A MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation, on the 11th floor at No. 22 East 40th Street, New York City, on Wednesday, the 16th day of July, 1947, at 9:20 in the forenoon.

The following Directors were present, constituting a quorum:

Messrs. Walter H. Aldridge
Henry C. Alexander
Alvin Brown
R. W. Lea
H. E. Manville, Jr.
E. T. Stannard

In the absence of the Chairman, Mr. R. W. Lea, President of the Corporation, acted as Chairman of the meeting and presided thereat and Mr. Vandiver Brown, Secretary of the Corporation, acted as Secretary of the meeting and kept the minutes thereof.

A notice of the meeting and affidavit of mailing the same to all the Directors of the Corporation were presented to the meeting and, on motion, duly made, seconded an unanimously carried, were ordered filed with the minutes of the meeting.

The minutes of the regular meeting of the Board of Directors held on June 17, 1947 were read to the meeting and, on motion, duly made, seconded and unanimously carried, were ratified and approved as recorded.

Mr. Lea then read the Monthly Report of the President which presented the latest operating results and reviewed various developments of interest which did not, however, require any action by the Board. Sales for the second quarter had been the highest ever recorded for a similar period. Among other matters, the Report covered the pending strike at Marrero, and the contract recently signed by the Mexican subsidiary for managing, on a fee basis, a new Insulating Board plant to be constructed in Mexico. No capital investment had been involved nor was any stock interest to be received. The meeting was also advised that six plants were at present operating on the basis of a 40-hour week, as were a number of departments in other plants.

The President next read a report to the meeting entitled "Status of Capital Expenditure Programs, July 1947", a copy of which was in the possession of each of the Directors as a part of the agenda. This report covered both Program I,

98

for which full appropriation had been made, and also Program II, which was currently limited to urgent projects as specified in the policy established by the Board at the June 17, 1947 meeting. The report covered new projects approved by the officers without Board approval where the yield was in excess of 40% of average investment ($31,740); a project approved by the officers for eliminating bottlenecks in existing facilities where the return would be more than 40% ($14,577); a project urgently required for safety ($6,261); and the aggregate appropriation ($67,344) approved by the officers for a group of miscellaneous projects, no one of which required an expenditure of more than $2,500.

The meeting was informed that the Manager of the Jarratt Plant of Southern Johns-Manville Products Corporation had, without authority, contracted for the purchase of 576 acres of timberland. The land was located in close proximity to the plant and could be obtained at what everyone considered was a very attractive price under existing conditions. Although the subsidiary was in a position to repudiate the commitment, the officers felt they should proceed with the purchase.

It was the consensus that, under the circumstances outlined, the officers of Southern Johns-Manville Products Corporation were justified in making the contract and the Directors unanimously recommended that they complete the purchase.

The meeting was further informed that the officers of Johns-Manville Products Corporation proposed to make the following capital expenditures in the amounts indicated for various projects, all of which involved either necessary replacement of existing facilities; were required for safety and health; or would provide an extraordinary return on investment:

Project	Expenditure
Dust collection equipment at Lompoc, involving use of wet spray	$ 70,650
A second fume stack at Richmond	43,450
Re-conditioning and improvement of Sorbocel plant at Lompoc	18,122
Replacement of patched and badly corroded roof on mortar plant at Lompoc	24,079
Replacement of motor grader at Lompoc	10,559
Purchase of an additional air compressor at Lompoc	7,609

99

Purchase and remodeling of old ranch house to provide living quarters for Mexican Labor at Lompoc	$ 15,000
Replacement of obsolete and inadequate feed water heater at Waukegan	16,878
Replacement of lathe for machining Transite Pipe at Waukegan	16,500
Replacement of obsolete milling machine at Waukegan	14,061
Replacement of worn-out shaper in building products shop at Waukegan	5,877
Replacement of two brake lining drill presses at Waukegan	3,425
New pumping equipment to increase water supply at Alexandria	3,257

The officers of Asbestos and Danville Railway Company had taken steps to purchase a pumphouse and certain land belonging to the Danville Water, Light & Power Company, Limited in order to remove a rather serious potential liability occasioned by the fact that the Asbestos Mines dumps frequently caused water to back up and flood the pumphouse, thereby putting it completely out of commission for greater or lesser periods of time. This condition had been the source of considerable annoyance and expense over a period of years and for an expenditure of $10,000 (which would enable the Power Company to move to another location) all existing and potential future claims for damages could be disposed of.

