



## The Sherwin-Williams Company Three-for-One Stock Split

### *Questions and Answers for Sherwin-Williams Shareholders*

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#### **Why have we decided to split Sherwin-Williams common stock?**

We want Sherwin-Williams common stock to be more accessible to employees and a broader base of investors.

#### **What is the effective date of the split?**

There are several key dates.

**The Record Date** – March 23, 2021 – determines which shareholders are entitled to receive additional shares due to the split.

**The Split Date** – March 31, 2021 – shareholders are due split shares after the close of business on this date.

**The Ex Date** – April 1, 2021 – the date determined by the NYSE when shares of Sherwin-Williams common stock will trade at the new split-adjusted price.

#### **How does a 3-for-1 stock split actually work?**

A 3-for-1 stock split means that two additional shares of stock are issued for each share in existence on the Record Date (March 23, 2021).

Here's an example:

Let's assume that as of the Record Date (March 23, 2021) an investor owns 100 shares of Sherwin-Williams common stock and that the market price of Sherwin-Williams stock is \$720 per share, so that the investment in Sherwin-Williams is worth \$72,000. Let's also assume that Sherwin-Williams' stock price doesn't move up or down between the Record Date and the time the split actually takes place. Immediately after the split, the investor would own 300 shares of Sherwin-Williams stock, but the market price would be \$240 per share instead of \$720 per share. The investor's total investment value in Sherwin-Williams would remain the same at \$72,000 until the stock price moves up or down.

### **What happens if I buy or sell shares on or after the Record Date and before the Ex Date?**

If you sell shares on or after the Record Date (March 23, 2021) but before the Ex Date (April 1, 2021), you will be selling them at the pre-split price. At the time of the sale, you will surrender those pre-split shares and will no longer be entitled to the corresponding split shares. Following the split, the new owner of the shares will be entitled to the additional shares resulting from the stock split.

If you buy shares on or after the Record Date but before the Ex Date, you will purchase the shares at the pre-split price and will receive (or your brokerage account will be credited with) the shares purchased. Following the split, you will receive (or your brokerage account will be credited with) the additional shares resulting from the stock split.

### **Are there any U.S. federal income tax consequences as a result of the stock split?**

There will be no taxable income as a result of the stock split for U.S. federal income tax purposes. The tax basis of each share owned after the stock split will be 1/3rd the amount it was before the split. For example, if you owned 100 shares before the split with a tax basis of \$300 per share, after the split you would own 300 shares of stock with a tax basis of \$100 per share. Foreign investors should consult their local tax advisors.

Consult a Personal Tax Advisor. Although this tax information is provided for your assistance, we are not providing personal tax advice. You should consult your personal tax advisor regarding the tax consequences of any transaction you undertake with your shares.

### **How will I receive the split shares?**

If you hold shares in a brokerage account, the additional shares to reflect the split will be deposited into your account in the days following the Split Date (March 31, 2021). Please contact your broker if you have any questions regarding timing.

If you have a share certificate or hold your shares directly with Sherwin-Williams' transfer agent, EQ Shareowner Services, the post-split shares will be deposited in a book-entry position and EQ will mail you a statement indicating the number of shares that you own following the split. We will not be issuing new share certificates. If you have a physical stock certificate, there is no need to return it. You will be credited the split number of shares in a book-entry position.

### **Are stock certificates for Sherwin-Williams common stock still valid?**

Yes. Stock certificates are still valid and should not be destroyed. Those certificates continue to represent the same number of shares shown on their face and should be kept in a secure place.

### **Where will my statement be mailed?**

If you currently hold stock certificates in your name or hold shares directly with Sherwin-Williams' transfer agent, EQ Shareowner Services, statements will be mailed to your address on record with EQ. To verify your address, you can call EQ directly at the phone numbers listed below.

If your stock is currently held in a brokerage account, information will be provided by your broker.

### **How do I contact Sherwin-Williams' Transfer Agent?**

You can reach Sherwin-Williams' transfer agent, EQ Shareowner Services, as follows:

**Address:** EQ Shareowner Services  
P.O. Box 64874  
St. Paul, MN 55164-0874

**Website:** [www.shareowneronline.com](http://www.shareowneronline.com)

**Phone:** 1-800-468-9716 toll-free  
651-450-4064 outside the United States

You should contact EQ if you have any questions about a change of address or lost stock certificates, or if you did not receive a statement.

### **My shares are held by a brokerage firm. How will my shares get adjusted for the stock split?**

You do not need to do anything. If you hold shares in a brokerage account, the additional shares will be deposited into your account to reflect the split in the days following the Split Date (March 31, 2021). Please contact your broker if you have any questions regarding timing. Your broker will ensure that your Sherwin-Williams stock holdings are properly adjusted for the stock split.

### **How will the stock split affect the number of shares outstanding and the future calculation of earnings per share?**

At the time of the split, the number of shares outstanding will be multiplied by three and earnings per share will be divided by three.

**Will the number of authorized shares of Sherwin-Williams common stock increase from 300 million to 900 million as a result of the split?**

Yes. The number of shares outstanding and the number of authorized shares will increase at the same time in order to keep the shares we have available for future issuances, as a percentage of the shares currently outstanding, unaffected by the split.

**Will the stock split change my percentage ownership of Sherwin-Williams?**

No. The stock split will not change your proportionate interest in Sherwin-Williams.

**Has Sherwin-Williams ever split its common stock in the past?**

Yes. Sherwin-Williams' most recent stock split was a two-for-one split in March 1997.