

FIRST AMENDED ARTRA 524(g) ASBESTOS TRUST AGREEMENT

This ARTRA 524(g) ASBESTOS TRUST AGREEMENT (the “Asbestos Trust Agreement”), dated April 2, 2007, is made by and among ARTRA GROUP, Incorporated, as settlor (“ARTRA” or the “Settlor”), and the Futures Representative, the members of the Trust Advisory Committee, and the Trustee identified on the signature page hereof and appointed on the Confirmation Date pursuant to the Amended Joint Reorganization Plan of ARTRA GROUP, Incorporated, as Modified, filed pursuant to section 1121 of chapter 11 of the United States Bankruptcy Code, confirmed by an order of the United States Bankruptcy Court for the Northern District of Illinois entered on January 25, 2007 and affirmed by an order of the United States District Court for the Northern District of Illinois on February 28, 2007 (the “Plan”), and Wilmington Trust Company (“Wilmington Trust”) as the initial “Delaware Trustee” (as defined in Section 5.9 below). All capitalized terms used herein but not otherwise defined shall have the respective meanings given to such terms in the Second Amended Glossary for the Plan Documents (the “Glossary”), and such definitions are incorporated herein by reference. All capitalized terms not defined herein or in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference. “Person” shall have the meaning assigned such term in the Act (as defined below).

RECITALS

WHEREAS, at the time of the entry of the order for relief in the Chapter 11 Case, ARTRA as a defendant in personal injury actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products; and

WHEREAS, ARTRA has reorganized under the provisions of Chapter 11 of the Bankruptcy Code in that certain case pending in the Bankruptcy Court known as *In re: ARTRA GROUP, Incorporated*, Case No. 02 B 21522; and

WHEREAS, the Plan, filed by the Plan Proponents, has been confirmed by the Bankruptcy Court and the District Court; and

WHEREAS, the Plan Documents provide, among other things, for the creation of the Asbestos Trust; and

WHEREAS, pursuant to the Plan, the Asbestos Trust is to use its assets and income to pay Asbestos Personal Injury Claims as and to the extent provided for herein and in the Trust Distribution Procedures (the “Asbestos TDP”); and

WHEREAS, pursuant to the Plan, the Asbestos Trust is intended to qualify as a “qualified settlement fund” (a “QSF”) within the meaning of Section 1.468B-1(c) of the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code of 1986 (the “IRC”), as amended from time to time; and

WHEREAS, it is the intent of the Settlor, the Trustee, the Futures Representative, and the TAC that the Asbestos Trust be administered, maintained, and operated at all times as a QSF through mechanisms that provide reasonable assurance that the Asbestos Trust will value, and be in a financial position to pay, all Asbestos Personal Injury Claims that involve similar claims in substantially the same manner in strict compliance with the terms of this Asbestos Trust Agreement and the Asbestos TDP; and

WHEREAS, the Plan provides, among other things, for the complete treatment of all liabilities and obligations of the Debtor and of other Released Parties, including specifically Muralo, with respect to Asbestos Trust Claims; and

WHEREAS, the Bankruptcy Court has determined that the Asbestos Trust and the Plan satisfy all the prerequisites for the Injunctions pursuant to Sections 105(a) and 524(g) of the Bankruptcy Code provided for in the Plan, and such Injunctions have been entered and/or affirmed by the Bankruptcy Court and the District Court.

NOW, THEREFORE, in consideration of the mutual covenants and understandings contained herein, and subject to and on the terms and conditions set forth herein, the parties hereby agree as follows:

ARTICLE I: AGREEMENT OF TRUST

1.1 Creation and Name. The Settlor hereby creates a trust known as the “ARTRA 524(g) Asbestos Trust,” which is the Asbestos Trust to be created on the Effective Date pursuant to the Plan. The Trustee of the Asbestos Trust may transact the business and affairs of the Asbestos Trust in the name “ARTRA 524(g) Asbestos Trust.” It is the intention of the parties hereto that the trust created hereby constitute a statutory trust under Chapter 38 of title 12 of the Delaware Code, 12 Del. C. § 3801 et seq. (the “Act”) and that this document, together with the bylaws described in Section 2.2, if adopted, constitute the governing instruments of the Asbestos Trust. The Trustee and the Delaware Trustee are hereby authorized and directed to execute and file a Certificate of Trust with the Delaware Secretary of State in the form attached hereto as Exhibit A.

1.2 Purpose. The purpose of the Asbestos Trust is to assume all Asbestos Personal Injury Claims, including, without limitation, all Claims defined in the Muralo Settlement Agreement (whether now existing or arising at any time hereafter), and to use the Asbestos Trust Assets to pay holders of such Asbestos Personal Injury Claims in accordance with this Asbestos Trust Agreement and the Asbestos TDP, and in such a way that all holders of Asbestos Personal Injury Claims that involve similar claims are treated in substantially the same manner and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code. All Asbestos Personal Injury Claims shall be paid in accordance with this Asbestos Trust Agreement and the Asbestos TDP. All Asbestos Personal Injury Claims, including Asbestos Personal Injury Claims that were liquidated prior to the Petition Date and future Asbestos Personal Injury Claims and Demands, shall be determined,

liquidated, and paid, if Allowed, pursuant to this Asbestos Trust Agreement and the Asbestos TDP.

