MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
OF THE GLIDDEN COMPANY

Minutes of the regular monthly meeting of the Board of Directors of The Glidden Company, held at the office of the Company, 1396 Union Commerce Building, Cleveland, Ohio, on Friday, May 11, 1951, at 10:00 o'clock A.M.

The following directors were present:

Adrian D. Joyce	J. P. Ruth
Clifton M. Kolb	H. B. Hetzold
W. J. O'Brien	A. D. Duncan
P. E. Sprague	B. W. Maxey
J. A. Peters	R. G. Golseth

Mr. Dwight P. Joyce was not present at the meeting.

Mr. Adrian D. Joyce, Chairman, presided and Mr. Clifton M. Kolb, Secretary, recorded the minutes.

The reading of the minutes of the previous meeting was, upon motion duly made, seconded and unanimously carried dispensed with and said minutes were approved.

A report of the PFE's approved by the President, Vice Presidents and Engineering Department, covering the period from April 14, 1951 to May 4, 1951, totaling $21,093.43 was, upon motion duly made and seconded, unanimously approved.

Mr. J. P. Ruth submitted PFE No. 10 - 140 in the amount of $137,213.60, covering installation of an additional attack and settling tank at the Company's Baltimore plant. He pointed out that the attack equipment at Baltimore experienced severe service and at times required extensive repairs. He said that if repairs were necessary to one of the existing tanks the present capacity of the plant would be cut down one-third. It was his opinion that production losses caused by such repairs would thoroughly justify the installation of additional equipment. To insure availability of necessary construction material arrangements had already been made, he said, for the purchase of the steel and cement necessary to the project. Upon motion duly made and seconded PFE No. 10 - 140 was unanimously approved by the Directors.

Upon the recommendation of Mr. Ruth the Directors also approved the purchase of a new station wagon by Mr. H. L. Rhodes for use at the mine of the Yadkin Mica and Ilmenite Company Division.

Mr. Sprague inquired of Mr. Ruth as to the possibility of the Paint Division's obtaining shipments of rutile pigments from the Baltimore plant during the current year. Mr. Ruth stated that present plans called for only minimum production of rutile, inasmuch as further production would not permit the Division to maintain its present profit position. Mr. Duncan stated that the Paint Divisions were greatly handicapped, not only through their inability to purchase rutile pigments, but also through lack of any definite information as to when such pigments would be obtainable.

It was Mr. Ruth's position that the Chemicals, Pigments and Metals Division should manufacture rutile only when it could do so without losing tonnage and profits otherwise available to the Company. The Chairman concurred with Mr. Ruth and pointed out further that other suppliers, such as DuPont and National Lead, might have rutile pigments available for purchase by the Paint Division in the near future. He suggested that the Nubian Division, whose rutile pigment position had been reported as acute by Mr. Sprague, concentrate further on the manufacture of such items as railroad paints, insulating varnishes, etc. which contained raw material ingredients which were readily available. Mr. Duncan stated that the Nubian Division was already directing its efforts toward manufacture and sale of such items and that results achieved by that Division were very encouraging.

The Chairman summarized several favorable financial reports which had been recently received from the Divisions. He also reported that Mr. Ruth was continuing negotiations directed toward the sale of a portion of the property owned by the Company at its Metals Refining Company Division at Hammond, Indiana, and predicted that should the proposed sale of a portion of the Hammond property be completed that the Company could expect the Metals Refining Company Division to continue to operate profitably.

Following careful consideration of the Chairman's report and the current financial position of the Company, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that a dividend of Fifty-Six and One-quarter Cents ($.56¼) per share be and the same is hereby declared out of surplus on the 4½% Convertible Preferred Stock of the Company, for the period commencing April 1, 1951 and ending June 30, 1951, payable July 2, 1951 to holders of record of such stock at the close of business June 1, 1951; and

RESOLVED, that the officers of the Company be and they are hereby authorized to do everything necessary to carry out the terms of this resolution.

The Directors also approved payment of the regular quarterly dividend of Fifty Cents per share on the Company's Common Stock and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that a regular quarterly dividend of Fifty Cents ($.50) per share be and the same is hereby declared out of surplus on the Common Stock of the Company for the period commencing April 1, 1951 and ending June 30, 1951, payable July 2, 1951 to holders of record of such stock at the close of business June 1, 1951; and

RESOLVED, that the officers of the Company be and they are hereby authorized to do everything necessary to carry out the terms of this resolution.

The Chairman summarized a report which had been prepared by the Accounting Department setting forth the disposition of cash profits earned by the Company since November 1, 1945. The report pointed out that the Company's cash position at October 31, 1950 was practically the same as its cash position as of November 1, 1945. Since November 1, 1945 the Company realized total potential cash profits of $81,861,000 which, after deducting increased receivables in the amount of $11,977,000, resulted in net cash profits for the period of $69,884,000. Cash from sources other than profits amounted to $10,211,000, resulting in total cash received for the period of $80,095,000. After paying taxes, dividends, and allowing for increases in inventories $30,047,000 remained. Of this amount $19,804,000 went into plant expansion and $10,000,000 to pay off long term bank loans, leaving a net increase in cash of $243,000.

