MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS
OF THE GLIDDEN COMPANY

Minutes of the Annual Meeting of the Board of Directors of The Glidden Company held at the office of the Company, 900 Union Commerce Building, Cleveland, Ohio, on Thursday, December 12, 1957, at 11:30 A.M.

The following directors were present:

Dwight P. Joyce	William G. Phillips
Alexander D. Duncan	Willard C. Lighter
E. W. Maxey	Harvey L. Slaughter
John H. Weeks	G. M. Halsey
Robert D. Horner	George S. Warner

Dr. W. David Stallcup was not present at the meeting.

Mr. Clark P. Maxson, Vice President and Director of Purchases, was present at the meeting during consideration of the General Purchasing Department report. Mr. Glenn M. Davidson was present during consideration of his annual report as Chairman of the Patent Committee.

Mr. Dwight P. Joyce, Chairman, presided and Mr. Robert D. Horner, Secretary, recorded the minutes.

Copies of the minutes of the November meeting of the Directors having been mailed to each director, the directors present, on motion made and seconded, unanimously agreed to dispense with the reading of the minutes and approved them as they appeared in the copies received by them.

On motion made and seconded, the directors unanimously approved action taken by the Executive Committee since the November meeting of the Board of Directors, as reported in copies of minutes of the Executive Committee meetings mailed to each director.

The Chairman announced that the meeting would proceed with the election of officers for the coming year and that nominations would be received; whereupon the following officers of the Company were nominated:

Dwight P. Joyce, Chairman of the Board of Directors and President
Willard C. Lighter, Executive Vice President
B. W. Maxey, Vice President
Alexander D. Duncan, Vice President
Harvey L. Slaughter, Vice President
John H. Weeks, Vice President
C. M. Halsey, Vice President
W. David Stallcup, Vice President
Clark P. Maxson, Vice President
Richard O. Westley, Vice President
Robert D. Horner, Secretary
William G. Phillips, Treasurer
George S. Warner, Controller
Willard P. Stetzelberger, Assistant Secretary

On motion made, seconded and unanimously carried, nominations were closed and the Secretary was instructed to cast the unanimous ballot of all directors present for the election of the officers above nominated.

The following directors were nominated to serve as regular members of the Executive Committee:

Dwight P. Joyce, Chairman
Willard C. Lighter
B. W. Maxey
Alexander D. Duncan
Robert D. Horner

Messrs. Harvey L. Slaughter and John H. Weeks were also nominated to serve, respectively, as first and second alternate members of the Executive Committee in the absence of one or more of the regular members of the Committee from any meeting.

On motion made, seconded and unanimously carried, the Secretary was instructed to cast the unanimous ballot of all directors present for those directors nominated as regular and alternate members of the Executive Committee.

On motion made, seconded and unanimously carried, the following directors were elected to serve as members of the Bonus Committee:

John H. Weeks, Chairman
B. W. Maxey
Harvey L. Slaughter
Willard C. Lighter

On motion made, seconded and unanimously carried, the following directors were elected to serve as members of the Stock Option Committee:

John H. Weeks, Chairman
B. W. Maxey
Harvey L. Slaughter
Willard C. Lighter

On motion made, seconded and unanimously carried, the following Committee was elected for the ensuing year:

<u>BRANCH DEVELOPMENT COMMITTEE</u>

Alexander D. Duncan, Chairman
Paul W. Neidhardt
George S. Warner
William D. Kinsell
William G. Wickham
Willard P. Stetzelberger, Secretary
James K. Stalker (Alternate for Mr. Warner)
Robert T. Stroemple (Alternate for Mr. Wickham)

The Chairman announced that he had made the following appointments of certain non-elected officers and Committees of the Company for the ensuing year. These appointments were, on motion made and seconded, unanimously approved by the Directors.

