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 8, 1960, at 11:15 A.M.

The following directors were present:

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

Mr. R. L. Lozon, Director of Purchases and Trade Relations, was present at the meeting during consideration of the General Purchasing Department's report.

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, 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.

The Chairman announced that the meeting would proceed with the election of officers and that nominations would be received. Whereupon, the following officers of the Company were nominated by Mr. Smith, to hold office until the next annual stockholders meeting and until their successors are elected and qualified:

Dwight P. Joyce - Chairman of the Board and President
B. W. Maxey - Vice President--Finance
Alexander D. Duncan - Vice President
Harvey L. Slaughter - Vice President
Willard C. Lighter - Vice President
John H. Weeks - Vice President--Personnel
George M. Halsey - Vice President
George S. Warner - Vice President
Paul W. Neidhardt - Vice President
James W. Pollard, Jr. - Vice President--Engineering
Robert D. Horner - Secretary and General Counsel
William G. Phillips - Treasurer
Donald E. Erskine - Controller
Richard K. Dutton - 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 Chairman announced that he had appointed Messrs. Thomas N. Armel, James L. Beauchamp, Robert B. Simpson, and Herman F. Winger regional vice presidents of the Paint Division, with authority to use the title "Regional Vice President--Paint Division" in connection with their divisional management responsibilities. These appointments were, on motion made and seconded, unanimously approved by the Directors.

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

Dwight P. Joyce - Chairman
B. W. Maxey
Alexander D. Duncan
Willard C. Lighter
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
Alexander D. Duncan
Harvey L. Slaughter
Willard C. Lighter
William P. Smith

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
Alexander D. Duncan
Harvey L. Slaughter
Willard C. Lighter
William P. Smith

On motion made, seconded and unanimously carried, the following Branch Development Committee was elected to carry out the Master Plan for Development of Branches approved by the Directors in July 1954:

Alexander D. Duncan - Chairman
William G. Phillips
Paul W. Neidhardt
William D. Kinsell
Willard P. Stetzelberger
Robert F. Groves
Richard K. Dutton - Secretary
James K. Stalker (Alternate for Mr. Phillips)
Robert H. Grob (Alternate for Mr. Stetzelberger)

The Chairman announced that he had appointed the following management committees to serve until the next Annual Directors Meeting. These appointments were, on motion made and seconded, unanimously approved by the Directors:

FUTURE PROFITS COMMITTEE
- Dwight P. Joyce - Chairman
- Willard C. Lighter
- B. W. Maxey
- G. M. Halsey
- Alexander D. Duncan
- Harvey L. Slaughter
- William G. Phillips
- Robert E. Dorfmeyer - Secretary

PENSION COMMITTEE
- B. W. Maxey - Chairman
- John H. Weeks
- William G. Phillips
- Harvey L. Slaughter
- Chester A. Leach
- William P. Smith
- Waldo E. Van Fleet (Alternate for Mr. Leach)

CORPORATE ADVERTISING COMMITTEE
- B. W. Maxey - Chairman
- George F. Greve
- Tully H. Turney
- Robert R. Augsburger - Secretary
- William D. Kinsell
- Robert B. Woodward (Alternate for Mr. Kinsell)

PATENT COMMITTEE
- Glenn M. Davidson - Chairman
- Robert D. Horner
- Charles E. Carney
- Gerald G. Christensen
- Dr. Joseph P. Bain
- Dr. Harry J. Kiefer
- Dr. John V. Luck
- A. C. Dreshfield
- Merton H. Douthitt - Secretary

RESEARCH COMMITTEE
- Willard C. Lighter - Chairman
- Dr. B. W. Allan
- Dr. Joseph P. Bain
- Merton H. Douthitt
- A. C. Dreshfield
- Dr. John V. Luck
- E. Schulte
- Dr. Harry J. Kiefer (Alternate for Mr. Schulte)

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DONATIONS COMMITTEE
William G. Phillips - Chairman
Paul W. Neidhardt
Harvey L. Slaughter
George S. Warner
Robert R. Augsburger - Secretary

