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AGENDA

BOARD OF DIRECTORS MEETING

September 16, 1959

1 Reports of Chairman and President - Report of Executive Vice President -

2 Listing of Additional Stock and Authorization to Transfer Agents and Registrars -

3 Proposed Amendment of Retirement Plan - New Section 25 -

4 Data on Division Operations -

5 Death of Members of Quarter Century Club -
Mattie Gilbert (Waukegan - Retired)
Stanley Dokmanus (Waukegan - Retired)
Stanley F. Bentley (Dutch Brand - Retired)

6 Approval of Minutes -
Regular Board Meeting of August 19, 1959
Special Board Meeting of August 31, 1959

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A REGULAR 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 September, 1959, at 9:30 in the forenoon.

The following Directors were present, constituting a quorum:

Henry C. Alexander
John D. Biggers
C. B. Burnett
Edgar G. Burton
L. M. Cassidy
A. R. Fisher
Joseph A. Grazier
Roger Hackney
John W. Hanes
C. F. Rassweiler
E. M. Voorhees

A. R. Fisher, Chairman of the Board and President of the Corporation, acted as Chairman of the meeting and presided thereat and Herbert Morton Ball, 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, and unanimously carried, were ordered filed with the minutes of the meeting.

The members of the Board of Directors had been furnished in advance of the meeting with most of the material which would be of value in aiding their consideration of the matters appearing in the agenda book.

In his Monthly Report, the Chairman advised that in order to produce the quantity of Permacoustic required to meet the sales forecast, the officers of Johns-Manville Products Corporation proposed to enlarge the finishing department, replace present finishing equipment with improved and higher speed facilities, and add a high-speed drying oven at the Alexandria Plant at a cost of $519,060 (of which $131,660 was expense). In addition to increasing capacity, these moves would also reduce costs. The return on investment was 29%.

The officers of the same subsidiary proposed to expend $830,130 (of which $270,000 was expense) for the installation of facilities in the Pipe Plant at Watson for the bulk handling and dust control of raw materials which, by their nature, were very dusty. An unsatisfactory condition existed not only in the immediate working area but also in areas where other personnel were located. The proposed equipment was similar to that in operation at

other pipe plants. Mr. Fisher advised the meeting that the Watson Plant was originally built in 1937, at which time it had a capacity of 16,000 tons with an annual value of $2,000,000. This capacity was enlarged in 1947 and was now turning out 77,000 tons valued at $15,000,000, but without any improvement in the original dust control system. He pointed out that dust counts were still above the State of California and Johns-Manville standards. At present the potential liability for compensation for employees already affected by these unsatisfactory conditions was over $1,000,000 and the conditions must be corrected. The expenditures required solely for dust control amounted to $449,130 and would yield no return. The expenditures required primarily for dust control but which would also result in some cost reductions amounted to $381,000 and the yield would be 10%. The total amount would be expended at the rate of 10% in 1959, 50% in 1960 and 40% in 1961.

After discussion, it was the consensus that the proposed expenditures by Johns-Manville Products Corporation were justified and it was recommended that the officers of the subsidiary proceed in accordance with their plans.

The Chairman, in his report, also advised that the option was exercised on September 15 to acquire F. E. Schundler & Co., Inc. for 148,000 shares. Additional negotiations since the Board special meeting on August 31 reduced the price by another 1,000 shares. The closing date would be September 22. The patent suit brought by Great Lakes Carbon, which could have involved a liability of $500,000 or more, was settled through direct negotiations with Great Lakes Carbon on a satisfactory basis. The suit was cancelled. Johns-Manville agreed to recognize Great Lakes Carbon's patents and to pay a royalty under certain defined conditions. A satisfactory royalty arrangement also had been made with three of Schundler supervising personnel for the production and sale of an acoustical product developed by them. Several samples of this product were submitted to the meeting. Notices of this acquisition would be distributed to employees of both organizations, Friday, September 18. The press would be given a minimum of facts about the acquisition for publication on Monday, September 21. Plans for operation of the Board Plant by the Building Products Division, and the ore body, mill and the remainder of the business by the Celite Division would be completed, and personnel was now being interviewed to determine those who would best fit into the organization.

The Chairman's Report further informed the meeting that Johns-Manville had been offered by the Kennecott Copper Company a part interest in the development and operation of an asbestos fibre mine in Greece. After careful study and consideration, management did not feel that this was an economically desirable investment, and therefore had advised the Kennecott Copper Company that Johns-Manville was not interested in joining with it in this venture.

