.1	28.6

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, 2025, 2024 and 2023, the Company's excess tax benefit from options exercised and RSUs vested reduced the income tax provision by \$50.1 million, \$73.0 million and \$35.7 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:

	2025	2024	2023
Risk-free interest rate	3.65 %	3.93 %	4.57 %
Expected life of options	5.02 years	5.02 years	5.02 years
Expected dividend yield of stock	.83 %	.83 %	.94 %
Expected volatility of stock	25.9 %	27.5 %	29.3 %

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 and 2025 Plans. 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 \$124.1 million at December 31, 2025. 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 1.11 years.

The following table summarizes the Company's option activity:

	Optioned Shares	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value	Weighted Average Remaining Term (in Years)
Outstanding at January 1, 2025	7,934,866	\$ 209.39	\$ 1,074.4	5.69
Granted	997,620	333.33		
Exercised	(1,104,640)	129.38		
Forfeited	(62,897)	314.19		
Outstanding at December 31, 2025	7,764,949	235.79	\$ 744.0	5.71
Exercisable at December 31, 2025	5,867,455	\$ 204.28	\$ 719.3	4.61

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

	2025	2024	2023
Weighted average grant date fair value per share	\$ 90.83	\$ 109.05	\$ 77.08
Total fair value of options vested	78.6	66.8	61.3
Total intrinsic value of options exercised	247.7	402.7	170.6

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 and 2025 Plans. The February 2025, 2024 and 2023 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 \$47.4 million at December 31, 2025. 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 0.85 years.

Grants of RSUs have been awarded to nonemployee directors under the 2006 and 2025 Plans. 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 \$2.0 million at December 31, 2025. 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 0.90 years.

The following table summarizes the Company's RSU activity:

	Number of RSUs	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value	Weighted Average Remaining Term (in Years)
Outstanding at January 1, 2025	433,014	\$ 265.03	\$ 147.2	1.18
Granted	189,326	354.05		
Vested	(176,018)	272.28		
Forfeited	(5,323)	264.51		
Outstanding at December 31, 2025	<u>440,999</u>	\$ 288.21	\$ 142.9	0.97

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

	2025	2024	2023
Weighted average grant date fair value per share	\$ 354.05	\$ 305.50	\$ 232.22
Intrinsic value of RSUs vested during year	62.4	38.4	68.5

NOTE 15 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The income and (loss) components of AOCI, including the 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, 2023	\$ (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	(716.9)	64.3	28.3	(624.3)
Amounts recognized in AOCI	(256.0)	23.0	—	(233.0)
Amounts reclassified from AOCI	—	(14.2)	(3.7)	(17.9)
Balance at December 31, 2024	(972.9)	73.1	24.6	(875.2)
Amounts recognized in AOCI	253.5	(2.1)	4.7	256.1
Amounts reclassified from AOCI	—	(11.5)	(3.8)	(15.3)
Balance at December 31, 2025	<u>\$ (719.4)</u>	<u>\$ 59.5</u>	<u>\$ 25.5</u>	<u>\$ (634.4)</u>

⁽¹⁾ Includes changes in the fair value of net investment hedges, net of taxes, of \$(129.2) million, \$53.6 million and \$(24.9) million in 2025, 2024 and 2023, respectively. See Note 16 for further information.

⁽²⁾ Net of taxes of \$5.8 million, \$(2.0) million and \$3.1 million in 2025, 2024 and 2023, respectively. See Note 8 for further information.

⁽³⁾ Net of taxes of \$(0.2) million in 2025 and \$1.2 million in 2024 and 2023. See Statements of Consolidated Comprehensive Income and Note 16 for further information.

NOTE 16 – DERIVATIVES AND HEDGING
Net Investment Hedges

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. These contracts qualified for and were designated as net investment hedges under US GAAP. 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 cash flow impact of these net investment hedges is classified as an investing activity in the Statements of Consolidated Cash Flows. The outstanding contracts as of December 31, 2025 are summarized by maturity date in the table below.

Notional Value	Maturity Date
\$ 687.7	June 1, 2027
100.0	March 1, 2028
200.0	August 15, 2028
525.0	August 15, 2029
200.0	September 1, 2031
<u>\$ 1,712.7</u>	

In August 2025, the Company extended the maturity date of a net investment hedge with a notional value of \$200.0 million from August 8, 2025 to August 15, 2028.

In August 2024, the Company settled its \$150.0 million U.S. dollar to euro net investment hedge contract entered into on March 28, 2023. In May 2024, the Company settled its \$500.0 million U.S. dollar to euro net investment hedge contract entered into on February 13, 2020. At the time of both of these settlements, an immaterial unrealized loss, net of tax, was recognized in AOCI.

In December 2023, the Company settled its \$100.0 million U.S. dollar to euro net investment hedge contract entered into on August 1, 2023. At the time of settlement, an immaterial unrealized gain, net of tax, was recognized in AOCI.

The following table summarizes the balance sheet location of the net investment hedge contracts. See Note 17 for further information on the fair value of these contracts.

	December 31, 2025	December 31, 2024	December 31, 2023
Other current assets	\$ —	\$ 9.4	\$ —
Other assets	—	39.5	—
Other accruals	—	—	12.0
Other long-term liabilities	122.6	—	12.4

The changes in fair value of the net investment hedges are recognized in the foreign currency translation adjustments component of AOCI. See Note 15 for further information. The following table summarizes the unrealized (losses) gains, net of taxes, for the years ended December 31:

	2025	2024	2023
(Losses) gains	\$ (171.5)	\$ 71.2	\$ (33.1)
Tax effect	42.3	(17.6)	8.2
(Losses) gains, net of taxes	\$ (129.2)	\$ 53.6	\$ (24.9)

Cash Flow Hedges

In April 2025, in anticipation of a probable issuance of new long-term fixed rate debt within the next twelve months, the Company entered into a series of interest rate lock contracts with an aggregate notional amount of \$300.0 million. The interest rate locks were designated as cash flow hedges with an objective to hedge the variability in the benchmark interest rate (US Treasury). The interest rate locks settled in July 2025 for a \$4.7 million gain, net of tax, which was recognized within Other comprehensive income (loss), net of tax in the Statements of Consolidated Comprehensive Income.

Derivatives Not Designated as Hedging Instruments

The Company enters into foreign currency option and forward contracts with maturity dates less than twelve months primarily to hedge value changes in foreign currency. The related gains and losses are recorded in Other expense (income) - net. See Note 19 for further information.

NOTE 17 – 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, 2025, 2024 and 2023. Except for the acquisition-related fair value measurements, assets held for sale prior to the 2023 divestiture of the China architectural business described in Note 3 and the goodwill and trademark quantitative impairment tests described in Note 6, there were no assets or 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, 2025			December 31, 2024			December 31, 2023		
	Total	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:									
Deferred compensation plan	\$ 101.0	\$ 101.0	\$ —	\$ 98.6	\$ 98.6	\$ —	\$ 84.7	\$ 84.7	\$ —
Net investment hedges	—	—	—	48.9	—	48.9	—	—	—
	<u>\$ 101.0</u>	<u>\$ 101.0</u>	<u>\$ —</u>	<u>\$ 147.5</u>	<u>\$ 98.6</u>	<u>\$ 48.9</u>	<u>\$ 84.7</u>	<u>\$ 84.7</u>	<u>\$ —</u>
Liabilities:									
Net investment hedges	<u>\$ 122.6</u>	<u>\$ —</u>	<u>\$ 122.6</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24.4</u>	<u>\$ —</u>	<u>\$ 24.4</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 Topics of the ASC. The Level 1 investments are valued using quoted market prices multiplied by the number of shares. There was \$7.7 million, \$7.0 million and \$6.4 million of deferred compensation plan assets held in partnership funds measured using NAV (or its equivalent) as a practical expedient as of December 31, 2025, December 31, 2024 and December 31, 2023, respectively. These investments are not classified in the fair value hierarchy. The cost basis of all investments within the deferred compensation plan was \$80.7 million, \$82.7 million and \$76.3 million at December 31, 2025, 2024 and 2023, respectively.

The net investment hedges represent the fair value of the cross currency swaps. See Note 16 for further information. 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-publicly 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-publicly traded debt.

	December 31,					
	2025		2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Publicly traded debt	\$ 9,670.7	\$ 8,813.7	\$ 9,225.8	\$ 8,172.8	\$ 9,475.8	\$ 8,615.1
Non-publicly traded debt	0.1	0.1	0.2	0.2	0.9	0.8

NOTE 18 – 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.

See Note 22 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 sales are in the North America region (which is comprised of the United States, Canada and the Caribbean region), slightly less than 10% in the EMEAI 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 as a reduction to Net sales 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 volume rebates, 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 Net sales. The remainder of the transaction price is fixed as agreed upon with the customer, limiting estimation of revenues, including constraints.

Deferred revenue and related amounts recognized as Net sales during the year were not material. The Company's Accounts receivable and current and long-term contract assets and liabilities are summarized in the following table.