1.3 Transfer of Assets. Pursuant to the Plan, ARTRA will transfer, issue, or assign, as appropriate, and deliver to the Asbestos Trust the Asbestos Trust Assets at the time and in the manner contemplated by the Plan Documents, in each case free and clear of any Claims, Liens, or interests of ARTRA or any creditor, shareholder, or other Person. ARTRA and any other party transferring any Asbestos Trust Asset to the Asbestos Trust (including Asbestos Insurance Companies), shall execute and deliver, or cause to be executed and delivered, such documents as the Trustee may reasonably request from time to time to reflect the transfer, issuance, and assignment, as applicable, of the Asbestos Trust Assets to the Asbestos Trust.

1.4 Acceptance of Assets and Assumption of Liabilities.

(a) In furtherance of the purposes of the Asbestos Trust, the Trustee, on behalf of the Asbestos Trust, hereby expressly accepts the transfer, issuance, and assignment, as applicable, to the Asbestos Trust of the Asbestos Trust Assets at the time and in the manner contemplated by the Plan Documents, in accordance with the terms of this Asbestos Trust Agreement.

(b) In furtherance of the purposes of the Asbestos Trust, the Trustee, on behalf of the Asbestos Trust, hereby expressly assumes all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter). The Asbestos Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding Asbestos Personal Injury Claims that ARTRA or any successor of ARTRA have or would have had under applicable law or under any agreement related thereto.

(c) ARTRA shall be entitled to indemnification from the Asbestos Trust for any out of pocket fees and expenses and attorneys' fees and expenses, judgments, settlements or other liabilities arising from or reasonably incurred by or on behalf of ARTRA on or after the Effective Date in connection with any action, suit or proceeding related to Asbestos Personal Injury Claims, whether civil, administrative or arbitrative.

(d) Nothing in this Asbestos Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Injunctions issued in connection with the Plan or the Asbestos Trust's assumption of the Asbestos Personal Injury Claims as and when provided herein.

1.5 Beneficial Owners. To the extent required by the Act, the beneficial owners (within the meaning of the Act) of the Asbestos Trust shall be deemed to be the holders of Asbestos Personal Injury Claims (the "Beneficial Owners"); provided that (i) the holders of Asbestos Personal Injury Claims, as such Beneficial Owners, shall have only such rights with respect to the Asbestos Trust and its assets as are set forth in the Asbestos TDP, and (ii) no greater or other rights, including upon dissolution, liquidation or winding up of the Asbestos Trust, shall be deemed to apply to the holders of Asbestos Personal Injury Claims in their capacity as Beneficial Owners.

ARTICLE II: POWERS AND TRUST ADMINISTRATION

2.1 Powers.

(a) The Trustee is and shall act as a fiduciary to the Asbestos Trust in accordance with the provisions of this Asbestos Trust Agreement, the Plan, and Delaware law. The Trustee shall, at all times, administer the Asbestos Trust and the Asbestos Trust Assets in accordance with Section 1.2 of this Asbestos Trust Agreement. Subject to the limitations set forth in this Asbestos Trust Agreement and the Asbestos TDP, the Trustee shall have the power to take any and all actions that, in the reasonable judgment of the Trustee, are necessary or proper to fulfill the purposes of the Asbestos Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto, and any statutory trust power now or hereafter permitted under the laws of the State of Delaware.

(b) Except as otherwise specified herein, the Trustee need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder.

(c) Asbestos Trust Expenses, which excludes payments to holders of Asbestos Personal Injury Claims, but includes Trustee compensation, Delaware Trustee compensation, TAC compensation, employee compensation, compensation to the Futures Representative and his or her professionals, legal, accounting, and other professional fees and expenses (including, but not limited to, those relating to litigation involving insurance providers), shall be paid by the Asbestos Trust.

