29. August 25, 1982

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF MANVILLE CORPORATION was held in the Murray Hill room of the Harley Hotel, New York City, New York, on Wednesday, August 25, 1982 at 6:30 p.m. pursuant to due notice.

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Report of Special Committee on Asbestos Litigation

Mr. Schroeder reported that C. J. Zwick had not been able to serve on the Committee and had resigned as a member of the Committee because of the unavoidable press of other business.

Messers. Case, Perkeil, VonWald, Johannes and Beasley joined the meeting at this time.

Mr. Schroeder next distributed a copy of the report to the Board prepared by the Special Committee and advised the Board of its recommendation that the Board authorize the immediate filing of a petition under Chapter 11 of the Bankruptcy Act as the action best calculated to conserve the Company's assets and businesses and, therefore, the best action to protect the rights of shareholders, creditors and actual and potential claimants.

There was a pause in the meeting to allow the members of the Board time to review the report of the Special Committee.

Mr. VonWald presented a summary of the data presented to, and reviewed by, the Special Committee over the past weeks since the last meeting of the Board. Included in this material and reviewed for the Board was a projection of the total cost of disposing of new and existing law suits, both in the aggregate and by disease categories; a review of projected new cases in the aggregate and by disease categories over the years 1982-2001; projected cash flow and total cost projections for managing these anticipated new filings; and a six year cash flow summary based upon plans submitted by the operating subsidiaries of the Corporation.

Mr. Schroeder next presented a chronology of the activities of the Committee. This included a description of the advice given by an accounting expert retained by the Committee. He described the many different options examined and the process that was used to narrow these options down to a decision of whether to file Chapter 11 or to proceed outside of the protection of the Bankruptcy Code.

Mr. Johannes next described the financial dilemma that would confront the Corporation if the protections of Chapter 11 are not sought. This would include possible default on loan agreements and the necessity of resorting to secured borrowings.

Mr. Crames joined the meeting at this time. Mr. Schroeder introduced Mr. Crames to the Board.

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The Board recessed for a brief period at this time.

Mr. McKinney described his involvement with the Committee and his conclusion that seeking the protections under Chapter 11 of the Bankruptcy Act was the unavoidable consequence of the continuing high level of asbestos health litigation and the only way to treat all creditors and claimants in an even handed and fair manner. In his opinion, attempting to continue operations outside of Chapter 11 would only result in dissipation of the Corporation's assets. The failure of the Federal Government to recognize its responsibility in creating the occupational health catastrophe that exists today combined with the refusal of the Corporation's insurers to pay in accordance with the terms of the policies sold to the Corporation over the years leave no other option available. There ensued a lengthy discussion among members of the Board and those present as to the practical impact of the Chapter 11 proceeding and of the various alternatives examined by the Special Committee.

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There was additional discussion as to the appropriateness of filing a Chapter 11 petition. Following that discussion and upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED that the Corporation shall file for relief under Chapter 11 of the Federal Bankruptcy Code and any officer of the Corporation is hereby authorized to sign and file a petition for relief thereunder.

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