	Accounts Receivable, Less Allowance	Contract Assets (Current)	Contract Assets (Long-Term)	Contract Liabilities (Current)	Contract Liabilities (Long-Term)
<i>Balance sheet caption:</i>	<i>Accounts receivable</i>	<i>Other current assets</i>	<i>Other assets</i>	<i>Other accruals</i>	<i>Other liabilities</i>
Balance at December 31, 2024	\$ 2,388.8	\$ 55.0	\$ 231.0	\$ 386.2	\$ 1.6
Balance at December 31, 2025	2,791.2	73.3	227.7	427.3	10.3

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 recognized as contra-revenue per ASC 606 when products are sold. 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.

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.

Allowance for Current Expected Credit Losses

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

	2025	2024	2023
Beginning balance	\$ 60.4	\$ 59.6	\$ 56.6
Bad debt expense	49.3	69.5	67.9
Uncollectible accounts written off, net of recoveries	(47.2)	(68.7)	(64.9)
Ending balance	<u>\$ 62.5</u>	<u>\$ 60.4</u>	<u>\$ 59.6</u>

NOTE 19 – OTHER (INCOME) EXPENSE
Other General (Income) Expense - Net

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

	2025	2024	2023
Provisions for environmental matters - net	\$ 15.3	\$ (1.3)	\$ 80.7
Gain on divestiture of business (see Note 3)	—	—	(20.1)
(Gain) loss on sale or disposition of assets	(34.0)	(49.9)	0.9
Other	8.5	12.4	5.6
Total	<u>\$ (10.2)</u>	<u>\$ (38.8)</u>	<u>\$ 67.1</u>

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 as information becomes available upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. Provisions for environmental matters - net for the years ended December 31, 2024 and 2023 included an immaterial amount of insurance proceeds related to environmental cleanup at a current manufacturing site. See Note 10 for further information on the Company's environmental-related activities.

The (gain) loss on sale or disposition of assets represents the net realized (gain) loss 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. (Gain) loss on sale or disposition of assets for the years ended December 31, 2025, 2024 and 2023 included an immaterial amount of insurance proceeds related to previous asset losses at a current manufacturing site.

There were no items within the Other caption that were individually significant at December 31, 2025, 2024 and 2023.

Other Expense (Income) - Net

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

	2025	2024	2023
Investment gains	\$ (9.9)	\$ (16.9)	\$ (22.9)
Loss on extinguishment of debt (see Note 7)	—	—	12.8
Net expense from banking activities	16.4	15.7	15.0
Foreign currency transaction related losses - net	45.4	3.9	80.5
Miscellaneous pension and benefit income	(13.0)	(13.1)	(21.1)
Other income	(30.6)	(69.8)	(48.5)
Other expense	12.6	35.5	49.7
Total	<u>\$ 20.9</u>	<u>\$ (44.7)</u>	<u>\$ 65.5</u>

Investment gains primarily relate to the change in market value of the investments held in the deferred compensation plans. See Note 17 for further 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. See Note 16 for further information regarding these foreign currency contracts. In addition, an immaterial loss was recognized in 2025 from a transaction to convert a foreign currency with limited liquidity to the U.S. dollar.

Miscellaneous pension and benefit income consists of the non-service components of Net periodic pension and benefit cost (credit). See Note 8 for further information.

Other income and Other expense include 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, 2025, 2024 and 2023.

NOTE 20 – INCOME TAXES

On July 4, 2025, U.S. tax reform legislation known as the One Big Beautiful Bill Act (the Tax Act) was signed into law. Key provisions of the Tax Act relevant to the Company's operations include immediate expensing of certain domestic capital expenditures and domestic research and development costs, and the ability to accelerate previously capitalized domestic research and development costs beginning in 2025. Other changes, which are primarily related to U.S. international tax provisions, begin in 2026. The Tax Act did not materially change the Company's effective tax rate for 2025. The Company has reflected the effects of the Tax Act in the consolidated financial statements for the year ending December 31, 2025, in accordance with the Income Taxes Topic of the ASC.

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

	2025	2024	2023
Current:			
Federal	\$ 374.0	\$ 558.0	\$ 553.4
Foreign	157.3	155.1	147.6
State and local	85.2	132.2	109.0
Total current	<u>616.5</u>	<u>845.3</u>	<u>810.0</u>
Deferred:			
Federal	170.6	(54.8)	(39.9)
Foreign	(44.0)	(15.8)	(51.5)
State and local	26.6	(4.3)	2.5
Total deferred	<u>153.2</u>	<u>(74.9)</u>	<u>(88.9)</u>
Total provisions for income taxes	<u>\$ 769.7</u>	<u>\$ 770.4</u>	<u>\$ 721.1</u>

The reconciliation of the statutory federal income tax rate to the effective tax rate for the current year in accordance with the adoption of ASU 2023-09 is as follows:

	2025	
Statutory federal income tax rate	\$ 701.0	21.0 %
Effect of:		
State and local income taxes ⁽¹⁾	103.2	3.2
Foreign tax effects	41.2	1.2
Effect of cross border tax law	(6.4)	(0.2)
Tax credits:		
Investment vehicles	(8.7)	(0.3)
Other	(8.8)	(0.3)
Changes in valuation allowances	3.6	0.1
Nontaxable or nondeductible items:		
Employee share-based payments	(50.1)	(1.5)
Other	1.9	0.1
Changes in unrecognized tax benefits	(7.2)	(0.2)
Reported effective tax rate	<u>\$ 769.7</u>	<u>23.1 %</u>

⁽¹⁾ California, Texas, Illinois, Florida, Pennsylvania, New York, Wisconsin, and New Jersey make up greater than 50% of state and local income taxes.

A reconciliation of the statutory federal income tax rate to the effective tax rate for years prior to the adoption of ASU 2023-09 is as follows:

	2024	2023
Statutory federal income tax rate	21.0 %	21.0 %
Effect of:		
State and local income taxes	3.2	3.0
Investment vehicles	(0.5)	(0.5)
Employee share-based payments	(2.1)	(1.1)
Research and development credits	(0.3)	(0.4)
Amended returns and refunds	(0.2)	0.2
Taxes on non-U.S. earnings	1.1	0.8
Other - net	0.1	0.2
Reported effective tax rate	<u>22.3 %</u>	<u>23.2 %</u>

The increase in the effective tax rate for 2025 compared to 2024 was primarily attributable to less favorable impacts of tax benefits related to employee share-based payments. The other significant components of the Company's effective tax rate were consistent year-over-year.

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

	2025	2024	2023
Domestic	\$ 3,019.3	\$ 3,046.6	\$ 2,817.0
Foreign	318.9	405.2	292.9
Income before income taxes	<u>\$ 3,338.2</u>	<u>\$ 3,451.8</u>	<u>\$ 3,109.9</u>

A summary of total income taxes paid, net of refunds, in accordance with the adoption of ASU 2023-09 for the year ended December 31, 2025, is as follows:

Federal	\$ 317.8
Foreign	188.2
State and local	86.7
Total income taxes paid, net of refunds	<u>\$ 592.7</u>

Individual jurisdictions comprising greater than 5% of total income taxes paid, net of refunds, for the year end December 31, 2025 include the U.S. Federal, Mexico and Brazil for \$317.8 million, \$48.3 million and \$47.5 million, respectively.

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 were as follows as of December 31:

	2025	2024	2023
Deferred tax assets:			
Environmental and other similar items	\$ 62.9	\$ 66.8	\$ 72.0
Employee related and benefit items	176.8	175.2	162.1
Operating lease liabilities	510.5	499.6	483.2
Research and development capitalization	—	103.9	81.5
Tax loss carryforwards & credits	174.9	137.9	134.4
Other items	162.5	193.1	177.8
Total gross deferred tax assets	1,087.6	1,176.5	1,111.0
Valuation allowance	(158.0)	(124.5)	(106.6)
Total deferred tax assets	929.6	1,052.0	1,004.4
Deferred tax liabilities:			
Intangible assets and Property, plant and equipment, net	921.4	948.7	1,001.1
LIFO inventories	130.9	120.5	115.2
Operating lease right-of-use assets	491.8	482.1	465.6
Other items	56.3	40.7	28.6
Total deferred tax liabilities	1,600.4	1,592.0	1,610.5
Net deferred tax liabilities	\$ 670.8	\$ 540.0	\$ 606.1

Netted against the Company's deferred tax assets were valuation allowances of \$158.0 million, \$124.5 million and \$106.6 million at December 31, 2025, 2024 and 2023, respectively. The valuation allowances as of December 31, 2025 are primarily related to certain foreign jurisdictions with cumulative losses and U.S. foreign tax credits where future projections of foreign source income result in uncertainty regarding recovery. The Company has \$12.5 million of domestic net operating loss carryforwards acquired through acquisitions that have expiration dates through tax year 2037, foreign tax credits of \$54.0 million that expire in tax years 2028 through 2035 and foreign net operating losses of \$402.6 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 2026 to 2035.

