RESOLVED:

That it is advisable that this Company contribute to the Detroit White Lead Works, the sum of Two Hundred Thousand Dollars ($200,000.), as and for paid-in surplus of said Lead Works, and the Treasurer of the Company is hereby authorized and directed to remit said sum to said Lead Works for such account.

On motion made by Mr. D. A. Kohr, seconded by Mr. A. D. Baldwin, the following resolution was unanimously adopted:

RESOLVED:

That there be set aside five per cent (5%) of the net earnings of the Company for the fiscal year ending August 31st, 1937, remaining after the deduction of Federal income taxes with respect thereto, Federal surtaxes with respect to the undistributed portion thereof, an amount equivalent to ten per cent (10%) of the par value of the outstanding common stock of the company, and an amount equivalent to the dividends paid upon the preferred stock of the company during such fiscal year, said sum so set aside to be paid as additional compensation for their services in such fiscal year to such officers, managers, and other employes of the company, and in such respective amounts as may be designated and provided by the Executive Committee of the company, after consulting with the President of the Company with respect thereto.

The President stated that the officers of the Company had been considering the advisability of the acquisition by the Company of substantially all the assets of Burgess Titanium Company a Delaware corporation, consisting principally of patents and applications for patents relating to the manufacture of Titanium products and certain mineral deposits of Titanium ore located in the State of Virginia. He said that in order to permit the Company to conduct an investigation to determine whether such acquisition would be advisable and to purchase such assets at a price agreed upon in advance, if such investigation should disclose that such purchase was advisable, the officers had worked out an arrangement with the officers of the Titanium Company, which was set forth in a draft of agreement and plan of reorganization between the Titanium Company and this Company, providing for such investigation and permitting this Company to make such purchase, if desired, in consideration of five thousand, five hundred (5,500) shares of common stock of this Company. He said that a copy of such draft of agreement was in the hands of the Secretary, and he recommended that the Board authorize the officers to enter into such an agreement.

After full discussion, the following resolution was offered, its adoption duly moved by Mr. C. S. Eaton, seconded by Mr. A. D. Baldwin, and on being put to vote was adopted:

RESOLVED:

That the President or Vice President, and Secretary or Assistant Secretary, of the Company, be, and they hereby are, authorized and directed, in the name and on behalf of the Company, to enter into an agreement with Burgess Titanium Company, in the form, or substantially the form, of the draft of agreement with said Company, attached hereto and marked Exhibit "A" of this meeting, subject (1) to opinion of patent attorney as to validity of the patents; (2) to approval of officers and company experts as to desirability of the product; and (3) to approval of company counsel as to legality of issue of common stock.

Thereupon the meeting adjourned.