The Chairman briefly summarized a report on the status of appropriation expenditures, September 1, 1959, and a report of

completed projects as of September 1, 1959, and also called attention to the data on Division operations, all of which formed part of the agenda in the possession of the Directors.

Mr. Fisher then read his Monthly Report as President, which presented latest operating results. He informed the meeting that August sales of $33,116,000 were $2,900,000 ahead of last August with the same number of working days in both months. For eight months, sales were $247,939,000 compared to $212,739,000 last year. For eight months, the cost ratio was 69.4% -- 3.4 points less than last year. Division operating expenses for the year so far amounted to $29,059,000 compared to $25,603,000 last year -- their ratio to sales was .2 point less this year. Operating earnings for eight months were $45,226,000 -- $14,271,000 (or 46%) ahead of last year. For the month, net earnings were $2,274,000 compared to $2,363,000 last August. For eight months, they were $2.47 per share as compared to $1.63 per share last year. Inasmuch as August earnings were disappointingly low as compared with immediately preceding months, detailed studies were being made to determine the causes. The meeting was advised that the foregoing 1958 figures included L.O.F. Glass Fibers Company.

The President's Report included a "Summary of Securements - 1958 vs. 1959" broken down by Divisions and by months for all Divisions. The securements for 1958 did not include fiber glass but did include it for 1959.

At the request of the Chairman, the Executive Vice President read his Monthly Report, which presented a review of current developments. He informed the meeting that securements for the month of August exceeded $30,000,000 for the sixth consecutive month and, while lower than in July, were appreciably higher than in August 1958. This same situation held true in practically all the individual divisions. The business outlook continued favorable. Price increases, which had been made effective since the last report, on asbestos paper and millboard, Spintex, fiber glass roll goods, and friction materials would return $136,000 in 1959 and $496,000 annually. In the case of purchased materials, price reductions on roofing granules would result in savings of $125,000 per year. New monthly records for the production and shipment of Permacoustic from Alexandria were established at 982,000 and 916,000 square feet, respectively. Lack of steel for the manufacture of Sanacoustic had curtailed production from a three-shift to a two-shift basis. The Company's current usage was 10 tons per day and present supplies would be exhausted October 7.

The report further noted that there had been no change in the strike situation at Marrero. At New Brunswick, on a wage reopening clause, wages were increased 4% and an eighth paid holiday was granted. At Parkersburg agreement was reached with the electricians on a two-year contract expiring September 1, 1961. Wages were increased 4% and an increase of 3-1/2% would become effective September 1, 1960. At Richmond a two-year contract was signed which would expire August 17, 1961. Wages were increased

4% and would be increased 3% effective August 17, 1960. At Stockton a two-year agreement was reached to September 1, 1961. Wages were increased 4% with provision for wage reopening discussions on August 31, 1960. An eighth paid holiday was granted effective in 1960.

The Chairman called attention to that part of the agenda book containing resolutions relating to the acquisition of F. E. Schundler & Co., Inc.

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

RESOLVED that the action of the officers of the Corporation in exercising the option to purchase all the issued and outstanding shares of stock of F. E. Schundler & Co., Inc., an Illinois corporation, in exchange for an aggregate of 148,000 shares of authorized but unissued Common Stock ($5 par value) of the Corporation be and the same hereby is in all respects approved and ratified;

RESOLVED that the form of the Agreement dated September 22, 1959 between Johns-Manville Corporation and Mr.F.E. Schundler, Mrs. L. H. Sprague and Mr. A. C. Marshall presented to this meeting be and the same hereby is in all respects approved and that the Chairman and President or any Vice President of the Corporation be and each of them hereby is authorized on behalf of the Corporation to execute and deliver an Agreement substantially in such form with such changes therein as may be approved by the officer executing the same, such approval to be conclusively evidenced by such execution, and that the Secretary or any Assistant Secretary be and each of them hereby is authorized to affix the seal of the Corporation to the Agreement as so executed and to attest the same;

RESOLVED that the proper officers of the Corporation be and they hereby are authorized to cause to be issued and delivered certificates for not exceeding 148,000 fully paid and non-assessable shares of Common Stock ($5 par value) of the Corporation against the sale, transfer and delivery to the Corporation of all the outstanding shares of stock of F. E. Schundler & Co., Inc., in accordance with the terms and conditions of the Agreement referred to in the preceding resolution;