The Company and its subsidiaries file income tax returns in the U.S. federal and various state and foreign jurisdictions. The Company finalized the IRS audit for the 2017 through 2019 income tax returns in the fourth quarter of 2024 and paid the related tax and interest assessments in 2025. The Company's 2020 through 2022 income tax returns are currently under IRS audit. As of December 31, 2025, the federal statute of limitations has not expired for the 2020 through 2025 tax years.

As of December 31, 2025, the Company is subject to non-U.S. income tax examinations for the tax years of 2014 through 2025. In addition, the Company is subject to state and local income tax examinations for tax years 2016 through 2025.

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

	2025	2024	2023
Balance at beginning of year	\$ 99.3	\$ 121.8	\$ 242.4
Additions based on tax positions related to the current year	16.5	16.0	14.2
Additions for tax positions of prior years	3.9	12.8	12.6
Reductions for tax positions of prior years	(6.5)	(8.6)	(16.9)
Settlements	(1.7)	(31.7)	(123.2)
Lapses of statutes of limitations	(4.6)	(11.0)	(7.3)
Balance at end of year	\$ 106.9	\$ 99.3	\$ 121.8

The increase in unrecognized tax benefits was primarily related to new positions related to the current year for U.S. federal and various state jurisdictions. These additions were partially offset by various positions taken on prior year income tax returns filed for U.S. federal and various state jurisdictions that were no longer deemed to be at risk or positions reversed due to the lapse of statutes of limitations. At December 31, 2025, 2024 and 2023, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$91.9 million, \$84.0 million and \$109.4 million, respectively.

The Company classifies all income tax related interest and penalties as income tax expense. During the years ended December 31, 2025, 2024 and 2023 there was an increase in income tax interest and penalties of \$5.5 million, \$7.8 million and \$5.9 million, respectively. The Company accrued \$23.9 million, \$18.8 million and \$20.4 million at December 31, 2025, 2024 and 2023, respectively, for the potential payment of interest and penalties.

NOTE 21 – NET INCOME PER SHARE

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

	2025	2024	2023
Basic			
Net income	\$ 2,568.5	\$ 2,681.4	\$ 2,388.8
Weighted average shares outstanding	247.6	251.0	255.4
Basic net income per share	\$ 10.37	\$ 10.68	\$ 9.35
Diluted			
Net income	\$ 2,568.5	\$ 2,681.4	\$ 2,388.8
Weighted average shares outstanding assuming dilution:			
Weighted average shares outstanding	247.6	251.0	255.4
Stock options and other contingently issuable shares ⁽¹⁾	2.8	3.1	2.9
Weighted average shares outstanding assuming dilution	250.4	254.1	258.3
Diluted net income per share	\$ 10.26	\$ 10.55	\$ 9.25

⁽¹⁾ Stock options and other contingently issuable shares excludes 1.8 million, 0.9 million and 2.8 million shares at December 31, 2025, 2024 and 2023, respectively, due to their anti-dilutive effect.

NOTE 22 – 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. The Company determined it has three reportable segments: Paint Stores Group, Consumer Brands Group and Performance Coatings Group (individually, a Reportable Segment and collectively, the Reportable Segments). Effective January 1, 2025, management realigned a nonsignificant high-performance flooring business to the Paint Stores Group from the Performance Coatings Group. Comparative segment information as of December 31, 2024 and 2023 has not been recast for this change. Factors considered in determining the three Reportable Segments of the Company include the nature of business activities, the management directly accountable to the Company's Chief Operating Decision Maker (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 within the Administrative function.

The Company's CODM has been identified as the Chair, President and Chief Executive Officer because she has final authority over performance assessment and resource allocation decisions. Because of the diverse operations of the Company, the CODM regularly receives and uses discrete financial information about each Reportable Segment as well as select supplemental 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 by comparing actual results versus forecasted and historical financial information and discussing observations with the broader leadership team responsible for managing the operations of each Reportable Segment on a monthly basis. This includes probing inquiries and consideration of relevant internal and external factors to drive meaningful insights and specific actions. The CODM evaluates the performance of and allocates resources to the Reportable Segments based on Segment profit or loss, which represents the segments' Income before income taxes. The accounting policies of the Reportable Segments are the same as those described in Note 1.

The Paint Stores Group consisted of 4,853 company-operated specialty paint stores in the United States, Canada and the Caribbean region at December 31, 2025. 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 2025, this segment opened 80 net new stores, consisting of 83 new stores opened and 3 stores closed. In 2024 and 2023, this segment opened 79 and 70 net new stores, respectively. 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, caulks and adhesives to retailers, including home centers and hardware stores, dedicated dealers and distributors throughout North America, Latin America and Europe. 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 307 company-operated specialty paint stores in Latin America at December 31, 2025. 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 2025, the segment opened 13 new stores and closed 40 for a net closure of 27 stores. In 2024 and 2023, this segment opened 16 and 11 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 63% of the total sales of the Consumer Brands Group in 2025 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. 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. These are distributed through the Paint Stores Group, this segment's 317 company-operated branches, and by 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 2025, the segment opened 6 branches and closed 13 branches for a net closure of 7 branches. In 2024 and 2023, this segment added 2 and 5 net new branches, respectively. 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 function includes the administrative expenses and assets of the Company's new global headquarters and research and development center. In addition, it includes 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 former and current global headquarters and former research and development center and disposal of idle facilities. The Administrative function's remaining assets consist primarily of cash and cash equivalents, investments and noncurrent pension assets. Also included in the Administrative function 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. Sales of this function represent external leasing revenue. The Administrative function 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 function.

Net sales of all consolidated foreign subsidiaries were \$4.615 billion, \$4.426 billion and \$4.428 billion for 2025, 2024 and 2023, respectively.

Long-lived assets consisted of Property, plant and equipment, net, Goodwill, Intangible assets, net, Operating lease right-of-use assets, noncurrent pension assets and Other assets. The aggregate total of long-lived assets for the Company was \$19.894 billion, \$18.231 billion and \$17.441 billion at December 31, 2025, 2024 and 2023, respectively. Long-lived assets of consolidated foreign subsidiaries totaled \$4.794 billion, \$3.405 billion and \$3.586 billion at December 31, 2025, 2024 and 2023, respectively.

Total Assets of the Company were \$25.902 billion, \$23.633 billion and \$22.954 billion at December 31, 2025, 2024 and 2023, respectively. Total assets of consolidated foreign subsidiaries were \$7.237 billion, \$5.208 billion and \$5.718 billion, which represented 27.9%, 22.0% and 24.9% of the Company's Total assets at December 31, 2025, 2024 and 2023, 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. 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 function. 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. 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. Expenses that are specifically identifiable to a certain Reportable Segment are allocated accordingly. For expenses that are not specifically identifiable to a certain Reportable Segment, an appropriate allocation base is identified, and expenses are allocated based on each segment's respective share of the allocation base. The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM and include intersegment expenses within the amounts shown. Identifiable assets were those directly identified with each Reportable Segment.

	2025				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	\$ 13,605.9	\$ 3,166.4	\$ 6,795.2	\$ 6.8	\$ 23,574.3
Intersegment transfers	—	5,388.2	26.6	(5,414.8)	—
Total net sales and intersegment transfers	\$ 13,605.9	\$ 8,554.6	\$ 6,821.8	\$ (5,408.0)	\$ 23,574.3
Cost of goods sold	\$ 5,954.5	\$ 7,128.0	\$ 4,412.3	\$ (5,436.0)	\$ 12,058.8
Selling, general and administrative expenses	4,589.3	895.9	1,446.1	763.7	7,695.0
Interest expense	—	—	—	465.0	465.0
Other segment items ⁽¹⁾	0.6	21.1	20.7	(25.1)	17.3
Income before income taxes	\$ 3,061.5	\$ 509.6	\$ 942.7	\$ (1,175.6)	\$ 3,338.2
<i>Percent to Net sales</i>	22.5 %	16.1 %	13.9 %	nm	14.2 %

Supplemental Information:

Identifiable assets	\$ 6,378.6	\$ 8,025.5	\$ 7,859.5	\$ 3,638.1	\$ 25,901.7
Capital expenditures	120.2	293.1	36.2	348.1	797.6
Depreciation ⁽²⁾	90.2	185.3	19.0	45.8	340.3
Amortization ⁽³⁾	5.6	71.8	258.3	0.9	336.6

nm - not meaningful

⁽¹⁾ Other segment items includes Other general (income) expense - net, Impairment, Interest income and Other expense (income) - net. See Note 6 for further information on Impairment and Note 19 for further information on Other general (income) expense - net and Other expense (income) - net.

⁽²⁾ Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

⁽³⁾ Amortization is recorded within Selling, general and administrative expenses.

