

MEETING OF DIRECTORS  
OF  
THE SHERWIN-WILLIAMS COMPANY.

A meeting of the Board of Directors of this Company was held at #101 Prospect Avenue, N. W., Cleveland, Ohio, at 10:30 A. M., Friday, May 18, 1945, the following being present:

M. J. Fortier  
George Gund  
C. P. Jarden  
Z. E. Martin  
L. H. Schroeder  
A. W. Steudel  
H. D. Whittlesey  
Thos. E. Wilson

Absent: A. D. Baldwin  
C. S. Eaton  
H. J. Hain  
D. A. Kohr  
L. W. Wolcott.

Mr. A. W. Steudel, President, acted as Chairman, and Mr. L. H. Schroeder, Secretary.

On motion, duly made, seconded and carried, the minutes of the meeting of April 20, 1945, were approved as read.

The Chairman reviewed the history of the Company's investment in the Titanium patents which were acquired by the Company, December 31, 1937, when 5,000 shares of common stock of The Sherwin-Williams Company were issued in exchange for the patents and property of The Burgess Titanium Company.

He pointed out that, after the Company had operated a pilot unit in Gloucester City, N. J., it was determined in 1940 to build the present plant, which was necessarily regarded as experimental in view of the small output, in relation to the Company's requirements, which could be expected even when the plant was in full operation. It was hoped that this experimental plant would prove successful and that accordingly a larger plant with a minimum capacity of 10,000 tons per year would prove desirable.

The Chairman then commented on the record of losses incurred by the Company in this operation since the year 1937, a statement of which had been furnished to each director. He then stated that it had been found that the cost of making titanium dioxide by the Company's process was prohibitive. He pointed out that the Company's process involved the use as chemical agents of fluorine at a cost of \$260 per ton and ammonia at a cost of \$80 per ton, whereas under the sulphate process, the patents for which are controlled by two other companies, sulphuric acid is employed at a cost of only \$10 to \$12 per ton, and as a result it is imperative that practically all of the fluorine and ammonia be recovered for re-use. It has, however, been found impossible to obtain satisfactory recovery of these chemical agents, because of their extremely corrosive action. The extra cost involved in the recovery process had added greatly to the final cost of the product, so much so than even based on the largest output so far

RECORD BOOK PAGE \_\_\_\_\_ ATTEST \_\_\_\_\_

SECRETARY

0007-SWP-034456

N24250

May 18, 1945.

STATE 9-48 2010

MEETING OF DIRECTORS  
OF  
THE SHERWIN-WILLIAMS COMPANY.

-2-

obtained, which occurred during the current fiscal year, this final cost has been about 25¢ per pound as against a market price of about 14¢ per pound. Moreover the product has been found not to be equal to competitive standards of quality.

He further stated that the highly corrosive nature of fluorine necessitates constant replacements of equipment, involving extremely high maintenance costs, and pointed out that, if the Company were to continue this operation, it would be immediately faced with very heavy plant expenditures without assurance of substantially lower costs.

The Chairman thereupon stated that for the foregoing reasons it was the opinion of the management that continued production of titanium dioxide by this process would be an uneconomic operation and that experimental results to date did not warrant further expenditures in the plant as now constituted, or in an expanded plant. Accordingly, it was the recommendation of the management that the plant be sold for the best price obtainable. He then stated that consultation had been held with representatives of Joseph P. Day, Inc., Auctioneers, of New York City; and it was believed that the best price could be obtained by a sale at auction, conducted by such auctioneers.

The Chairman then presented to the meeting a proposed form of contract with Joseph P. Day, Inc., which was ordered incorporated in the minutes of this meeting as Exhibit A. A lengthy discussion followed and thereupon on motion by Mr. George Gund, seconded by Mr. Thos. E. Wilson, the following resolutions were unanimously adopted by the affirmative vote of all the directors present:

RESOLVED, That it will be advisable for the Company to dispose of the Gloucester City, N. J. plant, and equipment used therein in the process of obtaining titanium dioxide, and the proper officers of the Company be, and they hereby are, authorized and directed to cause such plant and equipment to be sold on behalf of the Company at public auction and to accept or reject any bids made therefor at such auction as they, in their discretion, shall deem for the best interests of the Company; and

RESOLVED, FURTHER, That the officers of the Company be, and they hereby are, authorized and directed to enter into a contract with Joseph P. Day, Inc., Auctioneers, in the form or substantially the form presented to this meeting and ordered incorporated in the minutes of the meeting as Exhibit A; and

RESOLVED, FURTHER, That the proper officers of the Company be, and they hereby are, authorized and directed for and on behalf of the Company to take any and all action which they deem necessary or advisable to consummate the sale of such plant and equipment and the President, or any Vice President, and the Secretary, of the Company be, and they hereby are, authorized and directed for and on behalf of the Company to execute such deed or other instrument of conveyance as in their opinion may be necessary to effectuate such sale.

On sustained motion the meeting adjourned.

RECORD BOOK PAGE \_\_\_\_\_ ATTEST \_\_\_\_\_

SECRETARY

0007-SWP-034456A

0007-SWP-000110301