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The Chairman further reported that from October 31, 1950 to March 31, 1951 the Company had potential cash profits of $10,949,000 and after receivables increase of $5,863,000 had net cash profits collected of $5,086,000. This amount, it was pointed out, was used almost entirely in paying income taxes and dividends.

From the schedules presented in the report it was apparent that all of the cash available to the Company for the five years from October 31, 1945 to October 31, 1950 after allowing for increased inventories and receivables had been absorbed by purchases of plants and equipment and by liquidation of long term borrowing. Since October 31, 1950 the Company had financed its inventories and plant expansion by increased short term borrowing. The Chairman pointed out that a long term loan or further equity financing to meet such increased demands for working capital was not only desirable, but necessary to effect discharge of outstanding short term seasonal borrowings through normal seasonal liquidation of inventories. Such financing would reduce the need for higher levels of short term borrowings in the future, it was pointed out.

The Secretary submitted the following bank resolutions which were upon motion duly made and seconded unanimously approved:

RESOLVED, that the authorization of I. O. Wyberg to sign on the Account No. 2 maintained by The Glidden Company for the use of various of its Divisions located at Chicago, with the Continental Illinois National Bank and Trust Company at Chicago, Illinois, be cancelled; said cancellation to become effective as of the date letter of notification is received by said Bank (letter of notification dated April 26, 1951.) After this change has been made, this account should appear on the records of the Bank as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
H. K. Heath
E. G. Kaupert
G. Norman Bruce
R. G. Golseth
H. M. Froyd
Raymond McGee
O. Flerin
Ford M. Ferguson
Robert A. Lehmann
R. L. Wright

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C. H. Raff
J. Albert Califf
E. J. Simonek
W. B. McCabe
L. C. Burns

RESOLVED, that the authorization of I. O. Wyberg to sign on the Working Fund Account of the Soya Products Division of The Glidden Company at 1825 N. Laramie Avenue, Chicago, Illinois, maintained with the Northern Trust Company, Chicago, Illinois, be cancelled; said cancellation to become effective as of the date letter of notification is received by said Bank (letter of notification dated May 1, 1951). After this change has been made, this account should appear on the records of the Bank as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
R. G. Golseth
H. N. Froyd
O. Florin
Ford M. Ferguson
R. L. Wright

RESOLVED, that a bank account in the name of "William F. Belote, Buying Agent for The Glidden Company" be opened on behalf of The Glidden Company with the Wheeler County State Bank, Alamo, Georgia, effective as of the date letter of notification thereof is received by said Bank (letter of notification dated May 8, 1951). The authorized signatures on this account shall be any one of the following:

Clifton M. Kolb
J. A. Peters
W. D. Stallcup
C. M. Wells, Jr.
William F. Belote
W. M. Frazer

RESOLVED, that the signatures of J. Albert Califf, E. J. Simonek, W. B. McCabe, and L. C. Burns be added to the list of authorized signers on the Account No. 2 maintained by The Glidden Company for the use of various of its Divisions located at Chicago, with the Continental Illinois National Bank and Trust Company at Chicago, Illinois; said additional signatures to become effective as of the date letter of notification is received by said Bank (letter of notification dated April 23, 1951). After said additions have been made on this account, it should appear on the records of the Bank as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
H. K. Heath
E. G. Kaupert
G. Norman Bruce
R. G. Golseth
H. N. Froyd
Raymond McGee
O. Florin
Ford M. Ferguson
Robert A. Lahann

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R. L. Wright
C. H. Raff
I. O. Wyberg
J. Albert Califf
E. J. Simonek
W. B. McCabe
L. C. Burns

RESOLVED, that a bank account in the name of "Albert D. Mizell, Buying Agent for The Glidden Company" be opened on behalf of The Glidden Company with the First State Bank, Ocilla, Georgia, effective as of the date letter of notification thereof is received by said bank (letter of notification dated April 25, 1951). The authorized signatures on this account shall be any one of the following:

Clifton M. Kolb
J. A. Peters
W. D. Stallcup
C. M. Wells, Jr.
A. D. Mizell
J. P. Williams

RESOLVED, that a bank account in the name of "Fred H. Carter, Buying Agent for The Glidden Company" be opened on behalf of The Glidden Company with the Bank of Worth County, Sylvester, Georgia, effective as of the date letter of notification thereof is received by said Bank (letter of notification dated April 25, 1951). The authorized signatures on this account shall be any one of the following:

Clifton M. Kolb
J. A. Peters
W. D. Stallcup
C. M. Wells, Jr.
Fred H. Carter

RESOLVED, that W. W. Conant, Assistant Secretary of The Glidden Company, be authorized to sign checks drawn against the Preferred and Common Dividend Accounts of said The Glidden Company maintained with The Chase National Bank of the City of New York, Pine Street Corner of Nassau, New York 15, New York, effective on and after the date letter of notification thereof is received by said Bank.

