MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
OF THE GLIDDEN COMPANY

Minutes of the regular monthly meeting of the Board of Directors of The Glidden Company held in the Directors Room of the offices of the Company, 900 Union Commerce Building, Cleveland, Ohio on Friday, May 17, 1957 at 10:00 A.M.

The following directors were present:

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

Dr. W. David Stalicup was not present at the meeting.

Mr. Lewis W. Lawson, Executive Vice President and Managing Director of the Company's Canadian subsidiary, The Glidden Company, Limited, attended the meeting at the invitation of the Chairman.

Mr. Joyce, Chairman, presided and Mr. Horner, Secretary, recorded the minutes.

Copies of the minutes of the April meeting of the directors having been mailed to each director, the directors present, upon motion duly 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.

Upon motion duly made and seconded the Directors unanimously approved action taken by the Executive Committee since the April meeting of the Board of Directors, as reported in copies of minutes of the Executive Committee meetings mailed to each director.

GLD007903

The Chairman reviewed the Company's operations as reflected in the Consolidated Balance Sheet and Operating Reports for the month of April, 1957. A memorandum prepared by Mr. Warner, Controller, dated May 15, on the subject of "Profits," was also discussed. The Chairman complimented the Controller on the excellent profit analysis contained in his memorandum. Messrs. Duncan, Slaughter and Halsey commented, respectively, on the operations of the Paint, Food and Chemicals-Pigments-Metals Divisions. Mr. Lighter reported briefly on the operating results of the Chemurgy and Southern Chemicals Division. Mr. Lawson reported on the operations and future outlook of the Company's activities in Canada. Mr. Maxey, Vice President--Finance, commented on the Company's profit outlook.

Mr. Phillips, Treasurer, reported on the status of short-term loans and on other borrowings, finished goods inventories, and accounts receivable.

The regular quarterly dividend of fifty cents per share was declared on the Common Stock of the Company. Upon motion duly made and seconded, it was unanimously

> RESOLVED, that a regular quarterly dividend of fifty cents ($.50) per share on the Common Stock of this Corporation be and it hereby is declared payable July 1, 1957 to stockholders of record at the close of business May 31, 1957.
>
> FURTHER RESOLVED, that the proper officers of this Corporation be and they hereby are authorized to do everything necessary to carry out the terms of this resolution.

All PFE's approved by the Executive Committee and/or the President, as well as those PFE's approved by the Vice Presidents and Engineering Department, as set forth in reports prepared by the Accounting Department dated May 9, 1957 covering the month of April were, upon motion duly made and seconded, unanimously approved by the Directors.

Mr. Lighter, Executive Vice President, presented and the Directors, upon motion duly made and seconded, unanimously approved PFE No. 71-425 in the amount of $124,676 providing major requirements for fire protection for the Southern Chemical Division's Jacksonville plant as recommended by the Factory Insurance Association. It was stated that in addition to the insurance savings which this expenditure would make possible, the equipment to be installed and other changes to be made under the PFE would materially reduce risks of a major fire at Jacksonville. Mr. Lighter pointed out that such a fire might seriously interfere with the Division's ability to hold customers for its new chemical products and that a loss of customers as a result thereof could be of greater consequence than the attendant destruction of physical assets.

Mr. Gene D. Miller presented the Purchasing Department's monthly report on developments pertaining to the price and availability of chemicals, containers, vegetable oils and other agricultural commodities, metals, fuel, and other materials purchased by the Company. He also reported on the current status of the Company's raw material inventories.

Mr. Duncan presented and the Board, upon motion duly made and seconded, unanimously approved PFE No. 1-723 in the amount of $207,000 covering purchase and installation of automatic gas and oil fired boilers in the power house of the Cleveland plant. This authorization, he said, would include removal of the steam return line in the present tunnel and placing it above ground. Estimated savings were $30,000 per year. Project approval for this expenditure was granted by the Executive Committee on March 23, 1957 in connection with authorization for rebuilding and rehabilitation of the Cleveland paint plant following the fire which occurred February 25.

Mr. Duncan presented and the Directors, upon motion duly made and seconded, unanimously approved PFE No. 17-385 in the amount of $21,988 covering purchase and installation of five 1,200 gallon thinning tanks to be installed in the Paint Division's Midwest plant at Chicago. Mr. Duncan said that the tanks would be suitable for removal and reinstallation in a new centralized trade sales plant being considered for the Chicago area.