<u>OFFICERS</u>

Wilbur E. Bindenagel, Vice President

FUTURE PROFITS COMMITTEE

Dwight P. Joyce, Chairman
Willard C. Lighter
B. W. Maxey
Dr. William E. von Fischer
Robert E. Dorfmeyer, Secretary

PENSION COMMITTEE

B. W. Maxey, Chairman
John H. Weeks
William B. Phillips
Chester A. Leach
Walden E. Van Fleet (Alternate for Mr. Leach)

CORPORATE ADVERTISING COMMITTEE

B. W. Maxey, Chairman
Paul W. Neidhardt
Frank J. Daniels
Tully M. Turney
Robert R. Augsburger
William D. Kinsell (Alternate for Mr. Neidhardt)

PATENT COMMITTEE

Glenn M. Davidson, Chairman
Charles E. Carney
Robert D. Horner
Marvin Cochran
Dr. B. Wilson Allan
Dr. Harry J. Kiefer
Gerald O. Christensen
Dr. Edwin W. Meyer
Herbert L. Rhodes
Fred S. Valles, Secretary

RESEARCH COMMITTEE

Dr. William E. von Fischer, Chairman
G. Norman Bruce
Dr. B. Wilson Allan
Dr. J. Wayne Cole
Dr. Joseph F. Bain
Edward Schulte
Dr. Reuben Roseman

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DONATIONS COMMITTEE

William G. Phillips, Chairman
Alexander D. Duncan
Clark P. Maxson
Robert D. Horner
Robert R. Augsburger, Secretary

FOREIGN TRADEMARK COMMITTEE

William G. Phillips, Chairman
Charles E. Carney
L. D. Golden, Secretary

PAINT LABELING COMMITTEE

Willard F. Stetzelberger, Chairman
Theodore M. Steppart
Tully H. Turney
Donald D. Carroll, Secretary

FOOD LABELING COMMITTEE

Roger H. Burgess, Chairman and Secretary
Frank J. Daniels
Robert L. Lozon

The Chairman commented on and the Directors discussed operating results for the month of November as reported in a memorandum dated December 11 addressed by the Controller to the Chairman. The Controller's memorandum included a preliminary report on the Company's earnings for the first quarter of the 1958 fiscal year and an estimate of the earnings of each of the Company's major Divisions. Mr. B. W. Maxey, Vice President--Finance, commented on current and anticipated future debt. He emphasized the importance of avoiding any increase in debt above current levels and of staying within cash flow in authorizing future expenditures.

The Treasurer reported on the status of the Company's short-term loans, cash position and accounts receivable. It was his opinion that short-term loans, currently at a level of $22,000,000, were at their peak for the 1958 fiscal year. The Controller discussed briefly the current status of inventories of each of the Company's major Divisions.

Consideration was given to the monthly report by the General Purchasing Department presented in a memorandum dated December 10, 1957 addressed to each of the directors. Mr. Clark P. Maxson, Vice President and Director of Purchases, commented on general business conditions and trends he had observed through contacts with many major suppliers and stated that, in his opinion, there was no present indication of any general weakening in prices.

The Chairman stated that approval of PFE's authorized by the Chairman and Vice Presidents during the month of November 1957 would be considered at the January meeting inasmuch as final figures were not as yet available for consideration at this meeting.

The Directors considered and, on motion made and seconded, unanimously approved PFE 1-723-A in the amount of $21,800 covering an additional expenditure necessary to complete modernization of the steam power plant at the Paint Division's Cleveland plant. This expenditure, which is supplemental to PFE 1-723 approved by the Board of Directors on May 17, 1957, is necessitated by the poor condition of pipes throughout the plant's heating system, which condition could not be accurately estimated at the time the original PFE was considered by the Board.

