

## H.K. PORTER COMPANY, INC.

### ASBESTOS CLAIMS RESOLUTION PROCEDURES

*(With Modifications as of April 27, 1998)*

These H.K. Porter Company, Inc. Asbestos Claims Resolution Procedures (the "**Asbestos Claims Procedures**") have been prepared in connection with the Fourth Amended Plan of Reorganization of H.K. Porter Company, Inc. ("**Porter**") (the "**Plan**"), confirmed by order of the United States District Court for the Western District of Pennsylvania, dated June 25, 1998, in In re H.K. Porter Company, Inc., et al., Case No. 91-468-WWB (PGH) ("**Chapter 11 Case**") and the H. K. Porter Company, Inc. Asbestos Trust Agreement (the "**Asbestos Trust Agreement**"), filed in connection with the Plan.

These Asbestos Claims Procedures provide for processing, liquidating, paying, and satisfying all Asbestos Claims as provided in and required by the Plan and the Asbestos Trust Agreement. The trustee of the Asbestos Trust (the "**Trustee**") shall implement and administer these Asbestos Claims Procedures in accordance with the Asbestos Trust Agreement.

#### ARTICLE I. - GENERAL

##### Section

##### 1.

##### Definitions

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan and/or in the Asbestos Trust Agreement.

As used herein, the following terms shall have the meanings specified below:

1.1 *Asbestos Claim*: An Asbestos Personal Injury Claim, an Asbestos Co-Defendant Claim, or an Asbestos Property Damage Claim.

1.2 *Asbestos Co-Defendant Claim or Co-Defendant Claim*: Any Claim or Demand against the Debtor or the Asbestos Trust under any theory of law, equity, admiralty or otherwise, for contribution, reimbursement, subrogation, guaranty or indemnity arising out of an Asbestos Personal Injury Claim.

1.3 *Asbestos Trust*: The trust established by the Asbestos Trust Agreement.

1.4 *Asbestos Trust Agreement*: That certain H.K. Porter Company, Inc. Asbestos Trust Agreement, substantially in the form of Exhibit "1.1.9" to the Plan.

1.5 *Asbestos Personal Injury Claim:* Other than an Asbestos Co-Defendant Claim, any right to payment, Claim, remedy, liability, or Demand against the Debtor or the Asbestos Trust now existing or hereafter arising, whether or not such right, Claim, remedy, liability, or Demand is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts of or legal bases for such right, Claim, remedy, liability, or Demand are known or unknown, under any theory of law, equity, admiralty, or otherwise, for death, bodily injury, or other personal damages (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by exposure to asbestos or asbestos-containing products that were manufactured, sold, supplied, produced, distributed, released, or in any way marketed or disposed of by the Debtor or its predecessors in interest or affiliates including, without express or implied limitation, any right, Claim, remedy, liability, or Demand for compensatory damages (such as loss of consortium, wrongful death, survivorship, proximate, consequential, general, and special damages) and including punitive damages.

1.6 *Asbestos Property Damage Claim:* Any Claim or Demand against the Debtor, under any theory of law, equity, admiralty, or otherwise, for damages, or contribution or indemnity related thereto, arising from the presence in buildings, ships or other systems or structures or on land of asbestos or asbestos-containing products that was or were manufactured, sold, supplied, produced, distributed, or in any way marketed or disposed of by the Debtor or its predecessors prior to the Petition Date.

1.7 *Chapter 11 Case:* The case of the Debtor commenced by the filing of a voluntary petition for relief under chapter 11 of the Bankruptcy Code on the Petition Date in the Bankruptcy Court at Case No. 91-468(PGH).

1.8 *Claimant:* The holder of an Asbestos Claim.

1.9 *Confirmation Order:* The order or orders of the Bankruptcy Court confirming the Plan as signed by the District Court in accordance with the provisions of chapter 11 of the Bankruptcy Code, which will contain, *inter alia*, the Asbestos Permanent Channeling Injunction and other terms and conditions fully consistent with the terms of the Evans Settlement.

1.10 *Debtor:* H.K. Porter Company, Inc., a Delaware corporation.

1.11 *Demand:* A demand for payment, present or future, that (i) was not a Claim prior to the Confirmation Date; (ii) arises out of the same or similar conduct or events that gave rise to the Claims addressed by the Asbestos Permanent Channeling Injunction; and (iii) pursuant to the Plan, is to be paid by the Asbestos Trust.

1.12 *District Court:* The United States District Court for the Western District of Pennsylvania, having jurisdiction over the Chapter 11 Case.

1.13 *Effective Date:* The first business day after the date on which all of the conditions precedent to the effectiveness of the Plan specified in section 7.5 of the Plan have been satisfied or waived or, if a stay of the Confirmation Order is in effect on such date, the first business day after the expiration, dissolution, or lifting of such stay.

1.14 *Expedited Payment Election:* The procedure for fixed and certain payment made expeditiously, as set forth in Section 5.2 of the Asbestos Claims Procedures.

1.15 *Final Order:* An order as to which the time to appeal, petition for *certiorari*, or move for reargument or rehearing has expired and as to which no appeal, petition for *certiorari*,

or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtor or the Reorganized Debtor, as the case may be, and their counsel or, in the event that an appeal, writ of *certiorari*, or reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or *certiorari* has been denied or from which reargument or rehearing was sought, and the time to take any further appeal, petition for *certiorari* has been denied or from which reargument or rehearing was sought, and the time to take any further appeal, petition for *certiorari* or move for reargument or rehearing shall have expired.

1.16 *Liquidated Claim*: An Asbestos Claim, the amount of liability for which has been fixed, pursuant to agreement, applicable law, these Asbestos Claims Procedures or otherwise.

1.17 *Porter*: The Debtor.

1.18 *Property Damage Insurance Policies*: Those policies of insurance listed or identified on Exhibit 1.1.68 to the Plan.

1.19 *Trustee*: The person serving as trustee of the Asbestos Trust, pursuant to the terms of the Asbestos Trust Agreement.

1.20 *Unliquidated Claim*: Any Asbestos Claim, the amount of liability for which has not been fixed, whether pursuant to agreement, applicable law, or otherwise, as of the date on which such Claim is sought to be estimated.

## Section 2.

### Purpose and Interpretation

2.1 Purpose. (a) These Asbestos Claims Procedures are adopted pursuant to the Asbestos Trust Agreement. They are designed to provide fair, reasonable and prompt payment to Claimants with similar, valid Asbestos Claims in substantially the same manner;

(b) The funds anticipated to be available to the Asbestos Trust to pay Asbestos Claims is small compared to the number and amount of such Claims that may be filed with the Asbestos Trust. Moreover, the transaction costs of screening Asbestos Claims will reduce the amount of the fund available for Claimants. These Asbestos Claims Procedures are intended to pay valid Asbestos Claims without excessive expenditure on claims processing.