FOREIGN TRADEMARK COMMITTEE
William G. Phillips - Chairman
Merton H. Douthitt - Secretary
Charles E. Carney

PAINT LABELING COMMITTEE
Roger H. Burgess - Chairman
Theodore M. Steppart
Tully H. Turney
C. H. Rundell - Secretary

FOOD LABELING COMMITTEE
Roger H. Burgess - Chairman and Secretary
Frank J. Daniels
Robert L. Lozon

CAPITAL EXPENDITURES SCREENING COMMITTEE
Willard C. Lighter - Chairman
Donald E. Erskine
William G. Phillips

The Chairman reported that according to preliminary operating statements he had received prior to the meeting, net income for the first fiscal quarter ended November 30, 1960 was approximately $1,077,092 or $.47 per share, compared with $1,415,381 or $.61 per share for the same period the preceding year. Mr. Maxey, Vice President--Finance, and each of the operating vice presidents commented briefly on these decreased earnings and on current and anticipated future sales and profits of the Company and its Divisions.

Consideration was given to the monthly report of the General Purchasing Department on developments pertaining to the price and availability of principal raw materials purchased by the Company. Review of a proposed manual of purchasing policies and procedures, distributed to the directors immediately prior to the meeting, was postponed until the January meeting. Mr. R. L. Lozon, Director of Purchases and Trade Relations, was present during discussion of the General Purchasing Department report and its proposed policy manual.

Mr. Slaughter, Vice President--Food Division, discussed his Division's intention to request authority to purchase two Girdler deodorizers during the 1961 calendar year for the purpose of increasing production capacity of the Company's Louisville and Chicago vegetable oil refineries. He said that Mr. John E. Slaughter, Jr., President of the Girdler Process Equipment Division of Chemetron Corporation, had advised him that an estimated $28,000 saving on the total cost of installing these deodorizer units at Louisville and Chicago could be effected if a commitment to purchase the units could be made before January 1. After that date, he explained, Girdler would require escalator clauses in its deodorizer purchase agreements, which would probably increase the cost of these installations. Following a discussion of the benefits to be obtained by making such a commitment, Mr. Slaughter was, on motion made and seconded, unanimously authorized to notify Girdler immediately that the Company intends to purchase two 11,250 lb/hr Girdler Semi-Continuous Deodorizers, at a total price of $343,600 f.o.b. Louisville, for delivery to the Food Division's Louisville and Chicago refineries during the 1961 calendar year. These expenditures, including auxiliary equipment and other installation costs, will be covered by PFE's to be submitted by Mr. Slaughter as soon as adequate supporting data can be obtained.

Consideration of the Twelfth Semi-Annual Progress Report of the Branch Development Committee was postponed until the January Board meeting.

On motion made and seconded the Directors unanimously adopted the following resolution authorizing a listing on the New York Stock Exchange of 100,000 additional shares of the Company's Common Stock to be issued pursuant to its 1959 Stock Option Incentive Plan:

> RESOLVED, that application be made by this Company to the New York Stock Exchange for the listing on said Exchange of 100,000 additional shares of Common Stock par value $10.00 of the Company to be issued pursuant to the 1959 Stock Option Incentive Plan; and
>
> FURTHER RESOLVED, that Dwight P. Joyce, President, B. W. Maxey, Vice President, R. D. Horner, Secretary and R. K. Dutton, Assistant Secretary of this Company and each of them be and they hereby are designated and authorized to appear before the Board of Governors of said Exchange in connection with any matters relating to such listing, with authority to execute in the name and on behalf of this Company any and all such applications, amendments to applications, agreements or other instruments with respect to such listing of said Common Stock as may be necessary or proper to comply with the requirements of said Exchange.

On motion made and seconded the Directors unanimously approved an Agreement with the National Merit Scholarship Corporation of Evanston, Illinois, to carry out arrangements made by the Donations Committee for four scholarships to be awarded by the Company during 1961 under the National Merit Scholarship Program approved by the Board May 17, 1957.

