

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF DEWEY AND ALMY CHEMICAL COMPANY

A Special Meeting of the Board of Directors of Dewey and Almy Chemical Company was called to order at 11:30 in the morning of April 10th, 1930, at Kidder Peabody & Company, 115 Devonshire Street, Boston, Mass.

There were present Messrs. Dewey, Almy, Griswold, Trumbull and Ferguson, being a majority of the Directors of the Corporation.

The President presented the foregoing Waiver of Notice of this meeting, which was ordered to be filed with the records of the Directors.

Upon motion duly made and seconded it was

VOTED: To dispense with the reading of the Minutes of the previous meeting.

Upon motion duly made and seconded it was

VOTED: To issue forthwith to Kidder Peabody & Company, under our contract with them, 4,500 shares of Class A Preferred Stock at \$ 100.00 per share plus accrued dividends from March 1st.

Upon motion duly made and seconded it was

VOTED: To authorize the officers of the corporation to file with the Department of Corporation and Taxations, State House, Boston, Mass., whatever papers are necessary for the issuance of 4,500 shares of Class A Preferred Stock to Kidder Peabody & Company, in accordance with the foregoing vote.

Upon motion duly made and seconded it was

VOTED: To approve the action of the officers in making the following offer to the Stockholders of Multibestos Company:

The President presented copies of eleven contracts with the General Rubber Company and the United States Rubber Company which have been executed.

Upon motion duly made and seconded it was

VOTED: To approve the action of the officers of the corporation in executing the contracts presented with the General Rubber Company and the United States Rubber Company as follows:

Asbestos License Agreement
 Addendum to Asbestos License Agreement
 Modification of Shoe Cement Agreement
 New England Jobbing Agreement
 Modification of Hair Cloth Agreement
 Latex Purchase Agreement
 Impregnation Option Agreement
 Impregnation License Agreement "A"
 Impregnation License Agreement "B"
 Rubber Latex Research Corporation - Supplement to
 Asbestos License Agreement
 Supplement relative to Dispersions Process, Inc.

The President presented a contract which had been entered into with Rubber Latex Research Corporation.

Upon motion duly made and seconded it was

VOTED: To approve the action of the officers in executing the contract presented with the Rubber Latex Research Corporation entitled "Modification of Rubber Latex Research Agreement."

Upon motion duly made and seconded it was

VOTED: That the Clerk be directed to mail to each Stockholder the following call, dated April 10th, 1930, for a Special Meeting of the Stockholders to be held on April 17th, 1930:

Upon motion duly made and seconded it was

VOTED:

That the President be instructed to mail to each Stockholder with the call for the Special Meeting of Stockholders the following letter, dated April 10th, 1930, entitled "Comments on Call for Special Meeting"

DEWEY AND ALMY CHEMICAL COMPANY

INCORPORATED IN MASSACHUSETTS

MANUFACTURERS OF

DEWALCO AND GOLD SEAL PRODUCTS

CAMBRIDGE B, MASSACHUSETTS

FACTORIES
CAMBRIDGE, MASSACHUSETTS
OAKLAND, CALIFORNIA
FARNHAM, QUE., CANADA
NAPLES, ITALY

DAREX A.G.,
FRANKFURT 70, GERMANY

CABLE ADDRESS
DEWALCO BOSTON

COMMENTS ON CALL FOR SPECIAL MEETING

To the Stockholders of Dewey and Almy Chemical Company:

Enclosed is a formal notice of call for a special meeting of the stockholders to be held on April 17, 1930, for the purposes set forth in such notice.