2.2 Interpretations. Nothing in these Asbestos Claims Procedures shall be deemed to create a substantive right for any Claimant. Without limiting the foregoing, these Asbestos Claims Procedures specifically shall not create any substantive right for any Claimant to be afforded now, or in the future, an Expedited Payment Election, as described in Section 5.2 herein, in any amount. These Asbestos Claims Procedures are procedural, and they may be amended, deleted, or added to pursuant to the terms of the Asbestos Trust Agreement and the terms of these Asbestos Claims Procedures.

### Section 3.

#### Trustee's Advisory Committee and Committee of Unsecured Creditors

3.1 Trustee's Advisory Committee: The Trustee shall consult with the Trustee's Advisory Committee ("TAC"), appointed pursuant to the Asbestos Trust Agreement on the implementation and administration of these Asbestos Claims Procedures, including, but not limited to, implementation of procedures under various claimant payment programs, including any future programs offering expedited payments; development of Asbestos Personal Injury Claims categories and values of claims, as set forth in Section 5.3(b); auditing and monitoring claims; alternative dispute resolution forms and procedures; releases; and interpretation of these Asbestos Claims Procedures. When consultation is required under the Asbestos Trust Agreement or these Asbestos Claims Procedures, the Trustee need only seek advice and counsel from the TAC and is free to accept or reject any recommendation of the TAC. The Trustee shall be subject to the consent of the TAC on the issues enumerated in Article 3.2(d) of the Asbestos Trust Agreement, consistent with the provisions of that Section.

3.2 The Committee of Unsecured Creditors: The Committee of Unsecured Creditors of H.K. Porter Company, Inc. by majority vote shall provide to the Trustee Expedited Payment Election guidelines for establishing exposure and other liability criteria for payment of Asbestos Personal Injury Claims under Section 5.2 of these Asbestos Claims Procedures, and the Trustee shall follow such guidelines.

## ARTICLE II. - ASBESTOS PERSONAL INJURY CLAIM PROCEDURES

### Section 4.

#### Payment Percentage; Periodic Estimates

4.1 Determination of Payment Percentage. There is inherent uncertainty regarding Porter's total liability to Claimants with Asbestos Personal Injury Claims and/or Asbestos Co-Defendant Claims, as well as the total value of the assets available to pay such Claims. Consequently, there is inherent uncertainty regarding the amounts that such Claimants will receive. To ensure substantially equivalent treatment of all present and future Asbestos Personal Injury Claims and Asbestos Co-Defendant Claims, prior to making distributions to Claimants, the Trustee shall determine the percentage of full liquidated value that Asbestos Personal Injury Claims and/or Asbestos Co-Defendant Claims would be likely to receive ("**Payment Percentage**"). No Claimant shall receive payments that exceed the Trustee's most recent determination of the Payment

Percentage. The Trustee must base his determination on the one hand, on estimates of the number, types, and values of present and future Asbestos Personal Injury Claims and Asbestos Co-Defendant Claims and, on the other hand, on the value of the Asbestos Trust's assets, the liquidity of those assets, the Asbestos Trust's expected future expenses for administration and legal defense, and other material matters that are reasonable and likely to affect the sufficiency of funds to pay a comparable percentage of full value to all Claimants with Asbestos Personal Injury Claims and Asbestos Co-Defendant Claims. At yearly intervals, the Trustee shall review his determination of the Payment Percentage to assure that it is based on accurate, current information and may, after such review, change the Payment Percentage, if necessary. When making these determinations, the Trustee shall exercise common sense and flexibly evaluate all relevant factors, including the practical limitations imposed by the inability to predict with precision the future assets and liabilities of the Asbestos Trust, the costs involved in preparing such evaluations, and any other factors the Asbestos Trust considers relevant.

#### 4.2 Payment Percentage.

(a) In the event the Trustee, after any periodic re-evaluation under Section 4.1 determines that the Payment Percentage should be changed, such change shall be applied to all unpaid present Claimants, all future Claimants and all partially paid present Claimants so that each Claimant in a substantially similar position is treated reasonably similarly. The Trustee shall not attempt to recover from any paid Claimant or Claimant's representative the difference between the amount paid to the Claimant and the then prevailing Payment Percentage, and no paid Claimant or Claimant's representative will have any obligation to return to the Asbestos Trust any such differential.

(b) The Trustee shall consult with the TAC concerning any proposal for adjusting the Payment Percentage, and shall supply the results of any analysis performed by or on behalf of the Trustee as well as any valuations prepared by the Trustee's consultants, if any. The proposed adjustment shall take effect unless affirmatively objected to by the TAC. In case of such affirmative objection, the issue shall be resolved in accordance with Section 7.13 of the Asbestos Trust Agreement.

4.3 Equalization of Payment Percentages. In the event a higher Payment Percentage is determined, the Trustee may make an additional payment to those Asbestos Trust beneficiaries whose cumulative payment was less than the higher Payment Percentage, consistent with the objective of paying Claimants with similar Asbestos Personal Injury Claims in a substantially similar manner. However, the Trustee should not make such an additional payment if he concludes that the administrative burden or cost does not justify the additional payment at that time. In the event that the Trust receives significant additional funds that materially increase the Payment Percentage, the Trustee shall make such additional payments.

Section 5.

Claims Types, Processing and Payment

5.1 Prepetition Liquidated Claims.

(a) Processing and Payment. Unless not feasible after every reasonable effort, no later than 90 days after the Effective Date the Trustee shall pay Asbestos Personal Injury Claims that were liquidated by settlement agreement entered into prior to February 15, 1991 or by judgment that became final and nonappealable prior to February 15, 1991 ("**Prepetition Liquidated Claims**"). These claims shall be paid in an order to be determined by the Trustee based on a first-in first-out ("**FIFO**") principle. These Asbestos Personal Injury Claims may require no processing other than verification of the Claimant's identity, payment, and release of the Asbestos Trust. The liquidated value of a Prepetition Liquidated Claim shall be the amount awarded in the prepetition judgment or settlement agreement and Claimants with Prepetition Liquidated Claims shall be paid the appropriate Payment Percentage based upon that liquidated value.

