MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
THE GLIDDEN COMPANY

Minutes of a special meeting of the Board of Directors of The Glidden Company held pursuant to the call of the President at the office of the Company, 1806 Union Commerce Building, Cleveland, Ohio, on Tuesday, February 22, 1944, at 10:30 o'clock A.M.

The following directors were present: Messrs. Adrian D. Joyce, R. H. Horsburgh, R. W. Levenhagen, W. J. O'Brien, P. E. Sprague, Dwight P. Joyce, J. A. Peters and Clifton M. Kolb.

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

Mr. J. A. Peters, Treasurer, submitted the following report as to Capital Expenditures as of January 31, 1944:

Plant Requisitions approved upon which no expenditures have been made	$ 344,312.27
Plant Requisitions in Process	389,180.00
Additions to Plant from November 1, 1943, to January 31, 1944, covering completed Plant Requisitions	218,481.10
	$ 951,973.37
Allowance for Underestimating at time Plant Requisitions are approved approximately 20%	150,000.00
Total	$1,101,973.37

The report was accepted and the Treasurer was requested to keep the report up to date so that the directors can determine the position of the Company with respect to the relation of future Capital Expenditures to the maximum for the fiscal year 1944 as determined at this meeting.

Mr. P. E. Sprague expressed the opinion that the white lead business was a slowly dying business and that consideration should be given to the manufacture of products in addition to white lead at the plant of the Company at Scranton, Pennsylvania. The proposition was considered and it was decided that the Scranton plant could be used for the manufacture of dry colors and paint products but nothing should be done at this time other than to continue the manufacture of white lead.

Mr. P. E. Sprague pointed out that the prospects for marketing cadmium colors after the war in the automotive and other fields was very promising but that we would have to make more colors and of better quality in order to compete with Harshaw Chemical

GLD022708

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Company and United Pigment Company who are now active in this field. He also stated that the Company could enter the barytes business on the Pacific Coast by making a small expenditure for equipment at the Oakland plant of the Chemical & Pigment Company Division and could make a good profit from the undertaking. He indicated that in his opinion the lithopone business would not last very long after the war and that the directors should keep this in mind because it would adversely affect the three lithopone plants of the Company. Mr. W. J. O'Brien reported that work was being done on a zinc-lithopone pigment which might be in good demand and that the Research Department was giving consideration to the lithopone problem.

Mr. P. E. Sprague stated that the outlook for the metal powder business at the plant at Hammond, Indiana, was good but capital expenditures would be necessary in the future to provide the facilities for production in volume. He felt that the Soya Products Division of the Company could return to a peacetime basis without difficulty and would find a market for the protein products and other products which would produce an income in the neighborhood of Five Hundred Thousand Dollars ($500,000.00) per annum. He stated that considerable research work had been done on Albusoy, a substitute for egg white and that in his opinion it would be a good peacetime product and could be produced profitably through an expenditure of approximately Sixty Thousand Dollars ($60,000.00) for equipment.

The plant expenditures for Indianapolis, Indiana, were given consideration and it was decided upon motion duly made, seconded and unanimously carried, to complete the Food Line which was so nearly completed that it would not be advisable to do otherwise, to complete the conversion of the coal elevators to grain elevators, which conversion is practically completed, to cancel the contract for the construction work in connection with the installation of four expellers for crushing soya beans and to secure the approval of the Priorities Department in Washington for the transfer of the four French Expellers which have been ordered for Indianapolis to the plant of the

Company at Portland, Oregon, and cancel the order for two expellers which were ordered for installation at said Portland plant. Mr. R. W. Levenhagen was requested to look after the details relative to the change in the priorities required.

Mr. R. H. Horsburgh, the Executive Vice President, directed attention to the fact that the Company had outstanding $3,000,000 of 2% serial notes maturing in equal amounts on July 1, 1944, 1945 and 1946 and $3,000,000 of 3% debentures maturing July 1, 1947, and in addition thereto, had outstanding short-term loans aggregating $9,650,000.00, and that in his judgment it was desirable to consider the refunding of at least $10,000,000 of such indebtedness. After discussing the matter at some length and considering financial statements of the Company's condition, as prepared by the Treasurer, the following resolutions were on motion duly made, seconded, put and unanimously carried, adopted:

WHEREAS, in the opinion of this Board it is desirable to borrow $10,000,000 for the purpose of refunding indebtedness of the Company in that amount,

NOW, THEREFORE, BE IT RESOLVED, that subject to the authorization thereof by the affirmative vote or written consent of the holders of record of at least two-thirds of the aggregate par amount of the Convertible Preferred Stock of the Company outstanding, the Company borrow the sum of $10,000,000 maturing in more than eighteen (18) months from date of issue, for the purpose of paying outstanding indebtedness; and

RESOLVED, that the Executive Vice President be and he is hereby authorized to negotiate with The Mutual Life Insurance Company of New York for the borrowing of as much as $4,000,000 of said amount from it upon such terms and conditions as he may deem to be in the best interests of the Company and as the Board of Directors may approve; and

RESOLVED, that the Executive Vice President be and he is hereby also authorized, subject to the approval of the Board of Directors, to negotiate with the several banks now holding the serial notes of the Company for the refunding of the same and the borrowing of additional funds up to $6,000,000, the amounts so borrowed to be evidenced by the notes of the Company following in general the terms and conditions of the present outstanding serial notes, except as to maturities and with such other variations, as he may consider advisable.