	2024				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	\$ 13,188.0	\$ 3,108.0	\$ 6,797.3	\$ 5.2	\$ 23,098.5
Intersegment transfers	—	5,304.3	56.8	(5,361.1)	—
Total net sales and intersegment transfers	13,188.0	8,412.3	6,854.1	(5,355.9)	23,098.5
Cost of goods sold	5,900.8	6,943.5	4,406.5	(5,347.4)	11,903.4
Selling, general and administrative expenses	4,405.6	863.1	1,443.0	710.4	7,422.1
Interest expense	—	1.4	—	414.3	415.7
Other segment items ⁽¹⁾	(21.0)	14.4	(23.3)	(64.6)	(94.5)
Income before income taxes	\$ 2,902.6	\$ 589.9	\$ 1,027.9	\$ (1,068.6)	\$ 3,451.8
<i>Percent to Net sales</i>	22.0 %	19.0 %	15.1 %	nm	14.9 %

Supplemental Information:

Identifiable assets	\$ 5,878.0	\$ 6,854.7	\$ 7,847.4	\$ 3,052.5	\$ 23,632.6
Capital expenditures	141.3	290.3	15.2	623.2	1,070.0
Depreciation ⁽²⁾	89.9	162.7	18.0	26.8	297.4
Amortization ⁽³⁾	1.7	66.4	256.7	1.8	326.6

nm - not meaningful

⁽¹⁾ Other segment items includes Other general (income) expense - net, Interest income and Other expense (income) - net. See Note 19 for further information on Other general (income) expense - net and Other expense (income) - net.

⁽²⁾ Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

⁽³⁾ Amortization is recorded within Selling, general and administrative expenses.

2023

	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated 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
Cost of goods sold	5,794.4	7,311.9	4,606.9	(5,419.4)	12,293.8
Selling, general and administrative expenses	4,211.5	882.3	1,415.5	556.1	7,065.4
Interest expense	—	—	—	417.5	417.5
Other segment items ⁽¹⁾	(27.2)	96.1	26.9	69.5	165.3
Income before income taxes	\$ 2,860.8	\$ 309.3	\$ 991.6	\$ (1,051.8)	\$ 3,109.9
<i>Percent to Net sales</i>	22.3 %	9.2 %	14.5 %	nm	13.5 %

Supplemental Information:

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 ⁽²⁾	79.0	151.4	26.0	35.9	292.3
Amortization ⁽³⁾	3.3	72.4	253.0	1.5	330.2

nm - not meaningful

⁽¹⁾ Other segment items includes Other general (income) expense - net, Impairment, Interest income and Other expense (income) - net. See Notes 3 and 6 for further information on Impairment and Note 19 for further information on Other general (income) expense - net and Other expense (income) - net.

⁽²⁾ Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

⁽³⁾ Amortization is recorded within Selling, general and administrative expenses.

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 Chair, 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 Chair, 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 Securities and Exchange Commission rules and forms, and accumulated and communicated to our management, including our Chair, 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 have been 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, 2025, 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 9 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 chief accounting officer, 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 any persons performing similar functions, and that is required to be publicly disclosed pursuant to the rules of the SEC.

Insider Trading Policy

The information regarding our Insider Trading Policy is set forth in our Proxy Statement under the caption “Insider Trading Policy” and is incorporated herein by reference. A copy of our Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is set forth in our Proxy Statement under the captions “2025 Director Compensation Table,” “Director Compensation Program,” “Executive Compensation,” “Executive Compensation Tables” and “2025 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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(2) Financial Statement Schedule

Schedule II — Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2025, 2024 and 2023 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>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 124.5	\$ 106.6	\$ 97.5
Additions ⁽¹⁾	33.5	17.9	9.1
Ending balance	<u>\$ 158.0</u>	<u>\$ 124.5</u>	<u>\$ 106.6</u>

⁽¹⁾ Additions did not have a material impact on the Income Statement in 2025, 2024 or 2023.

(3) Exhibits

- 3.1 [Amended and Restated Articles of Incorporation of the Company, dated April 16, 2025, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 16, 2025, and incorporated herein by reference.](#)
- 3.2 [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.](#)
- 4.1 [Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934 \(filed herewith\).](#)
- 4.2 [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.](#)
 - 4.2.1 [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.](#)
- 4.3 [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.](#)
 - 4.3.1 [Second Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.2 [Sixth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.3 [Seventh Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.4 [Twelfth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.5 [Thirteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.6 [Fourteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.7 [Fifteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)
 - 4.3.8 [Sixteenth Supplemental Indenture by and between the Company and Wells Fargo Bank, National Association, as trustee, dated as of 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.](#)

- 4.3.9 [Seventeenth Supplemental Indenture by and between the Company and U.S. Bank National Association, as trustee, dated as of 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.](#)
- 4.3.10 [Eighteenth Supplemental Indenture by and between the Company and U.S. Bank National Association, as Trustee, dated as of 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.](#)
- 4.4 [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.](#)
 - 4.4.1 [Third Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated as of August 9, 2024 \(including Form of Note\), filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 9, 2024, and incorporated herein by reference.](#)
 - 4.4.2 [Fourth Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated as of August 9, 2024 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 9, 2024, and incorporated herein by reference.](#)
 - 4.4.3 [Fifth Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated as of July 31, 2025 \(including Form of Note\), filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 31, 2025, and incorporated herein by reference.](#)
 - 4.4.4 [Sixth Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated as of July 31, 2025 \(including Form of Note\), filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated July 31, 2025, and incorporated herein by reference.](#)
 - 4.4.5 [Seventh Supplemental Indenture by and between the Company and U.S. Bank Trust Company, National Association, as trustee, dated as of July 31, 2025 \(including Form of Note\), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated July 31, 2025, and incorporated herein by reference.](#)
- 10.1 [Amended and Restated Credit Agreement, dated as of November 17, 2025, 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 17, 2025, and incorporated herein by reference.](#)
 - 10.1.1 [Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of February 9, 2026, by and among The Sherwin-Williams 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 9, 2026, and incorporated herein by reference.](#)
- 10.2 [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.](#)
 - 10.2.1 [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.](#)
 - 10.2.2 [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.](#)

- 10.2.3 [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.](#)
- 10.2.4 [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.](#)
- 10.2.5 [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.](#)
- 10.2.6 [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.](#)
- 10.2.7 [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.](#)
- 10.2.8 [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.](#)
- 10.2.9 [Amendment No. 9 to the Amended and Restated Credit Agreement, dated as of May 1, 2024, 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 Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, and incorporated herein by reference.](#)
- 10.2.10 [Amendment No. 10 to the Amended and Restated Credit Agreement, dated as of March 10, 2025, 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 March 10, 2025, and incorporated herein by reference.](#)
- 10.3 [Credit Agreement, dated as of July 31, 2024, by and among The Sherwin-Williams 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 2, 2024, and incorporated herein by reference.](#)
- 10.3.1 [Amendment No. 1 to Credit Agreement, dated as of August 8, 2025, by and among The Sherwin-Williams 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 8, 2025, and incorporated herein by reference.](#)
- ^10.4 [Term Loan Credit Agreement, dated as of August 8, 2025, by and among The Sherwin-Williams Company and Sherwin-Williams Luxembourg S.à r.l., as borrowers, the lenders party thereto and Citibank, N.A., as administrative agent, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 8, 2025, and incorporated herein by reference.](#)
- *10.5 [Forms of Amended and Restated Severance Agreements \(filed herewith\).](#)

- *10.5.1 [Schedule of Current and Former Executive Officers who are Parties to the Amended and Restated Severance Agreements in the forms referred to in Exhibit 10.5 above \(filed herewith\).](#)
- *10.6 [Form of Director, Executive Officer and Corporate Officer Indemnity Agreement, filed as Exhibit 10\(c\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
- ^ *10.7 [Aircraft Time Sharing Agreement between the Company and Heidi G. Petz, dated January 2, 2024, filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and incorporated herein by reference.](#)
- *10.8 [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.](#)
- *10.9 [The Sherwin-Williams Company 2005 Key Management Deferred Compensation Plan \(Amended and Restated Effective as of October 13, 2023\), filed as Exhibit 10\(g\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
- *10.10 [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.](#)
- *10.11 [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.](#)
- *10.12 [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.](#)
- *10.13 [The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan \(Amended and Restated as of October 13, 2023\), filed as Exhibit 10\(m\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
 - *10.13.1 [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.](#)
 - *10.13.2 [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.](#)
 - *10.13.3 [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.](#)
 - *10.13.4 [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.](#)
 - *10.13.5 [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan, filed as Exhibit 10\(s\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
 - *10.13.6 [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, 2023, and incorporated herein by reference.](#)
 - *10.13.7 [Forms of Stock Option Award under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan, filed as Exhibit 10.14.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and incorporated herein by reference.](#)

- *10.13.8 [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan, filed as Exhibit 10.14.9 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and incorporated herein by reference.](#)
- *10.14 [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.](#)
- *10.14.1 [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.](#)
- *10.15 [The Sherwin-Williams Company Key Employee Separation Plan as Amended and Restated Effective October 13, 2023, filed as Exhibit 10\(aa\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
- *10.16 [The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan, filed as Exhibit 99.1 to the Company's Registration Statement on Form S-8, dated April 16, 2025, and incorporated herein by reference.](#)
- *10.16.1 [Form of Non-Employee Director Restricted Stock Units Award Agreement under The Sherwin Williams Company 2025 Equity and Incentive Compensation Plan for awards granted on or after April 16, 2025, filed as Exhibit 10.1.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025, and incorporated herein by reference.](#)
- *10.16.2 [Form of Non-Employee Director Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan for awards granted on or after July 15, 2025 \(filed herewith\).](#)
- *10.16.3 [Form of Stock Option Award Agreement under The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan for awards granted on or after July 15, 2025 \(filed herewith\).](#)
- *10.16.4 [Form of Restricted Stock Units Award Agreement under The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan for awards granted on or after July 15, 2025 \(filed herewith\).](#)
- 19.1 [Insider Trading Policy, filed as Exhibit 19.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and incorporated herein by reference](#)
- 21.1 [Subsidiaries \(filed herewith\).](#)
- 23.1 [Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm \(filed herewith\).](#)
- 24.1 [Powers of Attorney \(filed herewith\).](#)
- 24.2 [Certified Resolution Authorizing Signature by Power of Attorney \(filed herewith\).](#)
- 31.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Executive Officer \(filed herewith\).](#)
- 31.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Financial Officer \(filed herewith\).](#)
- 32.1 [Section 1350 Certification of Chief Executive Officer \(furnished herewith\).](#)
- 32.2 [Section 1350 Certification of Chief Financial Officer \(furnished herewith\).](#)
- *97.1 [The Sherwin-Williams Company Section 16 Executive Officer Clawback Policy, Effective October 10, 2023, filed as Exhibit 97 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and incorporated herein by reference.](#)
- 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

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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, 2025, 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.