5.2 Expedited Payment Election.

(a) Rationale. Those Claimants with Asbestos Personal Injury Claims who choose the Expedited Payment Election shall make a full and final settlement with the Asbestos Trust (except as provided in Section 5.2(d) herein) in exchange for a single cash payment equal to the Payment Percentage of the amounts shown below for each disease category:

Mesothelioma	\$20,000
Lung Cancer	\$12,000
Other Cancer	\$7,500
Non-malignancy	\$3,750

This Expedited Payment Election is designed, in part, for Claimants who easily can be determined by the Asbestos Trust to have Asbestos Personal Injury Claims and who desire to have a fixed and certain payment made expeditiously rather than wait for Non-Expedited Payment. The guidelines provided by the Committee of Unsecured Creditors may decrease these amounts in instances where exposure criteria is not required of a Claimant.

(b) Scheduled Claims. All Claimants with Asbestos Personal Injury Claims whose Claims were scheduled by the Debtor in its Amended Schedules filed on or about March 16, 1992, and who, in connection with the balloting for the Plan and other reasonable notice, do not

elect Non-Expedited Payment, shall be conclusively presumed to have chosen the Expedited Payment Election.

(c) Processing and Payment. Unless not feasible after every reasonable effort, no later than 180 days after the Effective Date, the Trustee shall process and pay the Claimants with Asbestos Personal Injury Claims who choose the Expedited Payment Election in an order to be determined by the Trustee based on a FIFO principle.

(d) Subsequent Malignancy. A Claimant with an Asbestos Personal Injury Claim based upon a non-malignant asbestos injury or condition who chooses the Expedited Payment Election as provided herein may file a new Asbestos Personal Injury Claim for an asbestos-related malignancy that is subsequently diagnosed, and any additional payments to which such Claimant may be entitled shall not be reduced by the amount of the Expedited Payment.

(e) Releases. Claimants with Asbestos Personal Injury Claims who receive an Expedited Payment shall execute and deliver to the Trustee a general release in a form satisfactory to the Trustee and may not thereafter file a new Asbestos Personal Injury Claim based upon the same disease. A Claimant with an Asbestos Personal Injury Claim based upon a non-malignant asbestos injury or condition who receives an Expedited Payment shall execute and deliver a limited release that shall reserve to such Claimant the right to submit a claim for an asbestos malignancy that is subsequently diagnosed.

(f) No Review. The Trustee's decision that a Claimant with an Asbestos Personal Injury Claim should not receive an Expedited Payment is not reviewable. However, a Claimant with an Asbestos Personal Injury Claim whose Asbestos Claim is denied an Expedited Payment may then elect Non-Expedited Payment as set forth in Section 5.3.

### 5.3 Non-Expedited Payment.

(a) Rationale. A Claimant (i) who initially elects non-Expedited Payment, or (ii) whose Asbestos Personal Injury Claim was rejected by the Trustee for Expedited Payment and who then elects Non-Expedited Payment, shall have his or her Asbestos Personal Injury Claim reviewed, based upon an evaluation of exposure, medical evidence of injury and any other factors generally regarded as relevant under applicable tort law. The review for Non-Expedited Payment of Asbestos Personal Injury Claims is designed for Claimants with serious or fatal asbestos-related injuries whose Asbestos Personal Injury Claims justify the added expense of individualized examination.

(b) Categories and Values. The Asbestos Trust will categorize Asbestos Personal Injury Claims by injury. The Asbestos Trust shall use these categories to resolve Asbestos Personal Injury Claims as expeditiously and economically as possible. For each category, the Asbestos Trust shall recognize maximum liquidated values as follows:

<b>Disease Category</b>	<b>Maximum Non-Expedited Liquidated Values</b>
1. Asbestosis and non-malignancies	\$7,500.00
2. "Other" cancers	\$15,000.00
3. Lung cancer	\$24,000.00
4. Mesothelioma	\$40,000.00

Offers of payments to Claimants shall be determined by assigning to their Asbestos Personal Injury Claim an appropriate value that does not exceed the maximum liquidated value and multiplying that value by the Payment Percentage. The Asbestos Trust shall not be required to recognize any minimum liquidated value.

(c) Processing and Liquidation. The Asbestos Personal Injury Claims of Claimants who have chosen Non-Expedited Payment shall be processed and liquidated in the following order of priority:

(i) substantially all Asbestos Personal Injury Claims of Claimants who had filed lawsuits against Porter prior to February 15, 1991;

(ii) substantially all Asbestos Personal Injury Claims of Claimants who had not filed lawsuits against Porter prior to February 15, 1991, but who hold filed timely proofs of claim or been scheduled by the Debtor as liquidated and undisputed in the Chapter 11 Case;

(iii) Asbestos Personal Injury Claims not described in subsections (i) through (ii) above, shall be processed and liquidated as soon as possible in the order in which they are received but not before the claims described in subsections (i) through (ii) above.

(d) Payment. While payments to Claimants with Asbestos Personal Injury Claims generally should be made in the same order in which the Claims are liquidated, provided the Trustee acts consistently with Section 524(g)(2)(B)(ii)(V) of the Bankruptcy Code, he shall have complete discretion to determine the timing and the appropriate method for making payments, but may not use such discretion as a method of obtaining more favorable settlements with Claimants. Such methods may include, in the discretion of the Trustee, a method for the payment on an installment basis, in which case any installment payment shall be subject to the Payment Percentage in effect at the time such installment payment is made.



(e) Disputes Over Non-Expedited Payment. Claimants who reject the Trustee's offer after review for Non-Expedited Payment and who wish to dispute their eligibility for payment, their categorization, or the amount of the Trustee's offer under such review, must initiate one of the alternative dispute resolution procedures established by the Trustee pursuant to Section 7.6 and otherwise follow the procedures set forth in Section 7.

(f) Releases. Claimants with Asbestos Personal Injury Claims who receive a Non-Expedited Payment shall execute and deliver to the Trustee a general release in a form satisfactory to the Trustee and may not thereafter file a new Asbestos Personal Injury Claim based upon the same disease. A Claimant with an Asbestos Personal Injury Claim based upon a non-malignant asbestos injury or condition who receives a Non-Expedited Payment shall execute and deliver a limited release that shall reserve to such Claimant the right to submit a claim for an asbestos malignancy that is subsequently diagnosed.

5.4 Exigent Health Claims. At any time the Trustee may individually evaluate Exigent Health Claims as defined in this Section 5.4. These Claims may be considered separately no matter what the order of processing otherwise would have been under this Section 5.