Mr. Slaughter submitted and the Directors, upon motion duly made and seconded, unanimously approved PFE No. 23-701 in the amount of $386,391 covering the purchase and installation of new equipment for the manufacture of coconut and condiment products by the Food Division at Bethlehem, Pennsylvania. Project approval for this expenditure had been previously granted by the Board at its April 19, 1957 meeting.

Mr. Slaughter reported that a number of buyers had expressed interest in acquiring the building presently used by the Food Division for its coconut and condiment manufacturing operations and previously used by its vegetable oil refinery at Elmhurst, Long Island, New York. He was authorized to negotiate further with all interested buyers for disposition of this property on the most advantageous terms possible and to submit a proposed contract for the sale of the building to the Board or the Executive Committee for approval.

Mr. Duncan presented a proposal for a centralized coatings laboratory. His proposal included acquisition of a building owned by the Minnesota Mining & Manufacturing Company located at 12430 Elmwood Avenue, Cleveland, Ohio at a cost of $265,300. He estimated that the initial cost of converting one-third of this building, now used for office purposes, to a laboratory would approximate $75,000. The balance of the building would be used, he said, as a paint warehouse. Within two to five years, however, the entire building, he said, would be converted to laboratory use and would provide facilities for between 60 and 75 research employees. The additional cost of this further conversion, he said, would approximate $150,000. Mr. Duncan's proposal and a contract for acquisition of the Elmwood Avenue property, as summarized in a memorandum dated May 13 addressed to each of the directors by Mr. W. P. Stetzelberger, Assistant Secretary, were, upon motion duly made and seconded, unanimously approved.

At 12:00 Noon the meeting was recessed by the Chairman for luncheon and reconvened at 1:30 P.M.

The Directors considered a proposal whereby the Company would contribute four 4-year scholarships each year under the National Merit Scholarship Program. The proposal was presented in the form of a memorandum dated May 14, 1957 addressed by Mr. Phillips as Chairman of the Donations Committee to each of the directors. It was estimated that the cost of each scholarship would approximate $1,200 per year. The proposal was, upon motion duly made and seconded, unanimously approved, subject to a condition that preference be given to Glidden employees and their relatives in respect to two of the four scholarships to be awarded each year under the plan.

Consideration was given to the Controller's report on unexpended and over-expended capital PFE requisitions and net capital expenditures for the month of April.

Mr. Slaughter reported on the status of the transfer of refinery operations from the Food Division's Elmhurst plant to Louisville and Elston Avenue, Chicago as authorized by the Board August 17, 1956.

The Directors reviewed the Secretary's monthly report dated May 15, 1957 on matters on which Directors and/or Executive Committee action had been taken and on which other action is pending.

Mr. Richard O. Westley, General Manager of the Chemurgy Division, was nominated and, upon motion duly made and seconded, unanimously elected a Vice President of the Company.

Mr. Halsey stated that as a result of investigations he and Mr. R. E. Dorfmeyer, Director of Acquisitions, had made of prospects for selling the Chemicals-Pigments-Metals Division's Scranton, Pennsylvania white lead plant, several potential buyers had visited the plant and expressed interest in acquiring it. A Mr. Morris Barocas of New York, he reported, had proposed negotiation of a sales contract with a company he controlled providing for a cash purchase price of $100,000 for the plant's fixed assets and cash payment for inventories on the basis of cost or market, whichever was lower. A purchase of the plant by Mr. Barocas, he said, would be subject to an agent's finder fee of 10% of the price of the fixed assets. Following discussion of the desirability of disposing of the

GLD007908

Scranton operation, Mr. Halsey was, upon motion duly made and seconded, unanimously authorized to negotiate further with Mr. Barocas for the sale of the plant as well as with other parties interested in acquisition of the plant on terms at least substantially equivalent to those offered by Mr. Barocas. It was understood that if Mr. Halsey was successful in these negotiations a final contract would be submitted to the Executive Committee for approval.

The Chairman reported to the Directors on his inspection during the past month of the Southern Chemical Division's plants at Jacksonville, Florida and Valdosta, Georgia. He expressed particular satisfaction with the Jacksonville facilities, as well as enthusiasm for the future of that operation.

There being no further business to come before the Directors the meeting was adjourned at 2:45 P.M.