PRESENTED TO DIRECTORS'
MEETING OF 9-3-54

DEWEY AND ALMY CHEMICAL COMPANY

CAMBRIDGE 40 MASSACHUSETTS

PLANTS
CAMBRIDGE MASS. ADAMS MASS.
ACTON MASS. LOCKPORT N.Y.
CHICAGO ILL. CEDAR RAPIDS IA.
SAN LEANDRO CALIF.
MONTREAL LONDON
MELBOURNE BUENOS AIRES
PARIS NAPLES

CABLE ADDRESS
[illegible] BOSTON

TO THE STOCKHOLDERS:

The solicitation of the enclosed proxy is made by and on behalf of the management of Dewey and Almy Chemical Company to be used at the Special Meeting of the Stockholders of Dewey and Almy Chemical Company called by the enclosed notice, to be held at 10 o'clock in the forenoon on Monday, the 25th day of October, 1954, at the office of the Corporation, 62 Whittemore Avenue, Cambridge, Massachusetts, and at any and all adjournments thereof. A stockholder executing and delivering the enclosed proxy has the power to revoke the proxy at any time before it is voted. Only stockholders of record at the close of business on September 25, 1954 are entitled to notice of and to vote at said meeting or any adjournments of it.

PURPOSE OF SPECIAL MEETING

The purpose of the Special Meeting is to consider and act upon a proposal to approve an agreement of merger and articles of consolidation which provide for the merger and consolidation of Dewey and Almy Chemical Company, a Massachusetts corporation, into W. R. Grace & Co., a Connecticut corporation, and a proposal to authorize the proper officers and directors of Dewey and Almy Chemical Company to sign and make oath to the agreement of merger and articles of consolidation and take such further action as may be necessary to make effective the merger and consolidation provided for in said agreement and articles.

The agreement of merger and articles of consolidation as agreed upon by the directors of both companies are attached to the proxy statement of W. R. Grace & Co. which is being mailed to you as soon as possible under separate cover. The proxy statement contains, in addition, financial statements of both companies and much other information of interest to shareholders. Also being mailed under separate cover for your information is a copy of the Annual Report of W. R. Grace & Co. for 1953. Your attention is called to the fact that the Annual Report of W. R. Grace & Co. for 1953 does not reflect the issuance in 1954 of approximately 438,240 shares of W. R. Grace & Co.'s Common Stock as a result of the merger of W. R. Grace & Co. and The Davison Chemical Corporation which was consummated in May 1954.

If the merger and consolidation are approved by the requisite number of the shares of each of the Constituent Corporations (i.e., W. R. Grace & Co. and Dewey and Almy Chemical Company), then when the merger and consolidation become effective, stockholders of Dewey and Almy Chemical Company will receive one share of W. R. Grace & Co. Common Stock for each share of Dewey and Almy Chemical Company Common Stock they own. W. R. Grace & Co. will become the Resulting Corporation. Dewey and Almy Chemical Company will cease to have any separate existence and the Resulting Corporation will succeed to all the rights, privileges and property belonging to Dewey and Almy Chemical Company and be subject to all the debts, liabilities and duties of Dewey and Almy Chemical Company.

PLAINTIFF'S
EXHIBIT
WRG 114

RANGE OF SECURITY PRICES

The high and low sales prices of Grace Common Stock on the New York Stock Exchange for each of the eight consecutive quarterly periods, the last of which ended June 30, 1954, and the range of prices from July 1, 1954, to August 31, 1954, and the range of bid and asked over-the-counter prices furnished by the National Quotation Bureau for Dewey and Almy Common Stock for each of the same periods, were as follows:

PERIOD ENDED	GRACE SALES PRICES		DEWEY AND ALMY SALES PRICES	
	COMMON		COMMON	
	High	Low	High	Low
Sept. 30, 1952	31⅛*	27*	20	15⅛
Dec. 31, 1952	33⅛*	26*	18¼	14⅛
March 31, 1953	33⅝** 33⅜***	29*** 30¼***	18⅛	14⅜
June 30, 1953	30⅛	26⅛	18	14⅜
Sept. 30, 1953	27⅛	24¾	18	14
Dec. 31, 1953	28¼	25⅛	20¾	16⅛
March 31, 1954	30⅞	27¾	22⅛	18⅛
June 30, 1954	37¾	29⅛	27⅛	20⅝
July 1 to August 31, 1954	42¼	36⅛	41	26⅛

*Grace stock not listed during this period—prices are range of bid and asked over-the-counter prices furnished by National Quotation Bureau.

