

**MINUTES OF THE INITIAL MEETING OF THE  
TOBACCO INDUSTRY LABOR/MANAGEMENT COMMITTEE**

**June 10, 1999 10:30 A.M. E.D.T.  
Washington, D.C.**

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Pursuant to prior written notice, the initial meeting of the Tobacco Industry Labor/Management Committee (hereinafter "TILMC"), a Virginia nonstock corporation, was held on Thursday, June 10, 1999, at 10:30 A.M. E.D.T., in the law offices of Thompson Hine & Flory LLP at 1920 N Street, N.W., Washington, D.C. 20036. A copy of the meeting notice and agenda are attached to and made a part of these minutes. Present in person at the meeting were Brennan M. Dawson of Brown & Williamson Tobacco Corporation, Harry Kaiser of Kaiser & Associates, John Maleckar, CPA, Richard Michalski of the International Association of Machinists and Aerospace Workers (the "IAMAW"), John F. Scruggs of Philip Morris USA, and David H. Baker and Stephen T. Lovelady of Thompson Hine & Flory LLP, General Counsel to TILMC. Participating in the meeting by conference call were Bob Harbrant and Bob Curtis of the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (the "BCTGM"), Michael Shannon of Lorillard Tobacco Company, Walter N. Woodson, and Deborah Z. Read, Partner, Thompson Hine & Flory LLP.

Mr. Baker called the meeting to order at 10:30 A.M. As the first order of business, Mr. Baker acknowledged receipt of applications for membership from Brown & Williamson Tobacco Corporation, Lorillard Tobacco Company, Philip Morris USA, the IAMAW, and the BCTGM. Mr. Harry Kaiser and Mr. Walter Woodson, acting in their capacity as incorporators of TILMC, accepted all of the membership applications. Copies of the membership applications are attached to and made a part of these minutes.

Mr. Baker advised the members that pursuant to Article Seven of the Articles of Incorporation of TILMC, the initial Board of Directors of TILMC is to be elected by the members at the initial meeting of the members. Mr. Baker then requested that the members of TILMC nominate persons to serve as the initial Directors. The following members then nominated the indicated persons to be elected to the initial Board of Directors of TILMC:

<u>Member</u>	<u>Person(s) Nominated as Initial Director(s)</u>
Brown & Williamson	Brennan M. Dawson
Lorillard Tobacco Company	Michael Shannon
Philip Morris USA	John F. Scruggs
IAMAW	Tom Buffenbarger and Richard Michalski
BCTGM	Bob Curtis and Frank Hurt

By motion duly made and seconded, the members voted unanimously to accept the nominated persons and elect them as the members of the initial Board of Directors of TILMC.

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The Board of Directors then reviewed the proposed Bylaws of TILMC. By motion duly made and seconded, the proposed Bylaws were unanimously approved by the Board of Directors. A copy of the Bylaws as approved are attached to and made a part of these minutes. For the benefit of the Board of Directors, Mr. Baker read aloud Article XII thereof concerning restrictions in the Master Settlement Agreement.

By motion duly made and seconded, the Board of Directors unanimously elected Frank Hurt as Honorary Chairman of TILMC, pursuant to Article VII of the Bylaws of TILMC.

By motion duly made and seconded, the Board of Directors unanimously appointed Harry Kaiser as President of TILMC, pursuant to Article VI of the Bylaws of TILMC.

By motion duly made and seconded, the Board of Directors unanimously appointed Walter N. Woodson as Secretary/Treasurer of TILMC, pursuant to Article VI of the Bylaws of TILMC.

By motion duly made and seconded, the Board of Directors unanimously authorized the engagement of John Maleckar, CPA, to provide assistance in preparing tax returns, quarterly financial statements, and to provide miscellaneous bookkeeping and accounting services for TILMC, subject to review and approval by the President, Secretary/Treasurer and legal counsel of an acceptable engagement agreement.

By motion duly made and seconded, the Board of Directors unanimously approved the engagement of Thompson Hine & Flory LLP as legal counsel to TILMC, subject to review and approval by the President and Secretary/Treasurer of an acceptable engagement agreement.

By motion duly made and seconded, the Board of Directors unanimously approved the engagement of Lane & Company, a certified public accounting firm, as outside auditor to audit TILMC's records on a periodic basis, subject to review and approval by the President, Secretary/Treasurer and legal counsel of an acceptable engagement agreement.

The Board of Directors then reviewed an application for an Employer Identification Number submitted by the Secretary/Treasurer to the Internal Revenue Service. By motion duly made and seconded, the Board of Directors unanimously approved the opening of a bank account for TILMC by the President and Secretary/Treasurer.

The Board of Directors then reviewed the proposed budget of TILMC for Fiscal Year 1999. By motion duly made and seconded, the Board of Directors unanimously approved all other items in the budget, prorated to seven months and subject to certain anticipated one-time expenses incurred in the course of establishing offices for TILMC.

The Board of Directors heard a report from Walter N. Woodson concerning a proposed lease of office space for TILMC in a building located at 2111 Wilson Boulevard, Arlington, Virginia. Mr. Woodson reported further that such space should be available in late-July and that prior to moving into the space a "business identity plan" has been offered by the lessor whereby telephone and mail services are available.

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The Board of Directors heard a report from Mr. Baker that an application for quotes for Directors and Officers Liability Insurance coverage has been made to Fireman's Fund Insurance Company and that approval of the Board of Directors for acquisition of such coverage may be requested in the future.

The Board of Directors heard a report from Mr. Baker regarding the status of acquiring disability insurance coverage for the President and Secretary/Treasurer.

The Board agreed that it would be worthwhile to hold the next meeting of the Board of Directors of TILMC within a reasonably short period of time, but no date or time was definitely established therefor.

By motion duly made and seconded, the Board unanimously agreed to adjourn at 11:27 A.M. E.D.T.

Respectfully submitted,



Walter N. Woodson  
Secretary/Treasurer

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Attachments:

1. Meeting Notice and Agenda
2. Membership Applications
3. Bylaws

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