

NIBCO INC.
DIRECTORS' MEETING
OCTOBER 6, 1987

A regular meeting of the Board of Directors of NIBCO INC. was held at Chicago, Illinois, on October 6, 1987.

FORMALITIES

Six directors were present and Peter Stalker was absent.

The minutes of the meeting of July 27, 1987, were approved.

The President reported on a recent compensation study done by the Wyatt Company. Based on study data, officers' and directors' compensation were proposed. On motion duly made, seconded and unanimously carried, the officers' and directors' compensation proposal was approved.

OFFICERS'
REPORTS

The Chairman presented a study of NIBCO INC. outstanding 13% debentures. After discussion there was consensus that the 13% interest rate was too high for NIBCO to reasonably continue, and that redeeming the debentures in 1987 (rather than 1988) would be tax advantageous to debenture holders. On motion duly made, seconded and unanimously carried, it was:

DEBENTURE
RETIREMENT

RESOLVED, That notice should be given to the Trustee to redeem the debentures prior to 1988, and that a suitable letter of explanation should accompany such notice to debenture holders.

Wes McCain reported on the status of the equity fund portion of the Individual Retirement Trust account. Performance has recently lagged the general stock market, but has avoided accumulating presently perceived levels of risk in the general stock market.

REPORT ON
IRT FUND B
PERFORMANCE

The Vice President - Finance provided a review of the Company's financial performance through eight months, and offered a forecast of 1987 and 1988. A summary of the proposed sale of the Augusta facility was made, and on motion duly made, seconded and unanimously carried, it was:

FINANCIAL
REVIEW

RESOLVED, That the sale of Augusta was approved as presented.

AUGUSTA
PROPERTY
SALE