DESCRIPTION OF SECURITIES
Registered Under Section 12 of the
Securities Exchange Act of 1934

The authorized capital stock of The Sherwin-Williams Company, an Ohio corporation (the “Company”), consists of 900,000,000 shares of common stock, par value \$0.33-1/3 per share (“Common Stock”), and 30,000,000 shares of serial preferred stock, without par value (“Serial Preferred Stock”). The following description of capital stock of the Company is a summary and is qualified in its entirety by provisions of Ohio law and by reference to the terms and provisions of the Company’s Amended and Restated Articles of Incorporation (the “Articles of Incorporation”) and Regulations (As Amended and Restated July 19, 2023) (the “Regulations”), which are incorporated by reference as exhibits to the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission.

COMMON STOCK

VOTING RIGHTS

Holders of shares of Common Stock are entitled to one vote per share on all matters presented to a vote of the Company’s shareholders. Except as otherwise provided in the Articles of Incorporation or as required by law, the holders of Serial Preferred Stock and the holders of Common Stock shall vote together as one class on all matters. The Articles of Incorporation prevent any shareholder from cumulating votes.

Notwithstanding any provision of the Ohio Revised Code now or hereafter in force requiring for any purpose the vote, consent, waiver or release of the holders of shares entitling them to exercise two-thirds, or any other proportion, of the voting power of the Company or of any class or classes of shares thereof, such action, unless otherwise expressly required by statute or by the Articles of Incorporation, may be taken by the vote, consent, waiver or release of the holders of shares entitling them to exercise a majority of the voting power of the Company or of such class or classes.

Additionally, the affirmative vote (i) of the holders of shares entitling them to exercise a majority of the voting power of the Company, and (ii) of the holders of a majority of the voting power of the shares of Common Stock at the time outstanding, given in person or by proxy at a meeting called for the purpose at which the holders of Common Stock shall vote separately as a class, is necessary:

- To approve (i) the sale, exchange, lease, transfer or other disposition by the Company of all, or substantially all, of its assets or business to a related corporation or an affiliate of a related corporation, or (ii) the consolidation of the Company with or its merger into a related corporation or an affiliate of a related corporation, or (iii) the merger into the Company of a related corporation or an affiliate of a related corporation, or (iv) a combination or majority share acquisition in which the Company is the acquiring corporation and its voting shares are issued or transferred to a related corporation or an affiliate of a related corporation or to shareholders of a related corporation or an affiliate of a related corporation;
- To approve any agreement, contract or other arrangement with a related corporation providing for any of the transactions described in the foregoing subparagraph; or
- To effect any amendment of the Articles of Incorporation which changes the voting provisions described above.

For the purpose of the above voting requirements: (i) a “related corporation” in respect of a given transaction is any corporation which, together with its affiliates and associated persons, owns of record or beneficially, directly or indirectly, more than 5% of the shares of any outstanding class of stock of the Company entitled to vote upon such transaction, as of the record date used to determine the shareholders of the Company entitled to vote upon such transaction; (ii) an “affiliate” of a related corporation is any individual, joint venture, trust, partnership or corporation which, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the related corporation; (iii) an “associated person” of a related corporation is any officer or

director or any beneficial owner, directly or indirectly, of 10% or more of any class of equity security, of such related corporation or any of its affiliates; and (iv) the terms “combination,” “majority share acquisition” and “acquiring corporation” have the same meaning as that contained in Section 1701.01 of the Ohio Revised Code or any similar provision hereafter enacted.

Except as outlined above, as otherwise expressly required by statute, or as provided in the Regulations, the vote of the holders of a majority of the votes cast, whether in person or by proxy, on any matter properly brought before any meeting of shareholders, including the election of directors, will be the act of the shareholders. However, if the number of nominees for director exceeds the number of directors to be elected, the nominees receiving the greatest number of votes (up to the number of directors to be elected) shall be elected. For these purposes, a “majority of the votes cast” means that the number of shares voted “for” a nominee’s election exceeds the number of shares voted “against” that nominee’s election.

DIVIDENDS

Subject to the rights of any series of Serial Preferred Stock, the holders of shares of Common Stock will be entitled to receive dividends on such Common Stock when, as and if authorized and declared by the Company’s Board of Directors (the “Board”). The payment of dividends on Common Stock will be a business decision to be made by the Board from time to time based upon the Company’s results of operations and financial condition and such other factors as the Board considers relevant.

So long as any Serial Preferred Stock is outstanding, no dividends, except a dividend payable in Common Stock or other shares ranking junior to Serial Preferred Stock, if any, may be paid or declared or any distribution be made, nor may any Common Stock or any other shares ranking junior to Serial Preferred Stock be purchased, retired or otherwise acquired by the Company (except out of the proceeds of the sale of Common Stock or other shares ranking junior to Serial Preferred Stock received by the Company subsequent to August 31, 1966) unless (i) all accrued and unpaid dividends on Serial Preferred Stock, including the full dividends for the current quarterly dividend period, shall have been declared and paid or a sum sufficient for payment thereof set apart and (ii) there shall be no arrearages with respect to the redemption of Serial Preferred Stock of any series from any sinking fund provided for shares of such series in accordance with the provisions of the Articles of Incorporation. Payment of dividends on Common Stock may be restricted by loan agreements, indentures, and other transactions entered into by the Company from time to time.

LIQUIDATION RIGHTS

Upon the Company’s liquidation, dissolution or winding up, each holder of shares of Common Stock will be entitled to share ratably with the other holders of shares of Common Stock in all assets remaining after payments to all creditors and payments required to be made in respect of any outstanding Serial Preferred Stock (including amounts fixed as liquidating payments plus accrued and unpaid dividends thereon, if any).

RIGHT TO ACQUIRE SHARES

The Company may from time to time, pursuant to authorization by the Board and without action by the Company’s shareholders, purchase or otherwise acquire any of the Company’s shares of any class or classes in such manner, upon such terms and in such amounts as the Board shall determine. The Company’s right to acquire its shares is subject, however, to such limitation or restriction, if any, as is contained in the express terms of any class of such shares outstanding at the time of the purchase or acquisition in question.

AUTHORIZED BUT UNISSUED STOCK

The Company may issue additional shares of Common Stock or Serial Preferred Stock without shareholder approval, subject to applicable rules of the New York Stock Exchange and Ohio law, for a variety of corporate purposes, including future public or private offerings to raise additional capital, corporate acquisitions, and employee benefit plans and equity grants.

SHAREHOLDER ACTION BY WRITTEN CONSENT

The Ohio Revised Code provides that shareholder action may be taken without a meeting only by unanimous written consent.

ABSENCE OF OTHER RIGHTS

Holders of Common Stock have no preferences, preemptive, sinking fund, conversion or exchange rights. The Common Stock is subject to the rights of any outstanding shares of any series of Serial Preferred Stock which the Company may issue from time to time.

PREFERRED STOCK

The Articles of Incorporation authorize the Board to designate and issue, from time to time, Serial Preferred Stock in one or more series. The Board is authorized, to the extent permitted by applicable law, to fix and determine the relative rights and preferences of the shares of any series so established with respect to, among other things, dividend or distribution rights, the dates of payments of dividends or distributions and the dates from which they are cumulative, liquidation price, redemption rights and price, sinking fund requirements, conversion or exchange rights and certain other terms of the Serial Preferred Stock. Because the rights and preferences set by the Board for a series of Serial Preferred Stock could be superior to the rights and preferences of the Common Stock, the issuance of such series could adversely affect the rights of the holders of Common Stock.

While issuance of Serial Preferred Stock could provide the Company with needed flexibility in connection with possible acquisitions and other corporate purposes, such issuance also could make it more difficult for a prospective acquiror to acquire a majority of the Company's outstanding voting shares and could discourage an attempt to gain control of the Company's voting shares. Such issuance also could adversely affect the market price of the Common Stock.