(d) Without limiting the generality of Section 2.1(a) above, and except as limited below, the Trustee shall have the power to:

- (i) receive and hold the Asbestos Trust Assets in the separate accounts described below;
- (ii) invest the monies held from time to time by the Asbestos Trust;
- (iii) sell, transfer, or exchange any or all of the Asbestos Trust Assets at such prices and upon such terms as he or she may consider proper, consistent with the other terms of this Asbestos Trust Agreement;
- (iv) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Asbestos Trust to operate;
- (v) pay liabilities and expenses of the Asbestos Trust, including, but not limited to, Asbestos Trust Expenses as provided in Section 2.1(c) above;
- (vi) establish such funds, reserves, and accounts within the Asbestos Trust estate as deemed by the Trustee to be useful in carrying out the purposes of the Asbestos Trust;

(vii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitral, or other proceeding or legal action;

(viii) adopt and amend the Asbestos Trust Bylaws (defined below);

(ix) supervise and administer the Asbestos Trust in accordance with the Asbestos TDP and the terms hereof;

(x) administer, amend, supplement, or modify the Asbestos TDP in accordance with the terms thereof;

(xi) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing and forecasting, and other consultants or alternative dispute resolution panelists, and agents as the business of the Asbestos Trust requires, and to delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permit and as the Trustee, in his or her discretion, deems advisable or necessary in order to carry out the terms of the Asbestos Trust;

(xii) pay employees, legal, financial, accounting, investment, auditing and forecasting, and other consultants, advisors, and agents reasonable compensation including, without limitation, compensation at rates approved by the Trustee for services rendered prior to the execution thereof;

(xiii) compensate the Trustee, the Delaware Trustee, the Futures Representative, the TAC, and their respective representatives and reimburse all out-of-pocket costs and expenses, including attorneys' fees, incurred by such Persons in connection with the performance of their duties hereunder, including, without limitation, costs and expenses incurred prior to the execution of the Asbestos Trust Agreement;

(xiv) execute and deliver such instruments as the Trustee considers proper in administering the Asbestos Trust;

(xv) enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the Asbestos Trust, provided such arrangements do not conflict with any other provision of this Asbestos Trust Agreement or the Asbestos TDP;

(xvi) in accordance with Section 2.4, indemnify the Persons to be indemnified under Section 2.4 to the fullest extent that a statutory trust organized under the laws of the State of Delaware is from time to time entitled to indemnify and/or insure such Persons, and purchase insurance for the Asbestos Trust and those Persons for whom the Asbestos Trust has an indemnification obligation hereunder;

(xvii) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Asbestos Trust Assets to any one or

more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 5.4;

(xviii) consult with ARTRA at such times and with respect to such issues relating to the conduct of the Asbestos Trust as the Trustee considers desirable;

(xix) make, pursue (by litigation or otherwise), collect, compromise, or settle, in the name of the Asbestos Trust or the name of ARTRA or any successor in interest, any claim, right, action, or cause of action included in the Asbestos Trust Assets;

(xx) merge or contract with other claims resolution facilities that are not specifically created by this Asbestos Trust Agreement or the Asbestos TDP; provided, however, that such merger or contract shall not (a) subject ARTRA or any successor in interest to any risk of having any Asbestos Personal Injury Claims asserted against it or them, (b) result in the imposition of any federal, state, or local tax or assessment on ARTRA, or (c) otherwise jeopardize the validity or enforceability of the Injunctions;

(xxi) object to Asbestos Personal Injury Claims as provided in the Plan;

(xxii) seek to modify the Plan as provided in Section 15.4 of the Plan;

(xxiii) procure insurance policies and establish claims handling agreements and other arrangements as provided in Section 8.2(b)(ii) of this Asbestos Trust Agreement; and

(xxiv) obtain a tax identification number for the Asbestos Trust, communicate with the Internal Revenue Service and state and local taxing authorities on behalf of the Asbestos Trust, make payment of taxes on behalf of the Asbestos Trust, and file all applicable tax returns for the Asbestos Trust.

(e) The Trustee shall not have the power to guarantee any debt of other Persons.

(f) The Trustee shall give the Futures Representative and the TAC prompt notice of any act performed or taken pursuant to Section 2.1(d)(ii), (iii), (iv), (vi), (vii), (viii), (ix), (x), (xiii), (xv), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), and any act proposed to be performed or taken of the type described in Section 2.2(f).

2.2 General Administration.

(a) To the extent not inconsistent with the terms of this Asbestos Trust Agreement, the any bylaws adopted by the Asbestos Trust (the “Asbestos Trust Bylaws”), shall govern the affairs of the Asbestos Trust and the Trustee shall act in accordance with the Asbestos Trust Bylaws. In the event of an inconsistency between the

Asbestos Trust Bylaws, if adopted, and this Asbestos Trust Agreement, this Asbestos Trust Agreement shall govern.

(b) Tax Returns and Reports.

(i) The Trustee shall cause to be obtained, at the cost and expense of the Asbestos Trust, a Federal Employer Identification Number (“FEIN”) for the Asbestos Trust and shall cause such income tax and other returns and statements as are required by the applicable provisions of the IRC and the Treasury Regulations and such other state or local laws and regulations as may be applicable to be timely filed on behalf of the Asbestos Trust on the basis of a December 31 year end. The Trustee shall take all steps necessary to ensure that any tax obligations imposed upon the Asbestos Trust are paid and shall otherwise comply with Section 1.468B-2 of the Treasury Regulations and all other reporting obligations of the Asbestos Trust. The Trustee shall comply with all applicable withholding obligations as required under the applicable provisions of the IRC and such other state and local laws as may be applicable, and the regulations promulgated thereunder.

