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THE GLIDDEN COMPANY

CLEVELAND, OHIO

April 11, 1936

TO THE COMMON SHAREHOLDERS OF THE GLIDDEN COMPANY:

From the enclosed notice of a Special Shareholders' Meeting to be held on April 24, 1936, you will note that it is proposed to amend the Company's Articles in certain particulars, including the creation of an authorized issue of 200,000 shares of Convertible Preferred Stock of the par value of $50.00 per share, entitling the holders thereof to cumulative dividends at the rate of 4½% per annum, to be convertible into common stock on a basis to be determined at such meeting (but not to exceed one share of Convertible Preferred Stock for one share of common stock), to be subject to redemption and to have such other terms and provisions or modifications of the foregoing as may be determined at said meeting. You will also note that it is proposed to offer such stock to the Company's common shareholders pro rata at the price of $52.50 per share, and as to any of such stock not taken by the common shareholders, the holders of the Company's Prior Preference Stock will be offered the privilege of exchanging their Prior Preference Stock pro rata at the rate of two shares of Convertible Preferred Stock for one share of Prior Preference Stock. As stated in the enclosed notice, such purchase and exchange rights with respect to the Convertible Preferred Stock have been underwritten by the firms of Hornblower & Weeks and Hayden, Miller & Company.

From the issuance of such 200,000 shares of Convertible Preferred Stock the company will realize in cash or through the exchange of its Prior Preference Stock, the sum of $10,500,000, or its equivalent, before deductions of underwriting fees and other expenses incidental to the issuance of the stock. The company proposes to use the proceeds so realized for the following purposes:

(a) The redemption and retirement of the Prior Preference Stock, $6,825,000 (inclusive of the premium thereon); and

(b) The retirement of $3,262,000 of the Five Year 5½% Gold Notes due June 1, 1939 (or any bank loans which the Company may incur to retire such Gold Notes) and $64,200 of Bonds of subsidiary companies, which, together with the premiums thereon, amounts to a total of $3,360,104.

It will be noted that the proposed changes in the Company's capital structure, including the substitution of a $10,000,000 issue of 4½% Convertible Preferred Stock for the $6,500,000 of 7% Prior Preference Stock outstanding and the retirement of the Company's $3,326,200 funded debt, will place the Company in a stronger financial condition and should result in a larger return to the common shareholders. The annual dividend requirements on the $10,000,000 of Convertible Preferred Stock will be $450,000 in comparison with the present total of $638,262 required currently to meet the interest on the Five Year 5½% Gold Notes, certain bonds of subsidiary companies now outstanding and the dividends on the Prior Preference Stock. Thus, by this plan, the Company will effect an annual saving in preferred dividends and interest of $188,262.

The Directors of the Company believe that the proposed amendments to the Articles of Incorporation are advantageous to the shareholders of the Company and recommend their adoption.

By order of the Board of Directors.

ADRIAN D. JOYCE, *President*.

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