**Range of bid and asked prices before listing on N. Y. Stock Exchange on February 27, 1953.

***Range of sale prices after listing on N. Y. Stock Exchange.

W. R. Grace & Co.'s Common Stock is listed on the New York Stock Exchange. For further information in regard to W. R. Grace & Co., it is suggested you read its proxy statement and its annual report, both of which are being mailed to you under separate cover.

DECEMBER DIVIDEND

W. R. Grace & Co. normally declares a quarterly dividend payable December 15; therefore, Dewey and Almy shareholders who become shareholders of W. R. Grace & Co. will receive their December dividend from Grace.

VOTE REQUIRED FOR MERGER

If the merger is authorized (a) at the meeting of the stockholders of Dewey and Almy Chemical Company by the votes of the holders of at least two-thirds of the outstanding shares of Common Stock, and (b) at the meeting of the stockholders of W. R. Grace & Co. by the votes of the holders of at least two-thirds of the outstanding shares of each class of W. R. Grace & Co. stock, i.e., Preferred, Class A Preferred, Class B Preferred and Common, then, subject to the powers of the Boards of Directors of the Constituent Corporations to abandon the agreement of merger and articles of consolidation, as set forth therein, the merger will become effective upon the filing of the agreement of merger and articles of consolidation with the Secretary of State of Connecticut and with the Secretary of the Commonwealth of Massachusetts.

ABANDONMENT OF AGREEMENT OF MERGER

The agreement of merger and articles of consolidation provide that they may be terminated and abandoned at any time before the effective date of the merger:

(a) by action of a majority of the Boards of Directors of both W. R. Grace & Co. and Dewey and Almy Chemical Company, or

(b) by the Board of Directors of W. R. Grace & Co. (i) if the stockholders of W. R. Grace & Co. do not vote the increase in Grace Common Stock necessary to provide Grace Common Stock for exchange for Dewey and Almy Common Stock, (ii) if the stockholders of W. R. Grace

& Co. do not vote to change the no par Common Stock of Grace into a $1.00 par value Common Stock of Grace, or (iii) if the merger is deemed impracticable by Grace's Board of Directors by reason of the claims which may be made by stockholders of Grace or by stockholders of Dewey and Almy or by stockholders of both of such corporations for payment to them in cash of the value of their stock. It is further provided that the merger shall not be deemed impracticable unless the amount as estimated by the Board of Directors of W. R. Grace & Co. which might be payable to all such stockholders would exceed four million dollars.

FEDERAL TAX STATUS OF THE MERGER

It is the opinion of counsel for Dewey and Almy Chemical Company that under the Internal Revenue Code now in effect neither gain nor loss for Federal Income Tax purposes would be recognized by reason of the merger with respect to Dewey and Almy Chemical Company or with respect to the holders of Common Stock of Dewey and Almy Chemical Company except in the case of stockholders who may vote against the merger and be paid in cash the value of their stock in appropriate appraisal proceedings.

RIGHTS OF DISSATISFIED STOCKHOLDERS OF DEWEY AND ALMY CHEMICAL COMPANY

Section 46E of Chapter 156 of the General Laws of Massachusetts reads:

"46E *Payment for Stock of Dissenting Stockholder* — A stockholder in any corporation which shall have duly voted to consolidate with another corporation in accordance with section forty-six B or forty-six D, who, at the meeting of stockholders, has voted against such consolidation, if entitled to vote, or, if not entitled to vote, has registered his disapproval in writing with the corporation at or before said meeting, may, within thirty days after the date on which the articles of consolidation were filed, make a written demand upon the consolidated corporation for payment for his stock. If such corporation and the stockholder cannot agree upon the value of the stock at the date of the consolidation, such value shall be ascertained and the stock paid for by and transferred to the consolidated corporation in the manner provided in section forty-six."

OPERATION OF DEWEY AND ALMY CHEMICAL COMPANY

W. R. Grace & Co. has agreed that Dewey and Almy Chemical Company will continue to operate as an autonomous unit with its headquarters at Cambridge, Massachusetts, and with no change expected in the personnel or in the policies under which they work.

OTHER MATTERS AND DISCRETION OF ATTORNEYS NAMED IN THE PROXY

The management of Dewey and Almy Chemical Company is not aware of any matters which may come before the meeting other than those hereinbefore referred to. If any other matters properly come before the meeting, and on all procedural matters at said meeting, it is the intention that the enclosed proxy shall be voted in accordance with the best judgment of the attorneys named therein or their substitutes, present and acting at the meeting.

Attention is called to the fact that as a matter of corporate procedure and as mentioned in the proxy, any or all of the matters to be acted upon at the meeting may be acted upon at the first session of said meeting or at any adjournment or adjournments thereof.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends the approval of the agreement of merger and articles of consolidation by the stockholders of Dewey and Almy Chemical Company.