Since the writing of the eleventh annual report of your Company's operations, 4,500 shares of Class A preferred stock have been taken up by Kidder, Peabody and Company (under their contract with the Company) to finance present projects and provide additional working capital. The proposed increase in capital of your Company outlined in the above call is recommended to enable the Company to acquire stock of Multibestos Company in accordance with an offer, which has already been accepted by the principal stockholders of Multibestos Company, for not less than 75% of each of the preferred and common stocks of Multibestos Company. Under the terms of this offer, payment for this stock will be made as follows:—

For each two shares of preferred stock of Multibestos Company, the holders will receive one share of Dewey and Almy Chemical Company Class A preferred stock, and \$87.00 in cash plus \$2.35 to adjust dividends to May 1, 1930; and for each share of common stock, \$20.00 in cash. In addition, our Company will be called upon to pay \$25,000 to cover certain expenses, commissions, etc.

If the offer is taken up by all the preferred and common stockholders of Multibestos Company, this will call for 3,088 shares of Class A preferred stock of Dewey and Almy Chemical Company and approximately \$526,000. in cash.

Multibestos Company is a long established Company, located at Walpole, Massachusetts, where it manufactures both woven and molded brake bands and clutch facings impregnated with asphaltic and oil type binders. Its balance sheet at January 1st showed working capital of approximately \$408,000. and plant assets carried on the books (after deduction of allowances for depreciation) at approximately \$632,000. The Company's earnings last year were slightly over \$100,000., but due to the changing trend in brake linings, it is highly desirable that Multibestos Company should also be in a position to merchandise a line of rubber-bonded flexible and rigid molded brake linings and rubber-bonded clutch facings. We have developed and applied for patents upon such products. We have also consummated a series of reciprocal licensing agreements with the United States Rubber Company under the terms of which it is expected that that Company will merchandise a large volume of brake bands manufactured by us.

In view of the above situation, your Directors believe that when Multibestos Company is licensed by our Company to manufacture these products, together with other asbestos rubber-bonded materials, it should be possible to materially increase the volume of business done by Multibestos Company.

If the stockholders approve the actions outlined in the call, transferable warrants good until May 20th to subscribe for new stock will be mailed in due course to the stockholders. Arrangements will be made with Kidder, Peabody and Company for the purchase and sale of such warrants by them, so that persons desiring to dispose of their rights may be enabled to do so to the best advantage and so that stockholders desiring to subscribe to more than their allotment may have an opportunity to purchase additional stock.

If the stockholders approve the recommendations of the Directors full information as to the manner of exercising rights and purchasing and selling warrants will be mailed promptly to you together with the number of warrants to which you are entitled.

Payment for shares covered by these warrants will be due on or before June 1, 1930.

It is hoped that you will be present at the meeting and vote, but if you are unable to do so you are urged to execute the enclosed proxy and to return it in the accompanying envelope.

DEWEY AND ALMY CHEMICAL COMPANY

INCORPORATED IN MASSACHUSETTS

FACTORIES
CAMBRIDGE, MASSACHUSETTS
OAKLAND, CALIFORNIA
FARMHAM, QUE., CANADA
NAPLES, ITALY

MANUFACTURERS OF
DEWALCO AND GOLD SEAL PRODUCTS

CABLE ADDRESS
"DEWALCO" BOSTON

CAMBRIDGE B, MASSACHUSETTS

BARREX A.G.,
FRANKFURT 90, GERMANY

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Dewey and Almy Chemical Company:

You are hereby notified that a special meeting of the stockholders of the corporation will be held at the company's office, 235 Harvey Street, Cambridge, Mass., on April 17, 1930, at four o'clock in the afternoon for the following purposes:

1. To see if the stockholders will vote to increase the authorized number of Class A common shares without par value from 37,600 shares to 40,156 shares. 2556
2. To see if the stockholders will vote to increase the authorized number of Class A preferred shares from 9000 to 17,200 shares. 8700
3. To see if the stockholders will vote to offer to the preferred and Class A preferred stockholders of record April 10, 1930 the right to subscribe for Class A preferred stock and Class A common stock in blocks of two shares of Class A preferred stock and one share of Class A common stock at the price of \$100 and accrued dividends per share of Class A preferred stock and \$1 per share for the Class A common stock, such blocks to be offered on the basis of one such block for each 12 shares or fraction of 12 shares of the total number of preferred and Class A preferred shares standing in the name of each stockholder on the books of the company.
4. To see if the stockholders will vote to offer to the common and Class A common stockholders of record April 10, 1930 the right to subscribe for Class A preferred stock and Class A common stock in blocks of two shares of Class A preferred stock and one share of Class A common stock at a price of \$100 and accrued dividends per share of Class A preferred stock and \$1 per share for the Class A common stock, such blocks to be offered on the basis of one such block for each 45 shares or fraction of 45 shares of the total number of common and Class A common shares standing in the name of each stockholder on the books of the company.
5. To see if the stockholders will vote to authorize the directors to sell 600 shares of Class A preferred stock and 300 shares of Class A common stock in blocks as aforesaid to such employees of the company as they shall determine (including employees of subsidiary and affiliated companies) other than Messrs. Dewey and Almy at not less than the same price as said blocks are offered to stockholders, such blocks to be offered on such terms and at such times as the directors may determine.
6. To see if the stockholders will authorize the directors to determine the time, terms and manner of the disposition of the balance of the Class A preferred and Class A common stock to be authorized, subject to the condition that in the case of any such stock being issued for cash, it may be issued only in blocks of two shares of Class A preferred stock and one share of Class A common stock at a price not less than \$220 per block plus accrued dividends on the Class A preferred shares.
7. To see if the stockholders will vote to authorize the Directors to determine the date of expiration of rights to subscribe, the date for payment of subscriptions, the form of warrants to subscribe to be issued to stockholders, and other details in connection with the issuance of additional stock to be authorized.
8. To transact any other business that may properly come before the meeting.

PLEASE SIGN AND RETURN IN THE ENCLOSED STAMPED ENVELOPE THE ENCLOSED PROXY WHICH WILL BE VOTED IN FAVOR OF THE ABOVE UNLESS CONTRARY INSTRUCTIONS ARE RECEIVED OR UNLESS YOU ARE PRESENT IN PERSON.

April 10, 1930.

PLAINTIFF'S
EXHIBIT

G-1

PERCIB-Apprentice, N. J.

CHARLES ALMY, JR.
Clerk.

Upon motion duly made and seconded it was

VOTED:

To authorize the officers with Merrill Griswold, and upon approval of counsel (provided the Stockholders authorize the increase of capital stock and the issuance thereof in accordance with the foregoing call) to determine the date of expiration of rights to subscribe, the date for payment of subscriptions, the form of warrants to subscribe to be issued to Stockholders, and issuance of stock to employees, and other details in connection with the issuance of stock to Stockholders, and mailing to Stockholders the necessary details and warrants.

Upon motion duly made and seconded it was

VOTED:

To approve the action of the President in mailing to the Directors of Multibestos the following letter:

April 9, 1930.

To the Directors of Multibestos Company,
c/o Stoughton Bell,
Boston, Mass.

Gentlemen:-

In connection with the offer we have made to the holders of first preferred stock in Multibestos Company by which they will receive Class A preferred stock of the Dewey and Almy Chemical Company in part payment for their first preferred stock in Multibestos Company, I submit the following information in connection with the Dewey and Almy Chemical Company.

The Dewey and Almy Chemical Company was incorporated under the laws of Massachusetts in 1919 and has its main factory in Cambridge, Massachusetts, with branch factories at Oakland, California, and Naples, Italy. It owns the capital stock of the Dewey and Almy Chemical Company of Canada, Limited, with a factory in Farnham, Quebec, and one-half of the capital stock of Darex Aktiengesellschaft fur Kautschuk Verarbeitung, a German corporation with a factory in Frankfurt am Main, Germany.

The Dewey and Almy Chemical Company has specialized in the manufacture of sealing compounds and other products used by manufacturers of tin cans and in other chemical specialties such as soldering fluxes, adhesives, etc. used in various industries.