(ii) The Trustee shall cause the Asbestos Trust to qualify and maintain qualification as a “qualified settlement fund” within the meaning of Section 1.468B-1(c) of the Treasury Regulations promulgated under Section 468B of the IRC.

(iii) Within seventy-five (75) days (or earlier if required by law) after the end of each calendar year, the Asbestos Trust shall cause to be prepared and mailed such information as required by law to enable payees to complete and file each of their respective federal, state, and local income and other tax returns. The Trustee also shall provide a copy of any filed tax returns of the Asbestos Trust to the Futures Representative and the TAC when such return is filed.

(c) Annual Reports to the Bankruptcy Court.

(i) The Trustee shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, but, in any event, no later than one-hundred-twenty (120) days following the end of each fiscal year, an annual report containing financial statements of the Asbestos Trust (including, without limitation, a balance sheet of the Asbestos Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm that such financial statements present fairly in all material respects the financial position of the Asbestos Trust as of such year end and the results of its operations as of the year then ended in conformity with accounting principles generally accepted in the United States. The Trustee shall provide a copy of such reports to the Futures Representative, the TAC, and ARTRA or its successor when such reports are filed with the Bankruptcy Court.

The Trustee may, in his or her discretion, forego the expense of obtaining audited financial statements for the Asbestos Trust's first fiscal year.

(ii) Simultaneously with delivery of each set of financial statements referred to in Section 2.2(c)(i), the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of Asbestos Personal Injury Claims, and the amount paid in respect of each such Asbestos Personal Injury Claim disposed of during the period covered by the financial statements. The Trustee shall provide a copy of such reports to the Futures Representative and the TAC when such report is filed.

(iii) All materials required to be filed with the Bankruptcy Court by this Section 2.2(c) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Bankruptcy Court.

(d) Following the Asbestos Trust's first fiscal year, the Trustee shall cause to be prepared as soon as practicable prior to the commencement of each subsequent fiscal year a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The Trustee shall provide a copy of the budget and cash flow to the Futures Representative and the TAC.

(e) The Trustee shall consult with the Futures Representative and the TAC (i) on the implementation and administration of the Asbestos TDP, (ii) on the implementation and administration of the Asbestos Trust, and (iii) on such matters as may be required under this Asbestos Trust Agreement and the Asbestos TDP. The Trustee may consult with the Futures Representative and the TAC with respect to any other matter affecting the Asbestos Trust. The Trustee shall meet with the Futures Representative and the TAC not fewer than four (4) times each calendar year during the first two (2) years following the Effective Date and then two (2) times each calendar year thereafter, which shall be at a regular or special meeting as mutually agreed to by the Trustee, the Futures Representative, and the TAC, to discuss general matters regarding the administration of the Asbestos Trust, the allowance and payment of Asbestos Personal Injury Claims, and the condition of the Asbestos Trust Assets. The Delaware Trustee shall not be required or permitted to attend meetings.

(f) In addition to the other provisions contained in this Asbestos Trust Agreement or in the Asbestos TDP requiring the consent of the Futures Representative and the TAC, the Trustee shall be required to obtain the consent of the Futures Representative and the consent of the TAC to:

(i) amend any provision of this Asbestos Trust Agreement in accordance with the terms hereof (and the consent of the Delaware Trustee solely to the extent any such amendment adversely affects the rights, duties and obligations of the Delaware Trustee hereunder);

(ii) terminate the Asbestos Trust pursuant to Section 8.2 hereof;

(iii) change the number of Trustees to serve hereunder and appoint successor Trustee(s); provided, however, that in no event shall the number of Trustees authorized to serve hereunder exceed five (5);

(iv) settle the liability of any insurer under any Asbestos Insurance Policy or to settle any Asbestos Insurance Rights;

(v) change the compensation of the Trustee, the Delaware Trustee, members of the TAC, or the Futures Representative (other than mere cost-of-living adjustments or as otherwise provided herein); provided that a change in the compensation of the Delaware Trustee shall also require the consent of the Delaware Trustee;

(vi) amend or modify the Asbestos TDP;

(vii) take any action pursuant to Section 2.1(d)(iii), (viii), (xxi), or (xxiii); or

(viii) amend the Asbestos Trust Bylaws.

(g) The Trustee, upon notice from the Futures Representative or the TAC requesting consideration of one or more issues, shall at the Trustee's next regular meeting with the Futures Representative or the TAC, or, if appropriate, at a specially called meeting, place on the agenda and consider such issues.

(h) For all purposes of this Agreement and the Act, the consent of the TAC and the Futures Representative shall be deemed the consent of the Beneficial Owners.

