Mr. Lewis H. Brown has requested I notify you that a meeting of the Executive Committee of the Board of Directors will be held on Wednesday, June 11, 1947, at 4:00 P.M., in the Board Room on the 11th floor at No. 22 East 40th Street.

VANDIVER BROWN
Secretary.

STATE OF NEW YORK)
: ss:
COUNTY OF NEW YORK)

VANDIVER BROWN, being duly sworn, deposes and says that he is Secretary of Johns-Manville Corporation, and that on the 9th day of June, 1947, at the direction of Mr. Lewis H. Brown, Chairman of the Board, he duly served a notice, of which the above is a copy, upon the following Directors of said Corporation, by depositing in a U. S. mail box said notice contained in a postpaid sealed envelope addressed to each of said Directors who, together with Mr. Lewis H. Brown, comprise all the members of the Executive Committee of the Board of Directors of Johns-Manville Corporation:

Mr. Henry C. Alexander,	23 Wall Street, New York 8, N.Y.
Mr. John W. Hanes,	959 Eighth Avenue, New York 19, N.Y.
Mr. E. T. Stannard,	120 Broadway, New York 5, N.Y.
Mr. E. M. Voorhees,	71 Broadway, New York 6, N.Y.

Vandiver Brown

Sworn to before me this
9th day of June, 1947.

Charles R. Binder

CHARLES R. BINDER
NOTARY PUBLIC
Bronx County Clerk's No. 18
Bronx County Register's No. 25-B-9
New York County Clerk's No. 109
New York County Register's No. 152-B-9
Commission Expires March 30, 1949

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A MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation at 22 East 40th Street, New York City, on Wednesday, June 11, 1947, at 4:00 o'clock in the afternoon.

The following members of the Executive Committee were present, constituting a quorum:

Messrs. Henry C. Alexander
Lewis H. Brown
E. M. Voorhees

Also present throughout the meeting was Mr. Alvin Brown, Vice-President.

Mr. Lewis H. Brown was appointed Chairman of the meeting and Mr. Vandiver Brown, Secretary of the Corporation, acted as Secretary of the meeting and kept the minutes thereof.

The Chairman stated that the purpose of the meeting was to review the proposed program for additional financing and specifically to consider the proposed arrangement for a loan from Metropolitan Life Insurance Company. As a preliminary, each Director was provided with a report entitled "Capital Expenditure Program" containing a summary of the first phase of the program, a list of all projects included in the first program, and of those projects showing a substantial increase in cost over the original estimate. As to the first phase of the program the Committee was also advised as to (a) the amount expended, (b) the amount committed, (c) the amounts that would be expended during 1947, 1948 and 1949 in order to complete the first phase, and (d) the source from which funds would be derived to meet the commitments.

The meeting was then provided with a summary of the terms upon which Metropolitan Life Insurance Company had offered to loan up to $25,000,000 at an interest rate of 2.7% per annum, with a stand-by charge of 1/2 of 1% for the unused portion. The terms contemplated the borrowing of $5,000,000 immediately, the remainder to be available at any time up to December 31, 1950 in multiples of $2,500,000.

There was discussion of the proposal, with particular reference to the provision for amortization and the call premium. During negotiations with representatives of Metropolitan it had been assumed that there would be no restrictions involved other than a prohibition on any mortgage loan which did not give the Metropolitan loan equal security.

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The Chairman was authorized, in accordance with understanding reached with Metropolitan Life Insurance Company, to offer 20% of the loan to Mutual Life Insurance Company, on the same terms.

After discussion, the Committee unanimously recommended that the Board authorize an arrangement with Metropolitan Life Insurance Company and the Mutual Life Insurance Company for a loan of the type outlined, provided it involved no unduly burdensome restrictions.

The Chairman advised the meeting that the officers intended to limit any further proposals for capital expenditures to the following classes, pending clarification of the economic trend and stabilization of construction costs:

(1) Profitable changes of or additions to projects already approved, that can be more economically made in connection with the original project.

(2) Cost reduction projects that will yield a return on average investment of not less than 40% before income taxes as compared to 15% on our formula basis.

(3) Elimination of bottlenecks in existing facilities where the earnings from added volume will yield a return on new investment of not less than 40% before income taxes.

(4) Projects urgently required for safety and health, or to prevent complaints of working conditions.

(5) Research equipment necessary in order not to delay important research and development work.

(6) Miscellaneous small projects not exceeding $2,500 each, to be reported to the Board monthly in total amount.

(7) Other projects if presented to and approved by the Board.

It was the consensus of the Committee that, under existing conditions, the plans for future growth of the company as contemplated under the second phase of the program should be retarded; that further expenditures should be very carefully scrutinized; and that the officers should bring before the Board

only the most urgent projects until the economic trend became clearer. The Committee, however, suggested that research and engineering work go ahead but that no appropriation be made and no work be started except on the most urgent projects, with the object of limiting additional expenditures until the first phase was completed or the economic trend clarified.

The Committee also requested a re-determination in the near future of the rate of return to be expected from the larger projects which were showing a substantial increase in cost over the original estimate and that the Vice-President for Finance be prepared to report to the Board after the larger projects were in operation as to results attained in comparison with advance estimates.

There being no further business, it was, on motion, duly made and seconded, unanimously resolved that the meeting adjourn.

Sanderson Brown
Secretary.

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