CERTAIN PROVISIONS OF OHIO LAW CONCERNING TAKEOVERS

Ohio, the state of the Company's incorporation, has enacted Ohio Revised Code Section 1701.831, a "control share acquisition" statute. The statute specifies that, unless a corporation's articles of incorporation or regulations otherwise provide, any person acquiring shares of an "issuing public corporation" in any of the following three ownership ranges must seek and obtain shareholder approval prior to the acquisition transaction that first establishes such ownership within each such range: (1) 20% or more but less than 33 1/3%, (2) 33 1/3% or more but less than 50% and (3) more than 50%. The Company is an "issuing public corporation" for purposes of the statute. Neither the Articles of Incorporation nor the Regulations contain a provision excluding the Company from the application of the statute.

Ohio also has enacted Ohio Revised Code Chapter 1704, the so-called "merger moratorium" statute. The statute specifies that, unless a corporation's articles of incorporation or regulations otherwise provide, an "issuing public corporation" may not engage in a "Chapter 1704 transaction" for three years following the date a person acquires more than 10% of the voting power in the election of directors of the "issuing public corporation," unless the "Chapter 1704 transaction" is approved by the corporation's board of directors prior to such acquisition. A person who acquires such voting power is an "interested shareholder," and "Chapter 1704 transactions" involve a broad range of transactions, including mergers, consolidations, combinations, liquidations, recapitalizations and other transactions between an "issuing public corporation" and an "interested shareholder," if such transactions involve 5% or more of the assets or shares of the "issuing public corporation" or 10% or more of its earning power. Chapter 1704 prohibits such transactions absent approval by disinterested shareholders or the transaction meeting certain statutorily defined fair price provisions. Neither the Articles of Incorporation nor the Regulations contain a provision excluding it from the application of Chapter 1704.

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
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- (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
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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
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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
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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.
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- (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.
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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.
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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
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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
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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
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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
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- (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,
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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
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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
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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.
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- (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
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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
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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
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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
2025 EQUITY AND INCENTIVE COMPENSATION PLAN
(EFFECTIVE APRIL 16, 2025)

Non-Employee Director Restricted Stock Units Award Agreement

Grantee: _____ Date of Grant: _____

Aggregate Number of RSUs: _____

1. **Grant of Restricted Stock Units.** The Board of Directors (the “Board”) of The Sherwin-Williams Company (the “Company”) grants to you (“Grantee”) the aggregate number of Restricted Stock Units (the “RSUs”) set forth above in accordance with the terms hereof (this “Agreement”) and the terms of The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan (the “Plan”). Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan.
2. **Vesting of RSUs.** Subject to Section 3 hereof, the RSUs shall become nonforfeitable (“Vest”) to the extent of one-third of the RSUs after Grantee has continuously served as a member of the Board for one full year from the Date of Grant and additional one-third of the RSUs after each of the next two successive full years thereafter during which Grantee shall have continuously served as a member of the Board (such three-year period, the “Restriction Period”). Each one-year anniversary of the Date of Grant shall be the “Date of Vesting” for the portion of RSUs that becomes Vested on such date in accordance with the foregoing.
3. **Termination of Rights to RSUs; Acceleration of Vesting.** Notwithstanding anything herein to the contrary:
 - (A) On the date Grantee ceases to be a member of the Board at any time during the Restriction Period, any portion of the RSUs that are not Vested as of such date shall be forfeited and Grantee shall forfeit and lose all rights to any portion of the RSUs that are not Vested as of such date, except as otherwise provided below:
 - (i) In the event of the death of Grantee during the Restriction Period, the full number of RSUs granted under this Agreement to the extent not previously Vested shall immediately Vest.
 - (ii) In the event Grantee becomes Disabled (as defined below) during the Restriction Period, the full number of RSUs granted under this Agreement to the extent not previously Vested shall immediately Vest. The term “Disabled” as used herein means disability within the meaning of Treasury Regulations Section 1.409A-3(i)(4)(i)(A), as the same has been or may be amended from time to time.
 - (iii) In the event Grantee ceases to be a member of the Board by reason of Retirement (as defined below), all rights of Grantee hereunder shall continue to Vest as if Grantee had continued as a member of the Board, and the settlement of the Vested RSUs will occur at the same time they would have otherwise settled pursuant to Section 4 had the Grantee continued as a member of the Board through the applicable Date of Vesting or other Vesting date. The term “Retirement” as used herein means termination of Grantee’s status as a member of the Board at or after attaining the age of sixty-five (65) or completing either five (5) years of service or five (5) one-year terms as a member of

the Board, by reason of resignation from the Board or by reason of not standing for reelection as a member of the Board.

(iv) Notwithstanding Section 2 above, in the event of a Change of Control during the Restriction Period, the RSUs shall Vest on fulfillment of the conditions specified in Section 12 of the Plan (for purposes of this Agreement, references to termination of “employment” in Section 12 of the Plan shall mean termination of “service”).

(B) In the event that Grantee knowingly or willfully engages in misconduct during the Restriction Period, which is materially harmful to the interests of the Company or a Subsidiary as determined by the Board, all rights of Grantee to the RSUs that are not Vested 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 respective 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 applicable Date of Vesting there are any Vested RSUs pursuant to Section 3 hereof, such Vested RSUs shall be settled 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.

(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 service 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 RSU is Assumed, any outstanding 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 any portion of 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) the total number of RSUs covered hereby that have not been settled in shares by such date. Such dividend equivalents (if any) shall be paid in cash, and shall be subject to such other applicable terms and conditions (including payment or forfeitability) as the RSUs based on which the dividend equivalents were credited. 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 Vesting date.
 7. **Transferability.** Subject to Section 15 of the Plan, during the Restriction Period, the RSUs will not be transferable by Grantee except by will or the laws of descent and distribution.
 8. **Withholding; Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the RSUs or the underlying shares of Common Stock, 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 Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. In any case, Grantee will be solely responsible and liable for the satisfaction of all taxes required to be withheld under applicable income, employment, tax or other laws in connection with any payment made or benefit realized by Grantee under this Agreement, and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold Grantee harmless from any or all of such taxes.
 9. **No Right to Future Awards or Service.** 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 settlement or payments made to Grantee will not confer upon Grantee any right with respect to continuance of service as a member of the Board, nor will it interfere in any way with any right the Company would otherwise have to terminate Grantee's 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 service as a member of the Board, and Grantee hereby releases the Company 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 Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement 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. **Adjustments.** The number of shares of Common Stock issuable for each RSU and the other terms and conditions of the grant evidenced by this Agreement are subject to adjustment, including as provided in Section 11 of the Plan.
 13. **Governing Law.** 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.
 14. **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
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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.

- 15. 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 Code. Notwithstanding the foregoing or any provision of this Agreement or the Plan to the contrary, if the award is subject to the provisions of Section 409A of the Code (and not excepted therefrom), the provisions of this Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A of the Code (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 of the Code, 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 of the Code or to provide such payments or benefits in a manner that complies with the provisions of Section 409A of the Code such that they will not be such to the imposition of taxes and/or interest thereunder. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with Section 409A of the Code, and Grantee recognizes and acknowledges that Section 409A of the Code could potentially impose upon Grantee certain taxes and/or interest charges for which Participant is and shall remain solely responsible.
- 16. 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.
- 17. 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.
- 18. 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.
- 19. 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.

**THE SHERWIN-WILLIAMS COMPANY
2025 EQUITY AND INCENTIVE COMPENSATION PLAN
(EFFECTIVE APRIL 16, 2025)**

Stock Option Award Agreement

Grantee: _____ Date of Grant: _____

Total Options¹ Granted: _____

- 1. Grant and Type of Options.** The Board of Directors (the “Board”) of The Sherwin-Williams Company (the “Company”) has granted options to you (“you” or “Grantee”) pursuant to this Stock Option Award Agreement (the “Award Agreement”). It is intended and this Award Agreement so designates that the options be treated as incentive stock options as defined in Section 422 of the Code (“Incentive Stock Options”) to the maximum extent permitted under law. To the extent the options are not Incentive Stock Options, the options are intended to be treated as nonqualified stock options (“Nonqualified Stock Options”). Each option entitles you to purchase from the Company one share of Common Stock at the option price per share (the “Option Price”), in accordance with the terms of The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan (Effective April 16, 2025) (the “Plan”), the related Prospectus, this Award Agreement 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 Options.**
- (A) One-third of the options shall become vested and exercisable after you have been in the continuous employ of the Company or any Subsidiary for one full year from the Date of Grant and an additional one-third of such options shall become vested and exercisable on each of the next two anniversaries of the Date of Grant if you have been in the continuous employ of the Company or any Subsidiary on each applicable anniversary date, in each case, in accordance with the procedures of the Company.
 - (B) Notwithstanding Section 2(A) above, any outstanding unvested options 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 options 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 this Award

¹ This number represents the aggregate amount of granted Incentive Stock Options and Nonqualified Stock Options.