An Asbestos Claim qualifies as an Exigent Health Claim if the Claimant provides: (i) documentation that a physician has diagnosed the Claimant as having an asbestos-related illness and (ii) a declaration or affidavit made under penalty of perjury by a physician who has examined the Claimant within one hundred twenty (120) days of the date of the declaration or affidavit in which the physician states, that due to an asbestos disease, there is substantial medical doubt that the Claimant will survive beyond six (6) months from the date of the declaration or affidavit.

5.5 Adjudication of Claim. The Liquidated Claim recognized by the Asbestos Trust with respect to any Asbestos Claim shall constitute and be considered an adjudication of that Asbestos Claim.

## Section 6.

### Claims Material

As soon as reasonably practicable, but not later than six months following the Effective Date, the Trustee shall make available claims materials ("**Claims Materials**") to each person or his attorney with an Asbestos Personal Injury Claim who has filed a proof of claim in the Bankruptcy Court, is listed on Porter's bankruptcy schedules, or has pending a lawsuit against Porter or otherwise has been identified by the Trustee as holding an Asbestos Personal Injury Claim that is neither a Prepetition Liquidated Claim defined in Section 5.1 nor an Asbestos Personal Injury Claim for which an expedited cash payment election has been made as set forth in Section 5.2. For any person holding an Asbestos Personal Injury Claim who is first identified to Porter or the

Trustee any time subsequent to the Effective Date, the Asbestos Trust shall make available the Claims Material no later than six months following such identification, and it shall include an offer for the Claimant to elect Expedited Payment. The Asbestos Trust may send Claims Materials to a Claimant in care of an attorney representing the Claimant.

The Claims Materials will include descriptions of these Asbestos Claims Procedures, instructions, and a claim form. If feasible, the forms used by the Asbestos Trust to obtain claims information shall be the same or substantially similar to those used by other asbestos claims resolution facilities. Instead of collecting some or all claims information from a Claimant or the Claimant's attorney, the Asbestos Trust may obtain such information from electronic data bases maintained by any other asbestos claims resolution organization, provided that the Asbestos Trust informs the Claimant that it plans to obtain information as available from such other organizations unless the Claimant objects in writing or provides such information directly to the Asbestos Trust.

## Section 7.

### Guidelines for Resolution of Disputes Over Non-Expedited Payment

#### 7.1 Proof of Claims

(a) Proof of Disease In order to establish an Asbestos Personal Injury Claim, a Claimant must submit at least one medical report from a qualified physician who has actually examined the Claimant that contains a diagnosis of asbestos related injury. This proof of disease may, in the Trustee's discretion, be satisfied by medical reports accepted by another asbestos claims resolution facility. The Trustee may require the submission of x-rays, laboratory tests, medical examinations or reviews, other medical or any other evidence to support such Asbestos Personal Injury Claims and may also require that the medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedures to assure that such evidence is reliable. The Trustee will categorize Asbestos Personal Injury Claims based on the medical evidence submitted to the Trust as part of the Claimant's proof of claim. A Claimant may, but need not, supplement this information with more current medical evidence. Where the Claimant has filed an incomplete claim for categorization, the Trustee may notify the Claimant of the need for additional information and the Trustee need not process the Asbestos Personal Injury Claim until the file is complete.

(b) Proof of Exposure. The Trustee may require such evidence of exposure or may apply such presumptions based on job site, occupation, dates of employment, and other factors as the Trustee in his discretion may from time to time determine are appropriate to balance the goal of paying only Claimants with exposure to Porter asbestos-containing product with the goal of preventing excessive expenditure on claim processing. Any such requirements and

presumptions should be calculated to yield findings with respect to exposure that would be permissible under the Federal Rules of Evidence.

(c) Modification of Evidentiary Requirements. The Trustee may from time to time review the nature of the documentation and other evidence the Trustee will require to establish an Asbestos Claim under each disease category and in the exercise of his discretion may modify such requirements to the extent he deems advances in medical knowledge, change in claim filing patterns, or the goal of preventing excessive expenditure on claims handling make such modification appropriate.

(d) Proof of Validity Under Applicable Law. The Trustee may require such additional evidence, if any, under the applicable substantive law and statute of limitations as the Trustee in the exercise of his discretion may determine is appropriate to balance the goal of paying only valid claims with the goal of preventing excessive expenditure on claim processing.

7.2 Discretion To Alter Order of Processing or Suspend Payments. Provided it is consistent with Section 524(g)(2)(B)(ii)(V) of the Bankruptcy Code, in order to reduce transaction costs the Trustee may process, liquidate, and pay Asbestos Personal Injury Claims in groups or otherwise no matter what the order of processing otherwise would have been under Section 5. In the event that the Trustee determines it advisable, he may suspend the normal order of processing or payment in favor of Claimants who elect Expedited Payment under any future payment election programs offered by the Asbestos Trust. Also, in the event that the Asbestos Trust faces temporary periods of limited liquidity, the Trustee may temporarily limit or suspend payments altogether.

7.3 Cost Considered. Notwithstanding any provision of these Asbestos Claims Procedures to the contrary, the Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Personal Injury Claims so that the payment of valid Asbestos Personal Injury Claims is not further impaired by such processes. In issues related to the validity of Asbestos Personal Injury Claims, e.g., exposure and medical evidence of injury, the Trustee shall have the latitude to make judgments regarding the amount of transaction costs to be expended by the Asbestos Trust so that valid Asbestos Personal Injury Claims are not further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustee, in appropriate circumstances, from contesting the validity of any Asbestos Personal Injury Claim whatever the costs.

7.4 Punitive Damages. In determining the value of any Asbestos Personal Injury Claim, non-compensatory punitive or exemplary damages or damages for risk of cancer or fear of cancer shall not be considered or allowed, notwithstanding their availability in the tort system. Pre-judgment interest, post-judgment interest, interest on deferred payments, or any other type of interest, delay damages, or similar damages associated with Asbestos Personal Injury Claims, shall not be paid or allowed.

7.5 Offer of Payment. If after reviewing the proof submitted by a Claimant under Section 7.1, the Trustee determines that such Asbestos Personal Injury Claim meets the Asbestos Trust's criteria, the Trustee shall tender the Claimant an offer of payment in the amount of the established Payment Percentage of a liquidated value set forth in Section 5.3(b), together with a form of release to be developed by the Trustee for this purpose. If the Claimant accepts the offer and returns the release properly executed, the Trustee shall disburse payment within 30 days thereafter or as promptly as the Asbestos Trust's financial condition then permits. Alternatively, the Trustee may send the payment to the attorney for the Claimant, as Trustee for the Claimant, and such attorney shall hold the payment until the release is executed, at which time the attorney shall distribute the payment to the Claimant. If the Claimant does not respond to the Trustee's offer within three months, unless that time is extended by the Trustee, the Trustee's offer and the Asbestos Personal Injury Claim will be deemed to be withdrawn. A Claimant may also elect to withdraw or defer payment of an Asbestos Personal Injury Claim at any time. An Asbestos Personal Injury Claim that is withdrawn or deemed to have been withdrawn may be refiled at any time, and shall be ordered on the Trustee's claims list based on the date of receipt.