For the Directors

Hugh S. Ferguson

President

Cambridge, Massachusetts
September 25, 1954

PRESENTED TO DIRECTORS'
MEETING OF 9-3-54

DEWEY AND ALMY CHEMICAL COMPANY

NOTICE OF STOCKHOLDERS' SPECIAL MEETING

To the Stockholders of
DEWEY AND ALMY CHEMICAL COMPANY:

A special meeting of the stockholders of this corporation has been called by the Board of Directors and will be held at the office of the corporation, 62 Whittemore Avenue, Cambridge, Massachusetts, on Monday, October 25, 1954 at 10 o'clock in the forenoon for the following purposes:

(1) To consider and act upon a proposal (a) to approve and adopt the agreement of merger and articles of consolidation dated as of September 2, 1954, providing for the merger and consolidation of Dewey and Almy Chemical Company, a Massachusetts corporation, into W. R. Grace & Co., a Connecticut corporation, and (b) to authorize the President, Treasurer, and a majority of the Board of Directors of Dewey and Almy Chemical Company to sign and swear to the aforesaid agreement and articles, to submit or cause the same to be submitted to the Commissioner of Corporations and Taxation of the Commonwealth of Massachusetts or his successor in office for his approval, and thereafter to file or cause the same to be filed in the office of the Secretary of the Commonwealth of Massachusetts for the purpose of making the merger and consolidation effective.

(2) To consider and act upon the authorization, approval, ratification and confirmation of any and all acts and proceedings by the officers and directors in connection with the foregoing merger.

(3) To consider and act upon any matters incidental to the foregoing purposes or any of them or any other matters that may properly come before the meeting or any adjourned session thereof.

Only stockholders of record at the close of business on September 25, 1954, are entitled to notice of and to vote at this meeting or any adjournment of it.

We will appreciate the prompt execution and return of the enclosed proxy by stockholders who cannot attend the meeting in person, as the favorable votes of the holders of at least two-thirds of the outstanding shares are required to effect the action proposed to be taken at the meeting. A return envelope, to which no postage need be attached if mailed in the United States, is enclosed for your convenience.

By order of the Board of Directors

WILLIAM T. SNOW, *Clerk*

Cambridge, Massachusetts
September 25, 1954

DEWEY AND ALMY CHEMICAL COMPANY
62 WHITTEMORE AVENUE, CAMBRIDGE 40, MASS.

PROXY FOR SPECIAL MEETING OF STOCKHOLDERS, OCTOBER 25, 1954

The undersigned stockholder of Dewey and Almy Chemical Company, a Massachusetts corporation, acknowledges receipt of the notice dated September 25, 1954, of a Special Meeting of Stockholders of the Company to be held at the office of the Company, 62 Whittemore Avenue, Cambridge, Massachusetts, at 10 o'clock in the forenoon on Monday, October 25, 1954, and hereby constitutes Hugh S. Ferguson, Waldo W. Neikirk and W. T. Snow, or any one of them, the attorneys of the undersigned with full power of substitution to each, for and in the name of the undersigned, to vote at said meeting by a majority of those present and acting at the meeting upon all matters which may come before it or any adjournment, with all the powers which the undersigned would possess if personally present, hereby revoking all previous proxies.

The undersigned hereby instructs said proxies to vote

FOR ☐ AGAINST ☐ *(please check one)*

the proposal to approve and adopt the agreement of merger and articles of consolidation dated as of September 2, 1954, providing for the merger and consolidation of Dewey and Almy Chemical Company, a Massachusetts corporation, into W. R. Grace & Co., a Connecticut corporation, and to authorize the President, Treasurer, and a majority of the Board of Directors of Dewey and Almy Chemical Company to sign and swear to the aforesaid agreement and articles, to submit or cause the same to be submitted to the Commissioner of Corporations and Taxation of the Commonwealth of Massachusetts or his successor in office for his approval and thereafter to file or cause the same to be filed in the office of the Secretary of the Commonwealth of Massachusetts for the purpose of making the merger and consolidation effective.

It is understood that the undersigned's vote is to be cast in favor of the foregoing proposal if no contrary instruction is indicated in the above space, and that the undersigned reserves the right to revoke this proxy at any time before it is voted.

____
(Stockholder)

____
(Date)

We hope you can attend the meeting. If you cannot, we would very much appreciate your signing and returning this proxy in the envelope enclosed for your convenience.

THE FOREGOING PROXY IS SOLICITED BY THE MANAGEMENT.