Agreement mean your voluntary cessation of employment with the Company or any Subsidiary after: (1) age 65 or older or (2) 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 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 Options. Notwithstanding anything herein to the contrary:

- (A) Except as otherwise provided in Section 3(B) below, the options 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 this Award Agreement.

- (B) Notwithstanding anything in this Award Agreement to the contrary, but subject to applicable law, if and only if, after market close Eastern Time on the date on which the options 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 immediately preceding trading day during which a sale of Common Stock occurred) exceeds the Option Price per share, (ii) to the extent the options are exercisable and you have not exercised the options, and (iii) to the extent the options have not otherwise expired, terminated, or been cancelled or forfeited, then the Company will deem such remaining exercisable portion of the options to have been exercised by you on the Option Expiration Date (and prior to the options' 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 Options.** To the extent exercisable, the options 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 (A) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (B) 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, (C) through a sale and remittance procedure pursuant to which you shall concurrently provide irrevocable instructions (i) 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 (ii) to the Company to deliver the certificates (or other evidence) for the purchased shares directly to such brokerage firm on the settlement date in order to complete the sale, (D) by a combination of such methods of payment, or (E) by such other methods as may be approved by the Board.

- 5. Incentive Stock Options.** This Section 5 applies only if and to the extent the options are Incentive Stock Options. Notwithstanding an option being an Incentive Stock Option: (A) the option shall not qualify as an Incentive Stock Option if (i) you make a disposition of the Common Stock you receive upon exercise of such option within two years from the Date of Grant or within one year after the transfer of such Common Stock to you, or (ii) 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 such option; or (B) 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 such option, as to the excess, shall be treated as a Nonqualified Stock Option that does not meet the requirements of Section 422 of the Code. If and to the extent that the options (or a portion thereof) fail to qualify as Incentive Stock Options, such options shall remain outstanding according to their terms as Nonqualified Stock Options. You acknowledge and agree that (A) favorable Incentive Stock Option tax treatment is available only if the options are 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 options 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 applicable option is exercised, (C) you will consult with your tax adviser regarding the tax consequences of the options, 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 options 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 options.
 - 6. Transferability, Binding Effect.** The options are not transferable by you except as provided in Section 15 of the Plan and, except as otherwise determined by the Board, the options are exercisable, during your lifetime, only by you or, in the case of your legal incapacity, only by your guardian or legal representative acting on your behalf in a fiduciary capacity under state law or court supervision. Notwithstanding the preceding sentence, to the extent the options are Incentive Stock Options, the options are not transferable by you except by the laws of descent and distribution and are exercisable, during your lifetime, only by you. This Award Agreement binds you and your guardians, legal representatives and heirs.
 - 7. Compliance with Law.** The options shall not be exercisable if such exercise would involve, in the opinion of counsel selected by the Company, a violation of any applicable law or regulation.
 - 8. Withholding; Taxes.** Except as provided in Section 3(B) above, 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 options, 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 Award Agreement 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.
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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 this Award Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Award Agreement 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, this Award Agreement 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 this Award 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 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), the Plan or any successor plan(s). Notwithstanding any provisions in this Award Agreement 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 this Award Agreement, Grantee consents to be bound by the terms of the Executive Clawback Policy or the Key Employee Clawback Policy, if applicable, and any other applicable Company policy 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
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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, 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 13(A) above, then Grantee by this Award 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 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
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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 Award 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 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 this Award 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 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. 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
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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 law after separation from employment, but any such Grantee remains bound by obligations to protect the Company's confidential and/or privileged information that he or she gained as an attorney while employed by and representing Company.

- (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
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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 this Award 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 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 this Award Agreement. 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. Data Privacy.** Grantee explicitly and unambiguously consents to the collection, use, retention 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 purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that Employer and the Company and its Subsidiaries may collect, process, retain or transfer (but only to the extent required or permitted by applicable law and regulations) personal data about Grantee, including, without limitation: 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 options or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor (collectively, the "Data"). The legal bases for the processing of Grantee's Data, where required, is his or her consent, as necessary for the performance of the Plan, as necessary to comply with the Company's legal obligations, or as necessary for the Company's (or others') legitimate interests, including if necessary to defend Grantee's or the Company's legitimate interests in legal proceedings. Grantee understands that Data may be transferred to third parties assisting in the implementation, administration and management of the Plan, including, but not limited to, 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
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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 of the options. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan or as otherwise necessary to comply with applicable law and regulations. Grantee understands that his or her consent to the collection, use, retention and transfer of Data to implement, administer and manage the Plan is purely voluntary. Grantee understands that Grantee may, in accordance with applicable law and regulations, be provided with certain data subject rights regarding the processing of his or her Data, including, the right to: access Data, request additional information about the collection, processing, disclosure and storage of Data, rectify or erase Data, restrict or object to the processing of Data, lodge a complaint with the competent supervisory authority, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative or as otherwise designated by the Company. 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.

16. **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.
 17. **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 this Award Agreement, the terms of the Plan shall control.
 18. **Compliance with Laws and Regulations; No Shareholder Rights.** The issuance of shares of Common Stock pursuant to your exercise of your options 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 options, 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 options.
 19. **Binding Effect; No Third Party Beneficiaries.** This Award Agreement shall be binding upon and inure to the benefit of the Company, its Subsidiaries and you and each of our respective heirs, representatives, successors and permitted assigns. This Award Agreement shall not confer any rights or remedies upon any person other than the Company, its Subsidiaries and you and each of our respective heirs, representatives, successor and permitted assigns.
 20. **Notice.** Any notice required to be given or delivered to the Company under the terms of this Award 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 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.
 21. **Section 409A.** The options are 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 this Award Agreement, impose conditions on the timing and effectiveness of the exercise of the options by you, or take any other action
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it deems necessary or advisable, to cause the options to be excepted from Section 409A (or to comply therewith to the extent the Company determines they are 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
2025 EQUITY AND INCENTIVE COMPENSATION PLAN
(EFFECTIVE APRIL 16, 2025)**

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”): _____

Aggregate total target number of Performance-Based RSUs (“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 2025 Equity and Incentive Compensation Plan (Effective April 16, 2025) (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 are 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 Performance 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 Adjusted 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 “Performance 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 Performance 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.

- (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 Adjusted Return On Net Assets Employed ("Average Annual RONAE") during the Performance 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 Performance 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.

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 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 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) age 65 or older or (y) 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 at the deemed achievement levels provided therein.
- (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
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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
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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.
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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), the Plan or any successor plan(s). 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 any other applicable Company policy 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,
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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
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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
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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, but any such Grantee remains bound by obligations to protect the Company's confidential and/or privileged information that he or she gained as an attorney while employed by and representing Company.

- (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, where permitted by 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 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
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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, retention 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 purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that Employer and the Company and its Subsidiaries may collect, process, retain or transfer (but only to the extent required or permitted by applicable law and regulations) personal data about Grantee, including, without limitation: 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 (collectively, the "Data"). The legal bases for the processing of Grantee's Data, where required, is his or her consent, as necessary for the performance of the Plan, as necessary to comply with the Company's legal obligations, or as necessary for the Company's (or others') legitimate interests, including if necessary to defend Grantee's or the Company's legitimate interests in legal proceedings. Grantee understands that Data may be transferred to third parties assisting in the implementation, administration and management of the Plan, including, but not limited to, 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 or as otherwise necessary to comply with applicable law and regulations. Grantee understands that his or her consent to the collection, use, retention and transfer of Data to implement, administer and manage the Plan is purely voluntary. Grantee understands that Grantee may, in accordance with applicable law and regulations, be provided with certain data subject rights regarding the processing of his or her Data, including, the right to: access Data, request additional information about the collection, processing, disclosure and storage of Data, rectify or erase Data, restrict or object to the processing of Data, lodge a complaint with the competent supervisory authority, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative or as otherwise designated by the Company. 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, its Subsidiaries 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, its Subsidiaries 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
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authorized hereunder) or upon deposit in the U.S. mail, postage, prepaid and properly addressed to the party to be notified.

Schedule of Current and Former Executive Officers who are Parties
to the Amended and Restated Severance Agreements in the Forms Filed as
Exhibit 10.5 to the Company's Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2025

Form A of Severance Agreement

Heidi G. Petz

Form B of Severance Agreement

Justin T. Binns
Marlena K. Boyce
Colin M. Davie
Mary L. Garceau
James R. Jaye
Karl J. Jorgenrud
J. Paul Lang
Benjamin E. Meisenzahl
Allen J. Mistysyn
Todd D. Rea
Bryan J. Young

The Sherwin-Williams Company

The following is a list of subsidiaries of The Sherwin-Williams Company, omitting certain entities that have de minimis activity that, when considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of February 1, 2026.