2.3 Claims Administration. On the Effective Date, the Trustee shall promptly implement the Asbestos TDP. The Asbestos TDP provides or will provide, as applicable, mechanisms such as structured, periodic, or supplemental payments, pro rata distributions, matrices or periodic review of estimates of the numbers and values of present Asbestos Personal Injury Claims and future Demands, and other comparable mechanisms, that provide reasonable assurance that the Asbestos Trust will value and be in a financial position to pay Asbestos Personal Injury Claims that involve similar claims in substantially the same manner.

2.4 Indemnification.

(a) The Asbestos Trust shall indemnify, hold harmless, and defend the Trustee, the Delaware Trustee (and its officers, directors, stockholders, employees and agents), the Asbestos Trust's officers and employees, members of the TAC, and the Futures Representative (collectively, the "Indemnitees") in the performance of their duties hereunder to the fullest extent that a statutory trust organized under the laws of the State of Delaware is from time to time entitled to indemnify, hold harmless, and defend such Persons against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties hereunder. The Asbestos Trust may indemnify or defend the Released Parties in the performance of their duties hereunder to the fullest extent that a statutory trust organized under the laws of the State of Delaware is from

time to time entitled to indemnify and defend such Persons against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties hereunder or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the Asbestos Trust. Additionally, the Asbestos Trust may indemnify any Released Party who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitrative action, by reason of any act or omission of such Released Party with respect to (i) the liquidation of any Asbestos Personal Injury Claims, (ii) the administration of the Asbestos Trust and the implementation of the Asbestos TDP, or (iii) any and all activities in connection with this Asbestos Trust Agreement to the fullest extent that a statutory trust organized under the laws of the State of Delaware is from time to time entitled to indemnify such Persons against reasonable expenses, costs, and fees (including reasonable attorneys' fees and costs), judgments, awards, amounts paid in settlement, and liabilities of all kinds incurred in connection with or resulting from such action, suit, or proceeding. Notwithstanding the foregoing, none of the Indemnitees shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which they are ultimately liable under Section 5.4.

(b) Reasonable expenses, costs, and fees (including reasonable attorneys' fees and costs) incurred by or on behalf of any Released Party in connection with any action, suit, or proceeding, whether civil, administrative, or arbitrative, from which he or she is indemnified by the Asbestos Trust pursuant to Section 2.4(a), shall be paid by the Asbestos Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of such Released Party, to repay such amount in the event that it shall be determined ultimately by Final Order that such Released Party is not entitled to be indemnified by the Asbestos Trust.

(c) The Trustee shall have the power, generally or in specific cases, to cause the Asbestos Trust to indemnify the agents, advisors, or consultants of the Asbestos Trust to the same extent as provided in this Section 2.4 with respect to the Indemnitees.

(d) The Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of the Asbestos Trust and any individual who is or was a Trustee, a Delaware Trustee, a member of the TAC, a Futures Representative, an officer or employee of the Asbestos Trust, or a Released Party against liability asserted against or incurred by such Person in that capacity or arising from his or her status as a Released Party or Indemnitee.

(e) In addition to the foregoing indemnifications (and to the extent not included therein), the Asbestos Trust shall have the duty to indemnify Muralo as set forth in the Muralo Settlement Agreement, including, without limitation, Sections 3.6 and 3.7 of said Agreement, as well as the duty to defend the Muralo Debtors, as set forth in Section 4.5 of the Muralo Settlement Agreement.

2.5 Lien. The Indemnitees and the other Released Parties shall have a Lien upon the Asbestos Trust Assets which shall be prior to any other Lien thereon, and the Asbestos Trust hereby grants a security interest in the Asbestos Trust Assets, all proceeds thereof, and all

accounts into which such proceeds or the Asbestos Trust Assets are deposited or maintained to the Indemnitees and the other Released Parties to secure the payment of any amounts payable to them pursuant to Sections 2.4 or 5.5. The Asbestos Trust shall take such actions as may be necessary or reasonably requested by the Indemnitees or any of the other Released Parties to evidence such Lien (including, without limitation, filing appropriate financing statements).

2.6 Contract Claims. The Trustee shall pursue the claims and causes of action (the “Contract Claims”) against any and all attorneys and/or law firms that defended or represented, or executed documents purporting to represent or defend, Muralo in proceedings or transactions arising out of Asbestos Claims, but not including Gibbons, Del Deo, Dolan, Griffinger & Vecchione, P.C., now known as Gibbons P.C. (the “Synkoloid Defense Counsel”). The proceeds of litigation net of costs, if any, shall be distributed pursuant to the Asbestos TDP for the benefit of holders of Asbestos Claims who either (i) obtained a judgment agreed to by the Synkoloid Defense Counsel purportedly acting on behalf of Muralo; or (ii) entered into settlement agreements with Synkoloid Defense Counsel purportedly acting on behalf of Muralo (the “Contract Claimants”). The Contract Claimants shall be permitted to share in the distributions of the Asbestos Trust in accordance with the terms set forth in the Asbestos TDP.