The President stated that he had received a letter from Mr. E. L. Ralston recommending that the Company secure patents on the barytes claims which it owns in order to protect his interests at a cost of approximately Fifteen Hundred Dollars ($1500.00). The matter was considered and, upon motion duly made, seconded and unanimously carried, it was approved.

The President recommended a donation to the Tax Foundation of New York of Five Hundred Dollars ($500.00) and a donation of Five Hundred Dollars ($500.00) to the Council of World Affairs, which were upon motion duly made, seconded and unanimously carried, approved.

Mr. W. J.O'Brien stated that it would be advisable and to the best interests of the Company to enlarge the drier at the plant at Collinsville, Illinois, in order to increase production and reduce costs at an approximate cost of Fifteen Thousand Dollars ($15,000) and to provide an unloader at said plant at a cost of approximately Thirty-Five Hundred Dollars ($3500.00). These expenditures were, upon motion duly made, seconded and unanimously carried, approved.

The matter of taking back former employees who have been in the Armed Services was discussed and it was the consensus of opinion of the directors that careful plans should be made so that the Company will comply with the Selective Service Law with regard to former employees and will have an intelligent and progressive plan for handling the situation. Mr. Dwight P. Joyce gave a resume of the post-war planning of the Paint Divisions which included the development of new products and the improvement of old products, the securing of problems from customers and assigning them to the various laboratories for careful consideration and investigation, an investigation of after-the-war distribution including new stores, investigation of obsolete lines, investigation of new equipment and reduced cost of production and

GLD022711

various other ideas which are being worked out through the Post-War Planning Committee at its meetings.

Mr. Dwight P. Joyce reported that a careful investigation had been made with respect to the automobile allowance for salesmen in the Paint Divisions which under existing conditions did not seem to be adequate and that he would recommend that an automobile allowance of five cents ($.05) a mile be made to salesmen who travel less than one thousand (1,000) miles per month and four and one-half cents ($.04½) per mile for salesmen who travel over one thousand (1,000) miles per month. The recommendation was, upon motion duly made, seconded and unanimously carried, approved.

Mr. R. H. Horsburgh submitted a letter relative to the Company's policy in connection with salaries and increases and recommended that the President write a letter to all Divisions pointing out that in the future salary increases would be given consideration once a year in accordance with the previous policy of the Company.

The Secretary submitted the following resolutions relative to bank accounts which were, upon motion duly made, seconded and unanimously carried, adopted:

RESOLVED, that the authority of K. L. Wysong to sign on the "Working Fund Account" of our Jacksonville retail store, maintained with the Barnett National Bank, Jacksonville, Florida, be cancelled, and that the signature of L. J. Shiver be substituted therefore. This change is to be effective as of the date letter of notification is received by said bank (letter of notification dated January 31, 1944). After said change has 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
A. E. Swader
J. L. Davis
L. J. Shiver

RESOLVED, that the authority of P. L. Honeycutt to sign on the "Working Fund Account" of our Atlanta warehouse, maintained with The Citizens and Southern National Bank, Atlanta, Georgia, be cancelled, said change to be effective as of the date letter of notification is received by said bank (letter of notification dated February 4, 1944). After said change has 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
J. L. Beauchamp
J. L. Davis

RESOLVED, that the signature of F. W. Heard be added to those authorized to sign on the "Working Fund Account" of our Atlanta warehouse, maintained with The Citizens and Southern National Bank, Atlanta, Georgia. This change is to be effective as of the date letter of notification is received by said bank (letter of notification dated February 8, 1944). After said change has 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
J. L. Beauchamp
J. L. Davis
F. W. Heard

RESOLVED, that the signature of (Mrs.) Mary F. Davis be added to those authorized to sign on the "Working Fund Account" of our Tampa store, maintained with The First National Bank of Tampa, Tampa, Florida. This change is to be effective as of the date letter of notification is received by said bank (letter of notification dated February 14, 1944). After said change has 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
J. Clint Brown
A. N. Holley
(Mrs.) Mary F. Davis

RESOLVED, that the signature of H. V. Zeidler be added to those authorized to sign on the "Working Fund Account" of our Heath & Milligan Manufacturing Company Division, maintained with the Continental Illinois National Bank and Trust Company, Chicago, Illinois. This change is to be effective as of the date letter of notification is received by said bank (letter of notification dated February 15, 1944). After said change has 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
L. G. Peck
W. A. Beck
T. Struckmeier
H. V. Zeidler

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

Clifton M. Kolb
Secretary

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