7.6 Alternative Dispute Resolution. The Trustee shall establish an appropriate alternative dispute resolution process so that the Claimants and the Asbestos Trust shall have a full range of alternative dispute resolution devices available for their use in the individualized review process, including reviews by specialized panels, mediation and arbitration.

7.7 Settlement Favored. Settlements shall be favored over all other forms of Asbestos Personal Injury Claim resolution, mediation shall be favored over arbitration and litigation, and arbitration shall be favored over litigation and the lowest feasible transaction costs for the Asbestos Trust shall be incurred in order to conserve resources and ensure funds to pay all valid Asbestos Personal Injury Claims.

7.8 Arbitration: Jury Trials. Claimants may elect to submit their Asbestos Personal Injury Claims to binding or non-binding arbitration only after other alternative dispute resolution procedures established by the Trustee have been exhausted.

If arbitration becomes necessary, arbitrators shall return awards that do not exceed the maximum Non-Expedited Payment liquidated amount set forth in Section 5.3(b). Arbitrators shall not consider the Payment Percentage in determining the value of any Asbestos Personal Injury Claim. If a Claimant submits to binding arbitration or accepts an award after non-binding arbitration, the award will establish the liquidated value of the Asbestos Personal Injury Claim, which will be multiplied by the then current Payment Percentage in order to determine the amount that the Claimant will receive. The Claimant will then receive payments and execute and deliver a general release in the same manner as a Claimant who elected Expedited Payment.

The Chapter 11 Case and the Asbestos Claims Procedures shall have no effect on trial venue or choice of laws. All claims and defenses (including, with respect to the Asbestos

Trust, all claims and defenses which could have been asserted by Porter) that exist under applicable law shall be available to both sides at Trial; provided, however, that the death of Claimant while his/her Asbestos Personal Injury Claim is pending against the Asbestos Trust shall not reduce the value of the deceased claimant's Asbestos Personal Injury Claim, notwithstanding applicable state law to the contrary. The Trustee may waive any defense or concede any issue of fact or law. The award of an arbitrator or the recommendation of a mediator and their positions and admissions of the parties during compliance with alternative dispute resolution procedures shall not be admissible for any purpose at trial by any party or third party and they are expressly determined not to be admissions by either party. In all cases, the statute of limitations will be tolled as of the earlier of the date the Asbestos Personal Injury Claim was filed with the Asbestos Trust or the date the Claimant filed his/her complaint against Porter.

If necessary, the Trustee may obtain an order from the U.S. District Court for the Western District of Pennsylvania, ("**District Court**") incorporating an offer of judgment to liquidate the amount of the claim, scheduling discovery and trials in such a fashion as not to create an undue burden on the Asbestos Trust, or containing any other provisions, in order to ensure that the Trustee fulfills its obligations in accordance with the principles set forth in the Asbestos Trust Agreement.

A Claimant who, in accordance with the Asbestos Claim Procedures elects to resort to the legal system and obtains a final judgment for money damages shall have an Asbestos Personal Injury Claim with a liquidated value equal to the judgment amount, less the amount of any prejudgment interest or non-compensatory punitive damages contained therein, and no post-judgment interest shall accrue on such judgment amount.

7.9 Releases. The Trustee shall have the discretion to determine the form and nature of the releases given to the Asbestos Trust in order to maximize recovery for Claimants against other tort-feasors without increasing the risk or amount of claims for indemnification or contribution from the Asbestos Trust. As a condition to making any payment to a Claimant, the Asbestos Trust shall obtain a general, partial, or limited release as appropriate in accordance with the applicable state or other law, consistent with the provisions of these Asbestos Claims Procedures and the payment selection by the Claimant. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a Claimant shall constitute such a release. In addition, and as a prerequisite, the Claimant shall execute any documents necessary (i) for the Asbestos Trust to perfect its claims, if any, against Porter's insurers to receive indemnity for payments, (ii) to release any Asbestos Personal Injury Claim the Claimant may have against the insurer, and (iii) for the Asbestos Trust to receive and keep any and all payments made by such insurer for payment of such claim.

7.10 Auditing, Monitoring and Verifying. The Trustee may conduct random or other audits to verify information submitted in connection with these Asbestos Claims Procedures. In the event that an audit reveals that invalid information has been provided to the Asbestos Trust, the Trustee may penalize any Claimant or Claimant's attorney by disallowing the Asbestos Personal

Injury Claims or seeking sanctions from the District Court including, but not limited to, requiring the offending source to pay the costs associated with the audit and any future audit or audits, reordering the priority of payment of the affected Claimants' Asbestos Personal Injury Claims, raising the level of scrutiny of additional information submitted from the same source or sources, or prosecuting the Claimant or Claimant's attorney for presenting a fraudulent Asbestos Personal Injury Claim in violation of 18 U.S.C. §152. The Asbestos Trust may develop methods for auditing the reliability of medical evidence, including independent reading of x-rays. If its audits show an unacceptable level of reliability for medical evidence submitted by specific doctors or medical facilities, the Asbestos Trust may refuse to accept medical evidence from such doctor or facilities.

7.11 Claims Bar Date. Notwithstanding anything to the contrary contained herein, including, without limitation Section 5.3(c) herein, in order to be eligible for payment under these Asbestos Claims Procedures, a Claimant must have complied with any applicable claims bar date order issued by the Bankruptcy Court or must have been excused from such compliance by the Trustee pursuant to his discretion under Article 3.3(e) of the Asbestos Trust Agreement.

7.12 Statute of Limitations. For purposes of determining the validity of an Asbestos Personal Injury Claim, any applicable statute of limitations shall be deemed to have been extended for a period of sixty (60) days beyond its normal limit, and it will be deemed to have been tolled as of the date referenced in Section 7.8 hereof. This extension shall have no application, however, to any applicable claims bar date set by an order of the Bankruptcy Court.