Muralo has agreed to permit the Asbestos Trust, in its sole discretion, to pursue and prosecute Contract Claims in the name of Muralo, provided, however, that Muralo will have a veto over any settlement that does not provide for a release from the settling Synkoloid Defense Counsel in favor of Muralo. Muralo has agreed to use such veto power in a manner such that its consent to any such settlement shall not be unreasonably withheld. The Asbestos Trust shall indemnify Muralo from any and all claims brought against Muralo by Synkoloid Defense Counsel alleging that one or more of the claims assigned by Muralo to the Asbestos Trust has been prosecuted and/or filed in bad faith. Muralo has agreed to cooperate with the Trustee of the Asbestos Trust in the prosecution of such assigned claims, including the provision of such testimony as requested by the Trustee. The Asbestos Trust shall reimburse Muralo for all necessary and reasonable expenses incurred in providing any such assistance in connection with litigation against Synkoloid Defense Counsel.

ARTICLE III: QUALIFIED SETTLEMENT FUND

3.1 Tax Treatment. The Asbestos Trust is intended to be treated for U.S. federal income tax purposes as a “qualified settlement fund” as described within section 1.468B-1 *et seq.* of the Treasury Regulations. Accordingly, for all U.S. federal income tax purposes the transfer of assets to the Asbestos Trust will be treated as a transfer to a trust satisfying the requirements of section 1.468B-1(c) of the Treasury Regulations by the Debtor as transferor, for distribution to holders of Asbestos Personal Injury Claims and in complete settlement of such Claims. Any income on the assets of the Asbestos Trust will be treated as subject to tax on a current basis, and all distributions pursuant to the Plan will be made net of provision for taxes and subject to the withholding and reporting requirements set forth in the Plan and this Agreement.

3.2 No Right to Reversion with respect to Asbestos Trust Assets. ARTRA will have no rights to any refunds or reversion with respect to any Asbestos Trust Assets or any earnings thereon.

3.3 Obligations of the Trustee. The Trustee shall be the “administrator” (as defined in section 1.468B-2(k) of the Treasury Regulations) of the Asbestos Trust and shall (a) timely file such income tax and other returns and statements and timely pay all taxes required to be paid from the assets in the Asbestos Trust as required by law and in accordance with the provisions of the Plan and this Agreement, (b) comply with all withholding obligations, as required under the applicable provisions of the IRC and of any state law and the regulations promulgated thereunder, (c) meet all other requirements necessary to qualify and maintain qualification of the Asbestos Trust as a “qualified settlement fund” within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations, and (d) take no action that could cause the Asbestos Trust to fail to qualify as a “qualified settlement fund” within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations.

3.4 Obligations of ARTRA.

(a) Following the funding of the Asbestos Trust (and in no event later than February 15th of the calendar year following the date of this Agreement), ARTRA shall provide, or cause to be provided, to the Trustee a “§ 1.468B-3 Statement” in accordance with section 1.468B-3 of the Treasury Regulations. Following any subsequent transfers of cash or other property to the Asbestos Trust, the transferor shall provide, or cause to be provided, to the Trustee a “§ 1.468B-3 Statement” on or before February 15th of the calendar year following the date of each such transfer.

3.5 No Contravention of Requirements. No provision in this Agreement or the Asbestos TDP shall be construed to mandate any distribution on any Claim or other action that would contravene the Asbestos Trust’s compliance with the requirements of a “qualified settlement fund” within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the IRC.

ARTICLE IV: ACCOUNTS, INVESTMENTS, AND PAYMENTS

4.1 Accounts. The Trustee may, from time to time, establish and maintain such accounts and reserves within the Asbestos Trust as deemed necessary, prudent, or useful in order to provide for the payment of Asbestos Trust Expenses payable hereunder and Asbestos Personal Injury Claims in accordance with the Asbestos TDP, and may, with respect to any such account or reserve, restrict the use of monies therein. Except as otherwise provided herein, all amounts received by the Asbestos Trust in respect of the Asbestos Trust Assets, and all proceeds thereof and earnings thereon, shall be held solely in an Asbestos Trust Account and shall be used to pay Allowed Asbestos Personal Injury Claims and Asbestos Trust Expenses as and to the extent provided in the Asbestos TDP.

4.2 Investments. Investment of monies held in the Asbestos Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the limitations and provisions set forth in this Section 4.2. The standard set forth in the preceding sentence is to be interpreted as being consistent with the Uniform Prudent Investor Act drafted by the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

(a) The Asbestos Trust shall not acquire, directly or indirectly, equity in any Person, Entity or business enterprise if, immediately following such acquisition, the Asbestos Trust would hold more than 5% of the equity in such Entity or business enterprise. The Asbestos Trust shall not hold, directly or indirectly, more than 10% of the equity in any Person, Entity or business enterprise.