<u>Subsidiary</u>	<u>Domestic</u>	<u>State of Incorporation</u>
Acquire Sourcing, LLC		DE
Comex North America, Inc.		DE
Contract Transportation Systems Co.		DE
CTS National Corporation		DE
Sherwin-Williams International Holdings LLC		DE
Sherwin-Williams Leasing, Inc.		DE
SWIMC LLC		DE
The Sherwin-Williams US Licensing Company		DE
Valspar Specialty Paints Holding Corporation		DE
Valspar Specialty Paints, LLC		DE
Sherwin-Williams Realty Holdings, Inc.		IL
7-N-1 Omaha, LLC		NE
Lehms, LLC		NE
SWI Company		NV
The Sherwin-Williams Acceptance Corporation		NV
165 Kirkwood Road Corp.		NJ
Omega Specialty Products & Services LLC		OH
SWSE Holdings, Inc.		OH
The Sherwin-Williams Foundation ¹		OH
The Sherwin-Williams Headquarters Company		OH
The Sherwin-Williams Manufacturing Company		OH
Purdy International Corporation		OR
SW Insurance Company, LLC		VT

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.

Foreign

<u>Subsidiary</u>	<u>Country of Incorporation</u>
Sherwin-Williams Argentina I. y C.S.A.	Argentina
Sherwin-Williams Aruba VBA	Aruba
Sherwin-Williams (Australia) Pty Ltd	Australia
The Valspar (Australia) Corporation Pty Ltd	Australia
Valspar Automotive Australia Pty Ltd	Australia
Sherwin-Williams Benelux NV	Belgium
Suvinil Coatings Ltda.	Brazil
Isocoat Tintas e Vernizes Ltda.	Brazil
Sherwin-Williams do Brasil Industria e Comercio Ltda.	Brazil
Sherwin-Williams Canada Inc.	Canada
Sherwin-Williams Cayman Islands Limited	Cayman Islands
Sherwin-Williams Chile, S.A.	Chile
EPS (Shanghai) Trading Co., Ltd.	China
Guangdong Valspar Paints Manufacturing Company Limited	China
Sherwin-Williams (Guangdong) New Material Co., Ltd.	China
Klumpp Woodcoatings (Shanghai) Co., Ltd.	China
Sherwin-Williams (Nantong) Company Ltd.	China
Sherwin-Williams (Shanghai) Ltd.	China
Valspar (Shanghai) Management Co., Ltd.	China
Valspar Coatings (Shanghai) Co., Ltd.	China
Valspar Industrial Coatings (Guangdong) Co., Ltd.	China
Sherwin Williams Colombia S.A.S.	Colombia
Sherwin-Williams (Caribbean) N.V.	Curacao
Sherwin-Williams Czech Republic Spol. s r.o.	Czech Republic
Sherwin-Williams Denmark A/S	Denmark
Pinturas Condor S.A.	Ecuador
Powdertech OU	Estonia
The Valspar (Finland) Corporation Oy	Finland
Inver France SAS	France
Sherwin-Williams France Finishes SAS	France
The Valspar (France) Corporation SAS	France
The Valspar (France) Research Corporation SAS	France
The Valspar (Nantes) Corporation SAS	France
Gross & Perthun GmbH	Germany
ICA Deutschland Lacke GmbH	Germany
Inver GmbH	Germany
Klumpp Coatings GmbH	Germany
Oskar Nolte GmbH	Germany
Sherwin-Williams Coatings Deutschland GmbH	Germany
SIC Holding GmbH	Germany

Valspar Industries GmbH	Germany
Inver East Med S.A.	Greece
ICA China Company Ltd.	Hong Kong
The Valspar (Asia) Corporation Limited	Hong Kong
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 (India) Coatings Corporation Private Limited	India
PT. Friedrich Klumpp Woodcoatings Indonesia	Indonesia
PT. Sherwin Williams Indonesia	Indonesia
PT. Valspar Indonesia	Indonesia
Sherwin-Williams (Ireland) Limited	Ireland
ICA S.p.A.	Italy
Inver S.p.A.	Italy
Sherwin-Williams Italy S.r.l.	Italy
Sherwin-Williams (West Indies) Limited	Jamaica
Sherwin-Williams Japan Co., Ltd.	Japan
UAB Sherwin-Williams Baltic	Lithuania
Sherwin-Williams Coatings S.à r.l.	Luxembourg
Sherwin-Williams Luxembourg S.à r.l.	Luxembourg
Sherwin-Williams Services (Malaysia) Sdn. Bhd.	Malaysia
The Valspar (Malaysia) Corporation Sdn. Bhd.	Malaysia
Compania Sherwin-Williams, S. A. de C.V.	Mexico
Productos Quimicos y Pinturas, S.A. de C.V.	Mexico
Quetzal Pinturas, S.A. de C.V.	Mexico
Valspar Aries Coatings, S.de R.L. de C.V.	Mexico
EPS B.V.	Netherlands
Forton B.V.	Netherlands
Valspar B.V.	Netherlands
The Valspar (New Zealand) Corporation Limited	New Zealand
Sherwin-Williams Norway AS	Norway
Sherwin-Williams Peru S.R.L.	Peru
ICA Polska Sp. z o.o.	Poland
Inver Polska Sp. z o.o.	Poland
Sherwin-Williams Poland Sp. z o.o.	Poland
Sherwin-Williams Portugal, Unipessoal, Lda	Portugal
Inver Industrial Coatings SRL	Romania
Sherwin-Williams Balkan SRL	Romania
Piton Paints Limited	Saint Lucia
Valspar D.o.o Beograd	Serbia
The Valspar (Singapore) Corporation Pte. Ltd.	Singapore
The Valspar (South Africa) Corporation Proprietary Limited	South Africa

Valspar (South Africa) Proprietary Limited	South Africa
ICA Iberia Sau	Spain
Oskar Nolte Coatings Spain S.L.U.	Spain
Shingles, S.A.	Spain
Sherwin-Williams Spain Coatings S.L.U.	Spain
Sherwin-Williams Sweden AB	Sweden
The Valspar (Switzerland) Corporation AG	Switzerland
Taiwan Valspar Co., Ltd.	Taiwan
Sherwin-Williams (Thailand) Co., Ltd.	Thailand
Oskar Nolte Woodcoatings Ağaç Kaplama San. Ltd. Şti	Turkey
Valspar Turkey Boya Sanayi A.S.	Turkey
Sherwin-Williams Middle East Paints L.L.C.	United Arab Emirates
Phoenix Fire Technologies (UK) Limited	United Kingdom
Sherwin-Williams UK Limited	United Kingdom
The Valspar (UK) Funding Corporation Limited	United Kingdom
The Valspar (UK) Holding Corporation Limited	United Kingdom
Sherwin Williams Uruguay S.A.	Uruguay
The Valspar (Uruguay) Corporation S.A.	Uruguay
Klumpp Coatings Vietnam Ltd.	Vietnam
Sherwin-Williams (Vietnam) Ltd.	Vietnam
The Valspar (Vietnam) Corporation Ltd.	Vietnam
Phoenix Fire Protection (Asia) Limited	Virgin Islands, British

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

Registration Number	Description
333-289016	The Sherwin-Williams Company Form S-3 Registration Statement
333-286571	The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan Form S-8 Registration Statement
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 April 21, 2010) Form S-8 Registration Statement
333-152443	The Sherwin-Williams Company 401(k) Plan (2024 Amendment and Restatement) (formerly known as 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 401(k) Plan (2024 Amendment and Restatement) (formerly known as 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 19, 2026, with respect to the consolidated financial statements and schedule of The Sherwin-Williams Company and subsidiaries and the effectiveness of internal control over financial reporting of The Sherwin-Williams Company and subsidiaries, included in this Annual Report (Form 10-K) of The Sherwin-Williams Company for the year ended December 31, 2025.

/s/ Ernst & Young, LLP

Cleveland, Ohio
February 19, 2026

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, Benjamin E. Meisenzahl 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, 2025, 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 19th day of February, 2026.

SignatureTitle

/s/ Heidi G. Petz

Heidi G. Petz

Chair, President and Chief Executive Officer, Director (Principal Executive Officer)

/s/ Benjamin E. Meisenzahl

Benjamin E. Meisenzahl

Senior Vice President – Finance and Chief Financial Officer (Principal Financial Officer)

/s/ J. Paul Lang

J. Paul Lang

Senior Vice President – Enterprise Finance & Chief Accounting Officer (Principal Accounting Officer)

/s/ Kerrii B. Anderson

Kerrii B. Anderson

Director

/s/ Jeff M. Fettig

Jeff M. Fettig

Director

/s/ Robert J. Gamgort

Robert J. Gamgort

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 17-18, 2026, 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 19th day of February, 2026.

/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, Benjamin E. Meisenzahl 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, 2025 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 19, 2026

/s/ Heidi G. Petz

Heidi G. Petz

Chair, President and Chief Executive Officer

CERTIFICATION

I, Benjamin E. Meisenzahl, 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 19, 2026

/s/ Benjamin E. Meisenzahl

Benjamin E. Meisenzahl
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, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Heidi G. Petz, Chair, 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.

Date: February 19, 2026

/s/ Heidi G. Petz

Heidi G. Petz

Chair, 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, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Benjamin E. Meisenzahl, 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.

Date: February 19, 2026

/s/ Benjamin E. Meisenzahl

Benjamin E. Meisenzahl

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.