The Directors reviewed the Secretary's monthly report dated December 7, 1960, on matters on which Directors and Executive Committee action had been taken and on which other action was pending.

At 11:45 A.M. the meeting was recessed for luncheon and reconvened at 1:30 P.M.

The Directors considered a proposal by the Treasurer, Mr. Phillips, whereby the Company would lend its Venezuelan subsidiary's licensee, Pinturas Centro-Americanas, S.A., of Guatemala City, Guatemala, up to $125,000 to expand its paint business. The need for this financing and the details of the proposed loan arrangement were outlined in memoranda dated December 7, 1960, addressed by Mr. Phillips and Mr. R. R. Augsburger, Director of Financial Relations, to each of the directors. It was explained that if the Company rather than its subsidiary, Glidden International, C.A., made this loan, an ICA guarantee against expropriation could probably be obtained. Following careful consideration, a $100,000 loan to Pincasa and, at the discretion of the President and the Treasurer, an additional loan of not to exceed $25,000 within a period of one year were, on motion made and seconded, unanimously approved by the Directors.

Mr. Halsey, Vice President--Chemicals Division, requested and the Directors, on motion made and seconded, unanimously granted him authority to commit the Company to certain land acquisitions which he described as essential to his Division's future New Jersey mining operations as authorized by BAR 33-1 approved by the Board June 23, 1959. According to Mr. Halsey, it was desirable to simultaneously complete negotiations for two of these land acquisitions in the very near future. The authorized acquisitions include purchase from Ralston Purina Company of a 50-foot strip containing approximately 8.8 acres to be used for a railroad spur providing access to the mining area. It was estimated that this strip could be acquired for $27,000 plus closing expenses. It was explained that in order for the Ralston Purina right-of-way to be of value, an easement would also have to be obtained through the Houdaille Construction Company's property which would permit connection of the spur line with the Jersey Central Lines' railroad. The amount to be paid for the Houdaille property would, said Mr. Halsey, be a matter of negotiation. However, he anticipated that the cash consideration involved would be nominal inasmuch as the transaction would probably involve providing Houdaille gravel from the Company's mining operations at a minimum royalty. Mr. Halsey stated that in addition he wished to acquire a parcel of land consisting of approximately 56 acres, known as the Inman property. This property separates a large parcel of land owned by the Company, known as the Tissot Tract, from a 40-acre parcel of land owned by the Company north of the Tissot Tract. It was explained that conflicting surveys and deed descriptions had resulted in questionable titles and a gap between the two parcels. Acquisition of this latter property, it was pointed out, would also provide a supplemental water source for mining operations, as well as needed drainage to the Toms River. Mr. Halsey estimated that the total cost of the three acquisitions would not exceed $50,000.

Mr. Halsey discussed with the Directors negotiations he proposed to undertake with the Crane Company of Chicago, Illinois, for acquisition of the assets of its Johnstown, Pennsylvania iron powder business, known as its "Metals Division". He estimated that the Company could acquire these assets, consisting of land, plant facilities and inventories, at a cost of not to exceed $825,000. Under the arrangement which he proposed, accounts receivable would be collected by the Company for the seller's account, and no substantial past service pension liability would be incurred.

Messrs. Weeks and Maxey discussed with the Directors a proposal made by Union Properties, Inc. whereby the 15-year lease entered into by the Company, commencing January 1, 1957, of the ninth floor of the Union Commerce Building in Cleveland, Ohio, would be extended an additional five years at a rental to be determined at the expiration of the initial fifteen-year period on the basis of the lessor's then current rental rates. It was pointed out that if this commitment were made, certain concessions could be obtained from the lessor which could probably not otherwise be obtained at a later date. The Chairman asked that Messrs. Maxey and Weeks explore this possibility further and discuss the matter with the Executive Committee within the next few weeks.

There being no further business to come before the Directors, the meeting was adjourned at 3:15 P.M.