The officers of Johns-Manville, S.A. the Belgian subsidiary, were required by Belgian law, under penalty of fine, to provide an "employee relations building" at Moll, with locker room, washroom, etc. This would involve an expenditure of over $13,000. The officers of the subsidiary naturally intended to comply with this legal requirement and also intended to expend an additional sum to replace a garage and employees' bicycle shed that had been destroyed during the war. The total expenditure for the entire project would be approximately $20,400.

It was the consensus that the contemplated expenditures by Johns-Manville Products Corporation, Asbestos and Danville Railway Company and Johns-Manville S.A. were justified under the circumstances and accordingly the Directors unanimously recommended that the officers of the subsidiaries proceed in accordance with their plans.

100

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The President also advised the meeting that the officers of the Corporation recommended an expenditure of approximately $10,000 to provide additional parking facilities at the Manville plant; of approximately $4,000 for replacement of five thousand worn or broken twister spools in the Textile Department; of approximately $5,000 for improvements in the experimental shingle and board machine in the Research Laboratory; and of approximately $5,700 to provide adequate facilities for demineralizing water in the Research Laboratory.

Thereupon, on motion, duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED that the officers of the Corporation be, and they hereby are, authorized to expend at the Manville plant of the Corporation not in excess of $24,700 for the various projects presented to the meeting by the President and covered in that portion of the agenda entitled "Capital Expenditure Proposals".

The Directors were reminded that, in approving the second stage of the Research Center, they had appropriated $560,000 for a Mechanical Building. Because of the inadequacy of space in the General Office Building, it would be necessary to move the General Engineering staff and provide new quarters for this department. Rather than have an engineering and mechanical building for Research and another for General Engineering, it had seemed logical, since these two divisions would work closely together, that they should be combined to provide greater flexibility and economy in ultimate cost. For this reason the officers recommended that the location and size of the projected building for the Research Center be altered at an additional cost of approximately $401,000. Before he left for Europe the Chairman of the Board had endorsed this proposal and, at the President's request, the Secretary read to the meeting a letter dated June 20, 1947 from the Chairman to the Executive Committee. Mr. Lea explained he had been unable, because of the lack of a quorum, to convene a meeting of the Executive Committee in advance of the Board meeting. He also presented and explained to the meeting certain blueprints and drawings which showed the location and dimensions of the Research Center Building, the erection of which had been approved by the Board, and the location and dimensions of the proposed larger building which would provide facilities both for the Research and for the General Engineering Staff.

After discussion, it was decided that action on this proposal should be postponed and referred to the Executive Committee for final decision.

101

The attention of the Directors was called to the Report on Bank Balances as of June 30, 1947, a copy of which was in the possession of each of the Directors as a part of the agenda.

The meeting was informed of the death of Mr. Emil E. Thompson, a member of the Quarter Century Club, who at the time of his retirement in 1946 was employed in the Chicago District Office.

Thereupon, on motion, duly made and seconded, the following resolutions were unanimously adopted:

> BE IT RESOLVED, that the Board of Directors of Johns-Manville Corporation expresses its deep sorrow at the death of an honored member of the Quarter Century Club who was with the Johns-Manville organization for many years, that it recognizes his years of faithful service in the interests of the Company and commends his loyalty; and
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> BE IT FURTHER RESOLVED, that copies of this resolution together with the Board's condolences be transmitted to his family and his fellow workers.

The meeting was also informed of the death of Mr. William C. Trimmer, another member of the Quarter Century Club, who at the time he retired in 1946 was employed at the Manville Factory of the Corporation.

Thereupon, on motion, duly made and seconded, the following resolutions were unanimously adopted:

> BE IT RESOLVED, that the Board of Directors of Johns-Manville Corporation expresses its deep sorrow at the death of an honored member of the Quarter Century Club who was with the Johns-Manville organization for many years, that it recognizes his years of faithful service in the interests of the Company and commends his loyalty; and
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> BE IT FURTHER RESOLVED, that copies of this resolution together with the Board's condolences be transmitted to his family and his fellow workers.

Whereupon, on motion, duly made and seconded, it was unanimously resolved that the meeting adjourn.

Secretary.

102