The Directors considered a contract negotiated with Mr. Vincent H. Shea, President of Shea Chemical Corporation, pursuant to action taken at the November 26 Board meeting, providing for sale of the Chemicals-Pigments-Metals Division's titanium dioxide plant at St. Helena, Baltimore, Maryland, to Shea

Chemical Industries, Inc., or such other subsidiary as might be formed by the Shea Chemical Corporation to manufacture and sell titanium dioxide. Under the proposed contract, the buyer would acquire all of the land, buildings, machinery and equipment owned by the Company at St. Helena, except the building housing the cadmium color plant and the equipment within and adjacent to that plant used in cadmium pigment operations, and equipment, office furniture and fixtures in the research laboratory, for a total consideration of $10,500,000. It would also acquire, at book value, all useful raw materials, reagent chemicals, factory supplies, work-in-process inventories, and maintenance parts located on the plant premises. These items currently on hand were estimated by Mr. Halsey to have a book value of approximately $2,000,000. The principal provisions of the proposed contract were summarized in a memorandum dated December 11 addressed by the Secretary to the Chairman, copies of which were submitted to each of the directors. Following careful consideration of the proposal, and on motion made and seconded, it was unanimously

> RESOLVED, that the Agreement between Shea Chemical Industries, Inc. and this Company, covering purchase and sale of the Chemicals-Pigments-Metals Division's St. Helena titanium dioxide plant, be and it is hereby approved as submitted to this meeting, subject to such modifications as may be approved by both the Chairman and the Vice President in charge of the Chemicals-Pigments-Metals Division for the purpose of accommodating any lender or lenders of funds, not to exceed $3,000,000, necessary to finance acquisition of the plant by the Buyer, and to modification and language changes approved by the Secretary which do not materially affect the substance of the Agreement.
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> FURTHER RESOLVED, that the escrow agreement, promissory notes, mortgage, and chattel mortgage to be used in connection with said Agreement be and they are hereby approved in the form presented to this meeting.

Mr. Willard C. Lighter, Executive Vice President, reported that the

Chemurgy Division had carefully reviewed its fine chemical operations. Based upon this review and the economic outlook for the Company's fine chemical business, Mr. R. O. Westley, Vice President of the Chemurgy Division, had recommended that the operations be discontinued immediately. On motion made and seconded, the Directors unanimously approved immediate discontinuance and abandonment of the operations and authorized Mr. Westley and other officers to take the necessary action to utilize within the Company all equipment formerly used in the manufacture of fine chemicals which might be adaptable to other operations. It was further agreed that any equipment which could not be utilized should be dismantled, scrapped, abandoned or sold on the best terms obtainable not later than August 31, 1958.

A report by Mr. Glenn M. Davidson, Chairman of the Patent Committee, dated December 10, 1957, covering activities of the Committee during the fiscal year 1957, was received and considered by the Directors. Mr. Davidson, who was present during consideration of his report and answered questions concerning the Committee's activities, was complimented by the Chairman on his report and on the progress achieved by the Patent Committee in carrying out the Company's patent program.

The Directors reviewed the Secretary's monthly report dated December 10 on matters on which Directors and Executive Committee action had been taken and on which other action was pending.

The Directors, on motion made and seconded, unanimously adopted the following resolution requested by the Chicago Board of Trade in connection with the authorization granted to Messrs. Phillips and Horner to become members of the Board of Trade:

WHEREAS, William G. Phillips and Robert D. Horner, executive officers of this corporation and members of The Board of Trade of the City of Chicago, have duly registered their membership in said Board of Trade in the name of this corporation, according to the Rules and Regulations of said Board of Trade;

NOW, THEREFORE, BE IT RESOLVED, that said William G. Phillips and Robert D. Horner are authorized to enter into Exchange and Member's contracts as defined by the Rules and Regulations of said Board of Trade, for and on behalf of this corporation, and this corporation shall assume all liability on such contracts and shall pay and discharge all obligations arising thereunder.

BE IT FURTHER RESOLVED, that this resolution shall remain in force until notice of its modification or repeal has been given to the Secretary of The Board of Trade of the City of Chicago.

There being no further business to come before the Directors, the meeting adjourned at 3:20 P.M.

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