



**The Sherwin-Williams Company  
Board of Directors  
Compensation and Management Development Committee Charter**

**Purpose**

The purpose of the Compensation and Management Development Committee is to provide assistance to the Board of Directors in fulfilling the Board's responsibilities on matters relating to: (1) compensation for the Company's management, which includes the Company's executive officers and operating management; (2) compensation for the Company's nonemployee directors; (3) overseeing the Company's management succession planning; and (4) engaging in such other matters as may from time to time be specifically delegated to the Committee by the Board.

**Membership**

The Committee shall consist of at least three members. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange as determined by the Board in its business judgment.

The members of the Committee will be appointed and replaced by the Board. The Board will appoint a Chair of the Committee. The Chair of the Committee will, in consultation with the other members of the Committee and the appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing the agenda for the meetings and conducting the meetings of the Committee.

**Responsibilities**

The Committee will have broad authority and powers in fulfilling its purpose and discharging its responsibilities. In discharging its responsibilities, the Committee will:

1. Annually review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and determine the Chief Executive Officer's compensation based on this evaluation. In determining the Chief Executive Officer's incentive compensation, the Committee will primarily evaluate and consider the relationship between compensation and the Company's financial performance compared to such corporate goals and objectives and may consider a number of factors, including, but not limited to, incentive awards to chief executive officers at comparable companies and awards given to the Chief Executive Officer in past years.
2. Annually review and approve the compensation (including annual base salary, incentive opportunity, long-term incentive opportunity and other special or supplemental benefits) for the Company's executive officers, operating management and nonemployee directors. In approving incentive compensation for executive officers and operating management, the Committee will primarily evaluate and consider the relationship between compensation and the Company's financial performance compared to goals and objectives and may consider a number of factors, including, but not limited to, incentive awards to executive officers and operating management at comparable companies.



3. Review the Company's stock and stock-based plans and exercise all authority of the Board with respect to the administration of such plans and any proposed amendments to such plans.
4. Authorize and approve significant changes in the design of the Company's pension and welfare benefit plans, programs and arrangements, including, but not limited to, termination or adoption of material benefit plans, programs, or arrangements that cover large employee populations or that are primarily for the benefit of the Company's executive officers and operating management.
5. Review and evaluate the Company's programs, priorities and progress for the recruiting, staffing, developing and retaining of competent managers for present and future Company needs, including management evaluations and the succession planning process for the Chief Executive Officer and other executive officers.
6. Review and discuss with management the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's annual proxy statement and recommend to the Board whether the CD&A be included in the Company's proxy statement.
7. Prepare the Compensation Committee Report required to be included in the Company's annual proxy statement.
8. Review the Company's compensation policies and practices and evaluate whether such policies and practices encourage excessive or unnecessary risk-taking.
9. Conduct an annual evaluation of the Committee's own performance.
10. Review and evaluate the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
11. Make regular reports to the Board.

The Committee may, in its sole discretion and at such times and on such terms as the Committee determines, retain or obtain the advice of compensation consultants, independent legal counsel or other advisors to advise and assist the Committee in discharging its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of such consultants, counsel or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to such consultants, counsel or other advisors.

Before selecting a compensation consultant, independent legal counsel or other advisor (other than an advisor subject to an exclusion under the New York Stock Exchange listing standards), the Committee shall take into consideration all factors relevant to that person's independence from management, including any factors required to be considered under the New York Stock Exchange listing standards.

The Committee may form and delegate authority to subcommittees (consisting of one or more members) or Company officers, when appropriate, consistent with applicable laws, regulations and listing standards.



## **Meetings**

The Committee shall meet as frequently as it determines necessary to discharge its responsibilities. The Committee may request any officer or employee of the Company, the Company's outside legal counsel or other third parties to attend a meeting of the Committee or meet with any members of, or consultants to, the Committee. A majority of the members of the Committee shall constitute a quorum. Members of the Committee may participate in a meeting of the Committee by means of conference call or any other communications equipment by which all persons participating in the meeting can hear each other. The Committee shall report its activities to the Board at the Board's first regular meeting thereafter or at such other time as it deems appropriate.