A MEETING OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the 2nd floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Thursday, March 5, 1981, at 3:00 p.m. pursuant to due notice.

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

J. Jacques Beauchemin
George C. Dillon
Robert L. Geddes
William C. Janss
John A. Love
George B. Munroe
John P. Schroeder
Charles J. Zwick

Also present were John A. McKinney, Chairman of the Board and Chief Executive Officer and a Director, F.L. Pundsack, President and Chief Operating Officer and a Director; L.J. Bartolanzo, Senior Vice President, Finance; J.F. Knoth, Vice President and Controller; F.L. Page, General Auditor; G.R. Johannes, Senior Director of Accounting; Robert A. Boardman, Associate Corporate Counsel and Assistant Secretary; Arthur L. Knight and Ken L. Jensen of Coopers & Lybrand; and Peter Kyle and John D. Ryall of Campbell Sharp.

George B. Munroe left the meeting at 3:45.

Charles J. Zwick acted as Chairman of the Meeting and Robert A. Boardman acted as Secretary.

Approval of Minutes

RESOLVED that the minutes of the Audit Committee meeting held September 5, 1980 are approved.

Messrs. Boardman and Johannes reviewed for the Committee the reasons for and the probable impact of the qualification of Coopers & Lybrand's report on J-M's 1979 and 1980 Consolidated position.

The following were considered in detail by the Committee:

1. Financial Statements for 1980 of Johns-Manville Corporation and Consolidated Subsidiaries, certified by Coopers & Lybrand. (Annual Report to Shareholders).

2. Financial Data for meeting of Audit Committee (Blue Book).

3. Financial Statements for 1980 of Johns-Manville Canada Inc. and Consolidated Subsidiaries, and Johns-Manville Amiante Canada Inc.

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4. Report dated February 4, 1981 from Coopers & Lybrand regarding

   a) Scope of examination
   b) Study and evaluation of Company's system of internal accounting control.
   c) Management replies to observations on internal control - 1979 examination.

5. Report dated February 4, 1981 from Campbell Sharp regarding

   a) Scope of examination
   b) Study and evaluation of Company's system of internal accounting control.

6. Review of Annual Report on Form 10K.

7. Annual Report to Audit Committee by F.L. Page, General Auditor, on 1980 internal audit activities and summaries of officer expense reports.

8. Approval of Non-Audit Services performed by independent auditors.

Mr. Johannes reviewed in detail the financial statements and answered questions from the Committee members. Messrs. Stolanzo and Knoth assisted in providing explanations and additional information to the Committee.

In response to questions by the Committee, representatives of Coopers & Lybrand and Campbell Sharp replied that the scope of their respective examinations of the financial statements corresponded to their letters of proposal; that there were no changes made during the course of the year in the outline set forth in their letters of proposal; that their reviews and tests did not disclose any significant deficiencies in either the system of internal controls or accounting procedures; that they had no criticisms or other observations warranting the consideration of the Committee; that all of their recommendations were either followed or were in the process of being followed; that there were no important recommendations from last year which were still not resolved; and that they had received the full cooperation of the Company's officers and employees.

Mr. Page, in answer to questions, stated that he had no comments or matters to report on in addition to those in his annual report and his report on officer expense reports and that he had received the full cooperation of all departments and responsibilities. Mr. Page stated his resources were adequate to the job.

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Report on Non-Audit Services Performed by Independent Auditors -

Mr. Knoth reported that all of the services actually provided during the year 1980 by the Corporation's independent auditors were in accordance with the normal audit services and certain additional non-audit services approved by the Audit Committee at its March 6 and June 6, 1980 meetings.

It was the Committee's recommendation that resolutions, set forth later in these minutes, describing and approving certain non-audit services as well as normal audit services for the current year be presented to the Board of Directors for adoption.

Recommendations to the Board of Directors

Accept Financial Statements

RESOLVED that the Board accept the financial statements of Johns-Manville Corporation and its Consolidated Subsidiaries as certified by Coopers & Lybrand, for inclusion in the 1980 Annual Report.

Approval of Non-Audit Services Provided by Independent Auditors

RESOLVED that the Audit Committee of the Board of Directors does not consider that the professional services described below impair the independence of Coopers & Lybrand as its principal independent auditor and that senior financial management are hereby authorized to consider Coopers & Lybrand as provider of the following services for the year ending December 31, 1981:

(A) Normal Audit Services which include:

- Meetings with the Audit Committee or the Board of Directors on matters related to the audit.
- Reviews of the system of internal accounting control for the purpose of determining the adequacy of the system when done in conjunction with the examination of financial statements.
- Review of tax provisions to determine appropriateness.
- Consultations during the year on matters related to accounting and financial reporting.
- Review of financial and related information that is to be included in filings with the Securities and Exchange Commission and other regulatory agencies.

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- Preparation of a letter to management on matters coming to the accountants' attention during an examination of financial statements.

- Limited reviews of financial information to be included in interim reports to shareholders and other investors or otherwise made public.

- Issuance of "comfort" letters to underwriters.

- Reviews of sensitive payments or compliance with corporate codes of conduct when done in conjunction with the examination of financial statements.

- Audits of entities that have been acquired by the issuer.

- Reviews of compliance with restrictive clauses in loan indentures or other agreements.

- Services performed in connection with the issuance of special reports under Statement of Auditing Standards No. 14.

- Examinations of the financial statements of the retirement and benefit plans of the Corporation and its subsidiaries as required by the Department of Labor under the Employee Retirement Income Security Act (ERISA).

B. Preparation of tax returns or the rendering of tax advice to the Corporation or its subsidiaries.

C. Preparation of personal income tax returns and income tax consultation for certain of the Corporation's U.S. executives.

D. Training of certain foreign personnel in the application of U.S accounting principles, as required.

E. Interpreter services for the Corporation's internal auditors in foreign locations, as required.

F. Preparation of reports to the Federal Election Commission for the Corporation's Citizens Action Fund.

G. Internal control services provided for the purpose of designing or redesigning systems and procedures.

RESOLVED that senior financial management of this Corporation shall report to the Board of Directors following the end of each year the nature and extent of such services utilized.

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RESOLVED that the Board of Directors shall review such report to consider whether the services provided were in accordance with this resolution.

The Secretary was requested to file copies of the Coopers & Lybrand letter dated February 4, 1981 and the Campbell Sharp letter dated February 4, 1981 with the minutes of the meeting.

At this time Mr. Page distributed a report on officers expense reports. These were considered in detail by the Committee.

The meeting was duly adjourned.

Robert A. Boardman
Secretary

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