### ARTICLE III. - ASBESTOS CO-DEFENDANT CLAIM PROCEDURES

#### Section 8.

##### Co-Defendants Claims

8.1 Co-Defendant Claims: Co-Defendant Claims shall be processed, liquidated, allowed, paid and satisfied as set forth in this Section 8. As used in this Section 8, the term "Direct Claimant" shall mean a holder of an Asbestos Personal Injury Claim that through theories of contribution, indemnification or subrogation gives rise to a Claim against the Asbestos Trust by a Co-Defendant Claimant, and the Asbestos Personal Injury Claim of such Direct Claimant is a "Direct Claim." Co-Defendant Claims shall be divided into two general categories: (i) those claims based on verdicts or judgments returned or entered against Co-Defendants by Direct Claimants, or post-verdict settlements reached between Co-Defendants and Direct Claimants in connection with suits by Direct Claimants for asbestos-related injury or disease against Co-Defendant Claimants (the "Underlying Litigation"), prior to the Effective Date ("Pre-Effective

Date Claims") and (ii) those arising thereafter ("Post-Effective Date Claims"). Co-Defendant Claimants shall have such procedural rights reasonably necessary to pursue or defend rights accorded them by the Claims Procedure, and the Asbestos Trust and/or the Trustee waive any rights they or the Debtor or the Reorganized Debtor might have regarding Co-Defendant Claims under 11 U.S.C. §§ 502(e), 509(b) and 509(c) to the extent such statutory provisions may apply to any Co-Defendant Claims. The Trustee, Direct Claimants and Co-Defendant Claimants are bound by the terms of this Section and must abide by the following procedures in processing, evaluating, allowing and paying Co-Defendant Claims and in calculating set-off amounts against verdicts or judgments.

8.2 Pre-Effective Date Claims: All Pre-Effective Date Claims shall be filed within 90 days after the Effective Date and shall be processed, liquidated, allowed, paid and satisfied by the establishment and distribution of a fund consisting of \$750,000 cash and the first \$1.0 million after taxes recovered from the Porter Retained Insurance Policies and/or the Tobacco Contribution Action, net of taxes, whether by settlement, litigation, judgment or otherwise (the "Pre-Effective Date Fund" or "Fund"), as set forth in this Section 8.2. The process for holding and allocation of this Fund shall in all material respects, follow the same principles as those set forth in Findley v. Falise, 878 F.Supp. 473, 601-606 (E. & S.D.N.Y. 1995) (setting forth Distribution Principles for Contribution Claim Fund in Manville Personal Settlements Trust restructuring) (the "Manville Trust Fund Principles"), except for specific dates, deadlines and fund amounts, as set forth in this Section.

(a) Establishment of Pre-Effective Date Fund: On or before the Effective Date, the Trustee shall deposit, and maintain in the Asbestos Trust's name, \$750,000 in a segregated interest-bearing account which shall meet the requirements of a qualified settlement fund or trust under applicable provisions of the Internal Revenue Code. Any proceeds of the Porter Retained Insurance Policies and/or the Tobacco Contribution Action payable to the Fund shall be deposited in such account as such funds are received. The Trustee shall release such funds only upon the written instructions of the Fund Administrators or by Bankruptcy Court Order.

(b) Allocation of Pre-Effective Date: The proceeds of the Fund shall be allocated among Co-Defendant Claimants against whom compensatory verdicts or judgments were returned or entered in favor of Direct Claimants prior to the Effective Date, based on each Co-Defendant's proportionate share of the total of such compensatory verdicts and judgments which amount shall be calculated as follows:

(1) In respect of compensatory damage judgments or verdicts entered after February 15, 1991, and prior to the Effective Date, and paid, satisfied or settled by a Co-Defendant no later than 90 days after the Effective Date (the "Payment Date"), at 100% of the sum paid or agreed to be paid by the Co-Defendant;

(2) In respect of compensatory damage judgments entered after February 15, 1991, and prior to the Effective Date but on appeal or otherwise unresolved as the Payment Date, at 70% of the amount of a Co-Defendant's share of the judgment; and

(3) In respect of compensatory damage judgments entered prior to February 15, 1991, which have been paid, satisfied, or settled by a Co-Defendant, at 25% of the sum paid by the Co-Defendant.

(c) Distribution of the Fund: The Fund Shall be distributed by the Fund Administrators pursuant to the allocation set forth above in Section 8(2)(b) herein. The initial distribution to Co-Defendants shall be within 180 days of the Effective Date. Thereafter, the need for subsequent distributions will be evaluated by the Fund Administrators at 180 day intervals. If the Fund Administrators determine, at their discretion, that the Fund has sufficient cash to warrant subsequent distributions, then the Fund Administrators shall direct that such distribution be made at that time.

(d) Administration of the Fund: The role of the Fund Administrators, as described in the Manville Fund Principles, shall be filled in connection with the Pre-Effective Date Claims by counsel for present Co-Defendant Claims and the Co-Defendant Representative. Mark Peterson, who, as special Advisor to the Manville Trust, was to resolve any Fund allocation disputes as set forth in the Manville Fund Principles, shall also serve in that role in connection with this fund, such role not to conflict with any other work he may perform for the Asbestos Trust, the TAC or the Committee of Unsecured Creditors of H.K. Porter, Inc. The Fund Administrators may use a Special Advisor to resolve outstanding Fund allocation disputes prior to arbitration, as provided in Section 8.5(a). The costs incurred by the Fund Administrators in administering the fund shall be borne by the Fund itself.

(e) Approval of Settlements. Prior to the Fund receiving \$1.0 million from the Porter Retained Insurance Policies and/or Tobacco Contribution Action, the Co-Defendant Representative must approve the settlement of any litigation involving the Porter Retained Insurance Policies and/or the Tobacco Contribution Action, unless the after tax proceeds of any such settlement is for more than \$1.0 million.

(f) Termination of the Fund. The Fund shall terminate at the earlier of (i) the distribution of \$1,750,000, plus any accrued interest to Co-Defendants, minus the administrative expenses; (ii) distribution of all cash in the Fund and a determination by the Fund Administrator that no further funds will be received from the Porter Retained Insurance Policies or the Tobacco Contribution Action; or (iii) termination of the Asbestos Trust pursuant to Article 7.2 of the Asbestos Trust Agreement.

8.3 Co-Defendant Claims Arising Out of Post-Effective Date Verdicts or Judgments: Co-Defendant Claims based on compensatory verdicts or judgments returned after the Effective Date ("Post-Effective Date Claims") shall be treated as set forth in this Section 8.3. In order to



limit transaction costs of the Asbestos Trust and of claimants, and in recognition of the funds available to resolve all asbestos health claims that might be brought against the Reorganized Debtor or the Asbestos Trust, the goal of these procedures shall be, in all substantive respects to treat the Reorganized Debtor and the Asbestos Trust in the Underlying Litigation in the same manner as the Debtor has been treated since February 15, 1991.