The Chairman reported to the Directors concerning preliminary negotiations on behalf of the Company for additional equity financing and/or debt financing in the amount of approximately Ten Million Dollars, as previously authorized by the Board of Directors and the Executive Committee. The Directors carefully considered several financing programs which were carefully and thoroughly summarized by the Chairman and submitted for the Board's consideration. These programs included plans for the sale of additional Common Stock and retirement of the Company's outstanding Convertible Preferred Stock and for debt financing by insurance companies and banks, including specific proposals by Goldman, Sachs & Co., Blyth & Co., The New York

Trust Company and The Chase National Bank for such financing.

It was the unanimous decision of the Directors that a proposal negotiated by the Chairman with The Chase National Bank calling for a bank loan in the aggregate principal amount of Ten Million Dollars, to be evidenced by unsecured serial notes bearing interest at the rate of 3% per annum, with annual maturities of $1,500,000 each beginning July 1, 1953 to and including July 1, 1956, and final payment of Four Million Dollars due July 1, 1957, should be approved by the Board of Directors and submitted to the holders of the Convertible Preferred Stock for the purpose of obtaining their written consent as provided in the Amended Articles of Incorporation.

This financing, the Chairman said, would be undertaken by The Chase National Bank and four other banks, The New York Trust Company, Bank of the Manhattan Company, The National City Bank of New York and the Continental Illinois National Bank and Trust Company. The Chairman also reported that he had received assurances from The Chase National Bank and The New York Trust Company that the Company's present lines of credit with these banks would be unaffected by the bank loan which had been approved by the Directors.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the officers of this Company be and they are hereby authorized to negotiate with The Chase National Bank of the City of New York and other banks for an unsecured bank loan to be made to this Company in the aggregate principal amount of $10,000,000.00, repayable as follows:

> An aggregate of $1,500,000.00, principal amount, shall mature on the 1st day of July in each of the years 1953, 1954, 1955 and 1956, and the balance in the aggregate principal amount of $4,000,000.00 shall mature on July 1, 1957,

bearing interest at the rate of 3% per annum, payable quarterly, and upon and subject to such other terms, provisions and conditions as the officers of this Company hereinbelow named shall approve, said loan to be evidenced by serial notes to be executed and delivered by this Company to the bank or banks making such loan, and that, subject to this Company first obtaining the affirmative vote or written consent of the holders of at least two-thirds of the aggregate par amount of the outstanding Convertible Preferred Stock of this Company as required by the Articles of Incorporation of the Company, as amended, Adrian D. Joyce, Chairman of the Board of Directors, or Dwight P. Joyce, President, and Clifton M. Kolb, Senior Vice President and Secretary, or J. A. Peters, Treasurer, of this Company, be and they are hereby authorized, in the name and on behalf of this Company, to execute and deliver to the bank or banks making said loan to this Company, serial notes of this Company evidencing this Company's obligation to repay said loan, said serial notes to be in such form and to contain such terms, provisions and conditions as shall be approved by the officers of this Company signing such notes, and the execution thereof by such officers to be conclusive evidence of such approval; and

RESOLVED that the proper officers of this Company be and they are hereby authorized and directed to take such steps as may be necessary to obtain the written consents of the holders of record of at least two-thirds of the aggregate par amount of the outstanding Convertible Preferred Stock of this Company consenting to said proposed borrowing by this Company of $10,000,000.00, the execution and issuance by this Company of its serial notes evidencing the Company's obligation to repay the amount borrowed, maturing more than eighteen (18) months from date of issue, and also consenting to the refunding of the indebtedness to be evidenced by said notes, at the same or at a lower rate of interest, with maturities not later than July 1, 1961, but otherwise on the same terms and conditions, and that the record date for determining the holders of the Convertible Preferred Stock of this Company entitled to execute such written consents be and it is hereby fixed as of the close of business May 21, 1951, and that such written consents shall be deemed effective if and when, not more than forty-five (45) days after said record date, the Company shall have received such written consents from the holders of record on such record date of at least two-thirds of the aggregate par amount of the outstanding Convertible Preferred Stock.

The Directors, upon motion duly made and seconded, unanimously approved execution by Mr. A. D. Duncan of a ten year lease with option to purchase of a new building located in Columbus, Ohio, to be used by the Paint Division's metropolitan branch in that city.

The Secretary reported that the Securities and Exchange Commission had notified the Company that the Los Angeles Stock Exchange had made application for unlisted trading privileges in the Common Stock of The Glidden Company and that the matter had been set down by the Commission for hearing on or after June 5, 1951. Mr. Kolb pointed out that such trading privileges on the Los Angeles Stock Exchange would permit the Company's Common Stock to be traded on that Exchange as listed stock but with no obligations by the Company to file reports and otherwise comply with requirements established by the Los Angeles Exchange for listed securities.

There being no further business to come before the Directors, the meeting, upon motion duly made, seconded and unanimously carried, was adjourned.

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