

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
OF  
AIR ASIA COMPANY LIMITED

16 July 1963

-----

A Meeting of the Board of Directors of Air Asia Company Limited was held at Manufacturers Hanover Trust Company, 350 Park Avenue, New York City on 16 July 1963.

PRESENT: Admiral Stump and Messrs. Ames, Doole, Goelet, Grundy, Richardson and Walker.

ABSENT: Mr. Read.

Chairman Stump called the meeting to order and announced that a quorum was present. Vice Chairman Doole presented the Certificate of Mailing of Notice and stated that a formal notice of the Meeting had been directed to all Directors in accordance with the Articles of Incorporation of the Company. The Vice Chairman was directed to file the Certificate of Mailing of Notice with the Minutes of the Meeting.

The Minutes of the Meeting of the Board of Directors of 18 June 1963 were approved.

There were no elections.

The Minutes of the Meeting of the Executive Committee of 25 June and 9 July 1963 were summarized for and noted by the Board.

APPROVED FOR  
RELEASE  DATE:  
09-Oct-2009

The President then reported on several major areas of current concern in the Far East. Union organizers continue active in their attempt to organize the Company's maintenance shops at Tainan. To date the union has been approved by the appropriate Government authorities and the organizers are recruiting members. If the organizers are able to sign up 50 percent of the employees and subsequent thereto again obtain Government approval, the Company will become unionized. It was stated that unionization of the Company's maintenance base could interfere with conduct of the business on an economic and efficient basis.

The Company was recently selected by the USAF as the sole source for maintenance work in the Far East on the F-105 on the basis of past performance in completing quality work in a timely manner. One of the considerations in selection of the Company was the lack of labor unrest over the years. The present union activities could adversely affect the Company's standing with the USAF. At present the Company is receiving for maintenance work F-100 aircraft in reducing quantity. The Company is taking on a new small program of F-105 aircraft maintenance which involves only 500,000 skilled man-hours for FY1964 as compared to the present rate of 125,000 hours per month. However, the amount initially committed by USAF under maintenance contracts is usually considerably less than the ultimate expenditure and it is quite possible that some expansion of the F-105 maintenance will develop.

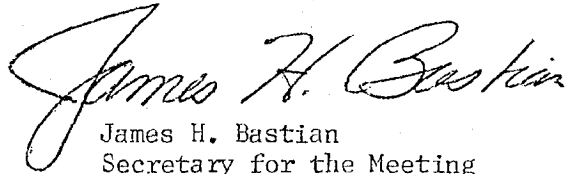
China Air Lines continues to be quite active domestically and now operates two DC-4, one PB4, one C-47 and about five C-46 aircraft. CAL is building shops and offices near its hangar at Taipei and installing tools and equipment. The facilities being constructed are more than CAL's present operations justify and expanded activity is anticipated.

Helicopter flying hours in Southeast Asia are down substantially.

Air America's fixed wing flying hours are down apparently due, for the most part, to increased competition from Bird & Sons since the combined flying of Air America and Bird & Sons has increased. Further, the development of Air America's operation in diverse locations has resulted in higher cost and lower revenue type of business which will adversely affect overall results.

There being no further business to come before the Meeting, on motion duly made and seconded, it was adjourned.

Respectfully submitted,

  
James H. Bastian  
Secretary for the Meeting