(a) Post-Effective Date Claims Based on Unliquidated Direct Claims: If a Direct Claimant proceeds to trial or verdict in the Underlying Litigation without having liquidated his or her Direct Claim against the Asbestos Trust, there shall be no joint, and/or joint and several share assigned by the trier of fact or the trial court to the Reorganized Debtor or the Asbestos Trust, and no joint, or joint and several set-off or verdict reduction in respect of the Reorganized Debtor or the Asbestos Trust. The Co-Defendant Claimant(s) against which such verdict or judgment was returned may submit a claim to the Asbestos Trust and succeed in all respects to the rights of the Direct Claimant as to the joint, and joint and several, components of the Direct Claim, providing, however, that the Co-Defendant Claimant shall notify the Asbestos Trust within 90 days of the entry of judgment or return of the verdict, or shall waive any claim against the Asbestos Trust as to the verdict or judgment in question (but none other). Upon payment by satisfaction of a verdict or judgment returned after the Effective Date, as to which timely notice has been given, the Co-Defendant Claimant(s) shall succeed in all respects to the joint, or joint and several, portion of the Direct Claim against the Asbestos Trust and may pursue such Direct Claim in accordance with these Claims Procedures. Notwithstanding any contrary provisions of applicable law, a Co-Defendant Claim pursued under this Section 8.3(a) shall not be limited, lost or extinguished in any fashion by virtue of a Co-Defendant Claimant's settlement with a Direct Claimant reached after a contested trial resulting in at a minimum a verdict or jury or court fact-finding regarding an individual Direct Claimant's injury and entitlement to compensatory damages. Nothing in this section shall affect the operation of applicable law which imposes several liability only for all, or certain categories of, damages.

(b) Co-Defendant Claimant to Stand in Direct Claimant's Stead: In pursuing a Co-Defendant Claim, except as set forth to the contrary in Section 8.5, (i) the Co-Defendant Claimant shall stand in the stead of the Direct Claimant in whose favor the verdict or judgment was returned; and (ii) the Co-Defendant Claim shall be processed and evaluated on the same basis as if the Direct Claimant directly presented the claim to the Asbestos Trust, without any enhancement, discount or limitation because the claim is asserted by Co-Defendant Claimant, provided, however, that Co-Defendant Claimants are not required to provide information unavailable to them because such information is solely within the control of the Direct Claimant.

8.4 Post-Effective Date Claims Based on Liquidated Direct Claims: If a Direct Claim against the Asbestos Trust is Liquidated prior to trial, any joint, or joint and several, judgment obtained by a Direct Claimant against the Co-Defendant Claimant(s) shall be reduced or offset by the dollar amount of the Direct Claimant's settlement with the Trust, as further described below in Section 8.4(a).

(a) Calculation of Set-Off Amount: Notwithstanding any contrary provision of these Claims Procedures, the Asbestos Trust Agreement, or applicable law, no joint, or joint and several, liability share shall be assigned under applicable law to the Asbestos Trust or H.K. Porter in entering or molding a verdict or judgment, and the joint and/or joint and several portion of the Asbestos Trust and/or H.K. Porter's liability shall be provided for solely pursuant to the terms of this Section 8.4(a). In the manner set forth in Findley v. Falise, 929 F.Supp. 1, \_\_\_\_ (E. & S.D.N.Y. 1996), the amount paid or agreed to be paid by the Asbestos Trust to the Direct Claimant, shall be deducted from that amount of the verdict or judgment for which nonsettling defendants would be responsible, without regard to the existence or potential liability of the Asbestos Trust and/or H.K. Porter, and Co-Defendants waive any rights to a set-off that exceeds the amount paid or agreed to be paid by the Trust to the Direct Claimant. Co-Defendants shall not be required to show exposure of the Direct Claimants to H.K. Porter asbestos or asbestos-containing products to receive this credit. Nothing in this section shall affect the operation of applicable law which imposes several liability only for all, or certain categories of, damages.

(b) Status of Trust (or H.K. Porter): The Direct Claimant and the Asbestos Trust shall consent to any procedures reasonably required in order enable a trial court to reduce any judgment according to the terms of these Claims Procedures. Solely to the extent necessary to obtain the verdict reduction described in Section 8.4(a) and for no other reason, the Trust, (itself or in H.K. Porter's stead) shall be deemed to be (i) a settled defendant within the meaning of the applicable law, and (ii) a legally responsible joint tort-feasor under applicable law, without introduction of further proof. Should a trial court require that the Asbestos Trust or H.K. Porter be a party in order to effect such reduction, no objection shall be made by the Asbestos Trust or the Direct Claimant to filing at any stage of the proceedings (including, but not limited to, the verdict-molding stage) by Co-Defendant Claimant(s) of a third-party complaint or to the joinder of the Asbestos Trust, for itself or in H.K. Porter's stead, as a party for this limited purpose only. The Asbestos Trust, if made a party, shall not be required to enter an appearance, be subjected to discovery as a party, or be subject to default or other trial court process or procedure.

8.5 General Provisions Regarding Co-Defendant Claims: The following provisions shall apply to all Co-Defendant Claims:

(a) Resolution of Claims: The principle that settlement shall be the favored method of Claims resolution shall apply to Co-Defendant Claims with no less force than as to Direct Claims. If a negotiated resolution of a Co-Defendant Claim cannot be reached, the Co-Defendant Claim shall be decided by binding arbitration, by a single arbitrator, selected from a list of arbitrators who are acceptable to both the Trustee and the Co-Defendant Representative. No Co-Defendant Claim shall exit to the tort system. In such arbitrations and in its negotiations with Co-Defendant Claimants, the Asbestos Trust shall not assert any H.K. Porter defenses based on the state of the art, or failure to show negligence or product defect (whether based upon design, manufacture or failure to warn), except in those circumstances (as set forth in the Claims procedures) under which the Asbestos Trust would also have asserted those defenses in respect of the underlying Direct Claim. In any arbitration involving a Co-Defendant Claim, the arbitrator

shall deem the asbestos containing products of H.K. Porter to be defective products capable of causing Asbestos-related disease.

(b) Proof Required for Co-Defendant Claim: The Co-Defendant Claimant shall provide the Asbestos Trust with evidence of the verdict and judgment returned or entered against it, and of payment by the co-Defendant Claimant to the Direct Claimant, as well as with medical reports introduced by the Direct Claimant at trial, if any. In evaluating Co-Defendant Claims, the Asbestos Trust shall consider as a factor a Co-Defendant Claimant's potentially limited access to certain information regarding the Direct Claim. In order to reduce transaction costs, the Asbestos Trust, in consultation with the Co-Defendant Representative, may develop claim form(s) specifically addressing Co-Defendant Claims.