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Many of its products are manufactured from rubber latex and it is said to be the second largest consumer of this commodity in the United States. Its sales in 1929 were approximately \$ 2,000,000 of which 24% represented shipments to 30 countries other than the United States. It has large and specialized chemical research staffs both in this country and in Germany.

It is now broadending its activities preparatory to manufacturing and merchandising a group of new products made from rubber latex including (1) Darex soles and heels, (2) porous rubber filter cloths for the chemical industry, and (3) porous rubber storage battery separators. It owns many patents and patent rights among which are fundamental rights in connection with the manufacture of asbestos products made with latex.

There follows a consolidated condensed balance sheet of the parent company and its Canadian Subsidiary as at December 31, 1929:

Assets

Cash	\$37,767.59
Accounts Receivable (less reserve for doubtful	106,664.83
Notes Receivable - employees	4,420.50
Inventories at the lower of cost or market	265,685.92
Cash value of life insurance policies and prepaid expenses,	<u>15,240.10</u>
Total current assets	\$ 429,778.94
Land, buildings and equipment	939,140.67
Durable containers.	<u>13,173.04</u>
Total fixed assets	\$ 952,313.71
"Investment in Darex A/G (50% owned)	59,858.50
Formulae and processes	<u>60,000.00 *</u>
	\$ 1,501,951.15

Liabilities

Accounts Payable	\$ 146,664.35
Notes Payable	40,000.00
Accrued expenses	6,571.06
Provision for Federal Income and State Taxes	<u>29,000.00</u>
Total current liabilities	\$ 222,235.41

Brought Forward:

	\$ 222,235.41
Mortgage payable - secured by land	8,300.00
Provision for durable containers in customers' hands,	<u>7,721.00</u>
Total liabilities	\$ 238,256.41
Provision for depreciation of fixed assets	\$ 161,933.81

Capital

Preferred and Class A preferred stock, 5,500 shares	\$ 550,000.00
Common and Class A common stock 36,730 shares	<u>156,949.57</u>
Surplus	<u>394,811.36</u>
	\$ 1,501,951.15

*Note:- The item of \$ 60,000 for Formulae and processes represents capitalized value of original formulae and processes received in return for common stock at the time of the Company's incorporation in 1919. The balance of the common stock was paid for in cash.

The capital structure of the company is now:

	<u>Authorized</u>	<u>Issued Dec. 31, 1929</u>	<u>Not Issued</u>
Preferred, par value \$100 7% cumulative	3,500	3,500	None
Class A preferred - par value \$100 - 7% cumu- lative	9,000	2,000	7,000*
Common, no par value	2,400	2,400	None
Class A common - no par value	37,600	34,330	3,270

*Kidder, Peabody & Co. is committed up to December 31, 1935 to purchase this at par at the discretion of the Chemical Company's Board of Directors.

The Class A preferred stock carries yearly cumulative dividends at the rate of 7%, payable March 1st and September 1st, and is in all respects identical with the preferred stock except that it has no voting power whatever.

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The Directors of the Dewey and Almy Chemical Company plan to issue in the near future 4,500 shares of the above shown unissued Class A preferred stock and to recommend to the Chemical Company stockholders increasing the capital stock of the Company to enable it to take care of its obligations in connection with its offer to the stockholders of Multibestos Company and to provide additional working capital.

An analysis of earnings for the past five years follows:

	<u>1925</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>
Net earnings	50,911	70,086	71,350	140,099	174,052
Preferred dividends	13,053	14,000	14,000	20,958	28,000
paid					
Common dividends	2,740	8,220	10,960	18,189	33,230
paid					
Carried to Surplus	35,118	47,866	46,390	100,952	112.822

Very truly yours,

DEWEY AND ALMY CHEMICAL COMPANY.

BRADLEY DEWEY.
President.

Upon motion duly made and seconded it was

VOTED:

To adjourn.

Thyls. Argus
Secretary

ATTEST:

DEWEY AND ALMY CHEMICAL COMPANY

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April 10, 1930.

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CHARLES ALMY, JR.
Clerk.