RESOLVED that the Chairman and President or any Vice President or the Secretary be and each of them hereby is authorized to make application on behalf of the Corporation to the New York Stock Exchange, the Montreal Stock Exchange and the Toronto Stock Exchange for the list-

ing thereon upon official notice of issuance of the additional shares of Common Stock of the Corporation the issuance of which has been authorized at this meeting and to do all acts and things and to execute, file and deliver all papers, instruments or documents as may be necessary or appropriate to effect the listing of said additional shares of Common Stock on each of said Stock Exchanges and that the Chairman and President or any Vice President or the Secretary be and each of them hereby is designated by the Corporation to appear before the Committee on Stock List of the New York Stock Exchange and before an appropriate committee of any other of said Stock Exchanges and before any other body having jurisdiction in the premises with full authority to make such changes in said application or any agreements relative thereto or any other document required in the premises as may be necessary to conform with the requirements for listing;

RESOLVED that for the purpose of an original issue of shares of Common Stock ($5 par value) of the Corporation Morgan Guaranty Trust Company of New York and National Trust Company, Limited (Montreal and Toronto), Transfer Agents for the Corporation's Common Stock, be and each of them hereby is authorized to countersign certificates representing up to (for both of said Transfer Agents) 148,000 additional shares of said Common Stock when such certificates shall be presented to said Transfer Agents duly executed on behalf of the Corporation, and to procure the registration thereof by the Registrar for the Corporation's Common Stock located in the same city as the Transfer Agent so countersigning (the Chase Manhattan Bank in New York, N.Y. and Montreal Trust Company in Montreal and Toronto, Canada) as such Registrars, they being respectively hereby authorized to register such certificates, for not exceeding in the aggregate (for both of said Registrars) 148,000 additional shares of said Common Stock when such certificates shall be presented for registration duly executed on behalf of the Corporation and countersigned by the Transfer Agent for the Corporation's Common Stock located in the same city as the Registrar so registering and thereupon to deliver said certificates when so countersigned and registered to or upon the order of said Transfer Agent;

RESOLVED that the proper officers of the Corporation be and each of them hereby is authorized to do all acts and things and to sign, seal, execute, acknowledge, file, record and deliver all papers, instruments, documents and certificates from time to time necessary, desirable or appropriate to be done, signed, sealed, executed,

filed, acknowledged, delivered or recorded in order to effectuate the purposes of the foregoing resolutions or any of them or to carry out the transactions contemplated by the Agreement presented to this meeting.

RESOLVED that the following be, and it hereby is, adopted as a new Section 25 of the Retirement Plan of Johns-Manville Corporation and subsidiaries:

SECTION 25. F. E. Schundler & Co., Inc.

1. Except as hereinafter specified, no employee of F. E. Schundler & Co., Inc. shall be eligible under this Plan.

2. An employee who is transferred from the "Company" (as defined in paragraph 2 of Section 1 hereof) to F. E. Schundler & Co., Inc. shall be eligible for participation in the Plan upon fulfilling the requirements of paragraph 6 of Section 1 hereof. The eligibility of any such employee or his participation in the Plan (in the event he shall have become a participant prior to his employment by F. E. Schundler & Co., Inc.) shall continue subject to all the provisions of the Plan. The Retirement Committee may provide that his contributions be made in funds in lieu of salary deduction.

3. "F. E. Schundler & Co., Inc." as used herein shall mean the Illinois corporation bearing said name on the date this section was adopted, September 16, 1959, and said corporation as it may be known from time to time pursuant to duly adopted changes of name thereof.

The Directors were advised of the death of the following members of the Quarter Century Club:

Mattie Gilbert, who at the time of her retirement in 1949 was employed at the Waukegan, Illinois, Plant.

Stanley Dokmanus, who at the time of his retirement on May 1, 1959, was employed at the Waukegan, Illinois, Plant.

Stanley F. Bentley, who at the time of his retirement in 1958 was employed in the Dutch Brand Division.

On motion, duly made and seconded, resolutions of condolence were adopted and the Chairman was directed to see that copies were transmitted to the family and fellow-workers of each of the deceased.

The Chairman stated he would entertain a motion with re-

spect to the minutes of the regular Board meeting of August 19, 1959, and the special Board meeting of August 31, 1959, copies of which had been provided each of the Directors at the commencement of the meeting.

Thereupon, on motion, duly made and seconded, the minutes, as submitted, were unanimously approved as recorded.

The Chairman presented his recommendation for an increase in the compensation of two employees whose annual salaries were in excess of $25,000. The Board unanimously approved the Chairman's recommendation and directed that appropriate notations of such approval be filed with the Secretary as amendments to Confidential Minute No. 42.

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

Herbert Morton Ball
Secretary