(b) The Asbestos Trust shall not acquire or hold any long-term debt securities unless (i) such securities are Asbestos Trust Assets under the Plan, (ii) such securities are rated “A” or higher by Moody’s Investors Services, Inc. (“Moody’s”) or by Standard & Poor’s Corporation (“S&P”), or (iii) such securities have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof, and, in the case of securities described in (ii) and (iii), such securities have a maturity of not more than five (5) years from the date of purchase.

(c) The Asbestos Trust shall not acquire or hold any United States direct obligation (e.g., Treasury bills, notes, and bonds) unless the United States direct obligation has a maturity of not more than five (5) years from the date of purchase.

(d) The Asbestos Trust shall not acquire or hold any commercial paper of a foreign or domestic corporation unless such commercial paper is rated “P-1” or higher by Moody’s or “A-1 H” or higher by S&P and has a maturity of not more than six (6) months.

(e) The Asbestos Trust shall not acquire or hold any promissory note of a domestic corporation unless the note has a maturity of not more than five (5) years from the date of purchase and such note is rated “A” or higher by Moody’s or S&P.

(f) The Asbestos Trust shall not acquire or hold any foreign or domestic banker’s acceptance, certificate of deposit, time deposit, or note, unless that instrument has a maturity of not more than one (1) year from the date of purchase and is rated “A” or higher by Moody’s or S&P.

(g) The Asbestos Trust shall not acquire or hold any direct or indirect obligation of any state, county, city, or other qualifying entity unless the obligation (i) is rated “MI G 1” or higher by Moody’s or “SP-I” or higher by S&P (in the case of a short-term obligation) or “A” or higher by Moody’s or S&P (in the case of a long-term obligation) and (ii) has a maturity or redemption option of not more than five (5) years from the date of purchase.

(h) The Asbestos Trust may invest in a money market fund if the fund has minimum net assets of \$550 million and an average portfolio maturity of not more than one-hundred-eighty (180) days.

(i) The Asbestos Trust shall not acquire or hold any common or preferred stock or convertible securities unless such stock or securities are rated “A” or higher by Moody’s or “A” or higher by S&P’s, and have a maturity of not less than one (1) year from the date of purchase.

(j) The Asbestos Trust shall not acquire or hold any securities or other instruments issued by any Entity (other than debt securities or other instruments issued or fully

guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) to the extent that the aggregate fair market value as determined in good faith by the Trustee of all securities and instruments issued by such Entity and held by the Asbestos Trust would exceed 10% of the aggregate value of the Asbestos Trust estate.

(k) The Asbestos Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Section 4.2(b).

(l) The Asbestos Trust shall not acquire or hold any options or derivatives.

(m) The Asbestos Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustee, they are adequately collateralized. Notwithstanding the foregoing, the Asbestos Trust may acquire and hold (i) equity or debt securities or instruments of the type(s) described in clauses (a) through (m) of this Section 4.2 which are issued by ARTRA, or any of its Affiliates, subsidiaries, or successors, and (ii) any other property or asset included in kind in the Asbestos Trust Assets, in each case without regard to any of the limitations set forth in such clauses (a) through (m).

4.3 Source of Payments. Except as otherwise provided herein, all Asbestos Trust Expenses and all liabilities with respect to the Asbestos Personal Injury Claims shall be payable solely by the Asbestos Trust out of the Asbestos Trust Account. Neither ARTRA, its Affiliates or subsidiaries, any successor in interest or the present or former stockholders, directors, officers, employees, or agents of ARTRA, or its subsidiaries, nor the Trustee, the Delaware Trustee, the Futures Representative, the TAC, Muralo, or any of their officers, agents, advisors, or employees shall be liable for the payment of any Asbestos Personal Injury Claims, Asbestos Trust Expense, or any other liability of the Asbestos Trust.

ARTICLE V: TRUSTEES

5.1 Number. In addition to the Delaware Trustee appointed pursuant to Section 5.9 hereof, the initial number of Trustees shall be one (1); provided, however, that the number of Trustees may be increased in accordance with Section 2.2(f)(iii) hereof. At any time when there is more than one (1) Trustee, the singular term "Trustee" herein shall be read as "Trustees." For the avoidance of doubt, the terms "Trustee" and "Trustees" shall never refer to the Delaware Trustee. The initial Trustee is the individual named on the signature page and appointed as the initial Trustee by the Bankruptcy Court pursuant to the Confirmation Order.

5.2 Term of Service.

(a) The initial Trustee shall serve from the Effective Date and each successor Trustee or Trustees named to fill a vacancy shall serve from the date of appointment until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 5.2(b), (iii) his or her removal pursuant to Section 5.2(c), or (iv) the termination of the Asbestos Trust pursuant to Section 8.2.