(c) Processing and Payment of Claims: Co-Defendant Claims shall be included in the FIFO queue established pursuant to these Claims Procedures in the same position and manner as the underlying Direct Claim would have been processed and paid pursuant to Section 5.3(c) of these Asbestos Claims Procedures.

(d) Discovery and Informational Issues: The Asbestos Trust shall comply with the rules of discovery under applicable law concerning requests by a Co-Defendant Claimant for product exposure and disease information provided by the Direct Claimant pertaining to such Direct Claim. In response to a Co-Defendant Claimant request, the Asbestos Trust and the Direct Claimant shall promptly verify, no later than the start of jury selection (i) the filing of such Direct Claim, or (ii) the fact of the settlement of such Direct Claim, and also shall provide information regarding the amount and terms of any such settlement of a Direct Claim. Without waiver by the Asbestos Trust or Direct Claimants of their rights to object to discovery of such information, neither product exposure nor disease information provided pursuant to this subsection shall be considered inadmissible at trial based on Rule 408 of the Federal Rules of Evidence or any of its state law counterparts.

(e) Litigation Between Co-Defendant Claimants and Direct Claimants: In any Underlying Litigation, Co-Defendant Claimants and Direct Claimants shall retain their respective rights under applicable law to introduce evidence at trial, however, under no circumstances shall a joint, or joint and several, liability share be allocated to the Asbestos Trust, H.K. Porter or the Reorganized Debtor.

(f) Asbestos Trust Not to be Treated as Bankrupt: From and after the Effective Date, and for procedural purposes only, under no circumstances (other than the commencement by the Asbestos Trust of formal bankruptcy or insolvency proceedings), shall the Asbestos Trust (or H.K. Porter) be treated in any underlying litigation as a bankrupt or insolvent defendant, nor shall the Asbestos Trust (or H.K. Porter) be considered a person who cannot be made a party for lack of personal jurisdiction, or otherwise a party over who a Direct Claimant is unable to obtain jurisdiction.

8.6 No Modification Without Consent: Neither the terms of this Section nor the provisions of these Claims Procedures as to arbitration (as they apply to Co-Defendant Claimants) may be modified without the written consent of the Co-Defendant Representative or Bankruptcy Court Order. Other provisions of the Claims Procedures may be modified (after prior notice to the Co-Defendant Representative) without the consent of the Co-Defendant Representative unless the modification (i) has a adverse effect on Co-Defendant Claimants and (ii) discriminates against them *vis-a-vis* Direct Claimants, in which case the modification shall require the written concurrence of the Co-Defendant Futures Representative or Bankruptcy Court Order.

#### ARTICLE IV. - ASBESTOS PROPERTY DAMAGE CLAIMS PROCEDURES

##### Section 9.

##### Purpose and Interpretation

9.1 Purpose. These Asbestos Property Damage Claims Procedures ("**PD Procedures**") are designed to provide similar treatment to Claimants with similar Asbestos Property Damage Claims in substantially the same manner pursuant to the Plan.

The PD Procedures shall provide the exclusive method for disposition and payment of Asbestos Property Damage Claims asserted against Porter. The goal is to provide fair treatment to all Claimants with Asbestos Property Damage Claims, taking into account the resources available to the Asbestos Trust for this purpose. As such, the PD Procedures pertain only and are unique to the Chapter 11 Case and have no applicability on any other basis and are not relevant to any litigation or other disputed proceeding.

9.2 Interpretation. Nothing in these PD Procedures shall be deemed to create a substantive right for any Claimant with an Asbestos Property Damage Claim. These PD Procedures are procedural and they may be amended, deleted or added to pursuant to the terms of the Asbestos Trust Agreement and the terms of these PD Procedures.

##### Section 10.

##### Assumption of Liability

The Trustee, on behalf of the Asbestos Trust, expressly assumes liability pursuant to the Plan for all Asbestos Property Damage Claims. The sole recourse of a Claimant with an

Asbestos Property Damage Claim shall be a recovery under the coverage provided by the Property Damage Insurance Policies, and such Claimant shall have no right whatsoever to collect its Asbestos Property Damage Claim against any other assets or property of the Debtor or the Asbestos Trust or to assert its Asbestos Property Damage claim against any Protected Party as defined in the Plan.

## Section 11.

### Duties of Trustee and Rights of Claimants

The Asbestos Permanent Channeling Injunction prohibits holders of Asbestos Property Damage Claims from suing Porter or any Protected Party. Any individual or entity holding an Asbestos Property Damage Claim, however, may sue the Asbestos Trust based upon such a Claim. In the event that the holder of an Asbestos Property Damage Claim is successful in obtaining a judgment against the Asbestos Trust, such holder's sole recourse to having the judgment satisfied or paid is by way of a recovery under the coverage provided by the Property Damage Insurance Policies and the liability of the Trust shall be limited to the applicable, unexhausted and available coverage limits of the Property Damage Insurance Policies.

Upon receipt of any Asbestos Property Damage Claim, the Trustee shall promptly give notice to the companies who may have a duty to defend and/or a duty to indemnify pursuant to Property Damage Insurance Policies.

The Trustee shall cooperate with such companies in the control, defense and/or trial of any Asbestos Property Damage Claims so as to effect a final determination thereof, but shall not be liable for payment of defense costs.

The liability of the Trust shall be limited to the duties to give notice and to cooperate as set forth in this section. In any event, the liability of the Trust shall be limited to the applicable, unexhausted and available coverage limits of the Property Damage Insurance Policies.

## ARTICLE V. - MISCELLANEOUS

### Section 12.

#### Miscellaneous

12.1 Amendments. The Trustee may modify, delete or add to any of these Asbestos Claims Procedures (including, without limitation, amendments to conform these procedures to

advances in scientific or medical knowledge or other changes in circumstances) provided he first obtains any advice and consent of the TAC required by Article 3.2(d) of the Asbestos Trust Agreement. Notwithstanding anything contained herein to the contrary, Asbestos Claims Procedures shall not be modified or amended in any way that would jeopardize the validity or enforceability of the Asbestos Permanent Channeling Injunction.

12.2 Severability. Should any provision contained in the Asbestos Claims Procedures be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Asbestos Claims Procedures.

12.3 Governing Law. The Asbestos Claims Procedures shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.