(b) Any Trustee may resign at any time by written notice to the TAC and the Futures Representative. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) Any Trustee may be removed in the event that such Trustee becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, any substantial failure to comply with Section 2.2, a consistent pattern of neglect and failure to perform or participate in performing the duties of a trustee hereunder, or repeated nonattendance at scheduled meetings. Such removal shall be made by the mutual decision of the TAC and the Futures Representative, and shall take effect at such time as the TAC and the Futures Representative jointly shall determine.

5.3 Appointment of Successor Trustee(s).

(a) In the event of a vacancy in the position of Trustee, the vacancy shall be filled by the joint consent of the TAC and the Futures Representative. If such vacancy has not been filled within ninety (90) days, the Bankruptcy Court shall fill the vacancy on application of the TAC or the Futures Representative.

(b) Immediately upon the appointment of any successor Trustee, all rights, titles, duties, powers, and authority of the predecessor Trustee hereunder shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

5.4 Limited Liability.

(a) No Trustee, Delaware Trustee, member of the TAC, or the Futures Representative or other Indemnitee shall be liable to the Asbestos Trust, to any Beneficial Owner, or to any other Person except for such individual's (i) own breach of trust committed in bad faith or (ii) willful misconduct. Such protection may, in the discretion of the Trustee, be extended to the agents, advisors, or consultants of the Asbestos Trust. No Trustee, Delaware Trustee, other Indemnitee, agent, advisor or consultant shall be liable for any act or omission of any other Trustee, Delaware Trustee, other Indemnity agent, advisor or consultant of the Asbestos Trust, unless such Trustee, Delaware Trustee, other Indemnitee, agent, advisor or consultant acted with bad faith in the selection or retention of such other Trustee, Delaware Trustee, other Indemnitee, agent, advisor or consultant of the Asbestos Trust.

(b) To the extent that, at law or in equity, the Trustee, the Delaware Trustee and the other Indemnitees have duties (including fiduciary duties) and liabilities relating thereto to the Asbestos Trust, any Beneficial Owner, or to any other Person (as defined in the Act), the Trustee, the Delaware Trustee and the other Indemnitees acting under this Agreement shall not be liable to the Asbestos Trust, any Beneficial Owner or to any other Person for their good faith reliance on the provisions of this Agreement except as

provided in Section 5.4(a). The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Trustee, the Delaware Trustee and the other Indemnitees otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of the Trustee, the Delaware Trustee and the other Indemnitees.

(c) Notwithstanding any other provision of this Agreement or otherwise applicable law, whenever in this Agreement the Trustee, the Delaware Trustee and the other Indemnitees are permitted or required to make a decision in their “*good faith*” or under another express standard, the Trustee’s, the Delaware Trustee’s and the other Indemnitees’ actions shall be evaluated under such express standard and shall not be subject to any other or different standard.

(d) The liability of the Trustee, the Delaware Trustee and the other Indemnitees to any Person other than the Asbestos Trust and the Beneficial Owners shall be further limited (*i.e.*, to the extent such limitation is greater than the limitation provided in the other subsections of this Section 5.4) to the fullest extent allowed by Section 3803 of the Act.

5.5 Compensation and Expenses of the Trustee and the Delaware Trustee.

(a) The Trustee shall receive compensation from the Asbestos Trust for his or her services as a Trustee in the amount of \$75,000.00 per annum plus the sum of \$2,500.00 for attendance at meetings. A meeting is any scheduled, emergency, or sub-committee meeting with the TAC and the Futures Representative in which participation is either in person or by telephone, and the duration of which is no less than two (2) hours and not in excess of five (5) hours. For all other time expended in preparation, authorized projects, and time in excess of five (5) hours in a meeting, the Trustee shall receive the sum of \$450 per hour, and the sum of \$225 per hour for non-working travel, in both cases computed on a quarterly hour basis. The Trustee shall record all meetings and hourly time to be charged to the Asbestos Trust on a daily basis. The compensation payable to each Trustee hereunder shall be reviewed every three (3) years and appropriately adjusted with the consent of the Futures Representative and the TAC. The Delaware Trustee shall be paid such compensation as is agreed pursuant to a separate fee agreement.

(b) The Asbestos Trust will promptly reimburse the Trustee and the Delaware Trustee for all reasonable out-of-pocket costs and expenses incurred it, him or her in connection with the performance of its, his or her duties as Trustee or Delaware Trustee. Such reimbursement shall be deemed an Asbestos Trust Expense.

(c) The Asbestos Trust will include a description of the amounts paid under this Section 5.5 in the report to be filed with the Bankruptcy Court and provided to the TAC and the Futures Representative pursuant to Section 2.2(c)(i) of this Asbestos Trust Agreement.

5.6 Trustee’s Employment of Experts; Delaware Trustee’s Employment of Counsel.

(a) The Trustee may, but shall not be required to, retain and/or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts, and other Persons deemed by the Trustee to be qualified as experts on the matters submitted to them by the Trustee with the consent of the Futures Representative and the TAC, and the opinion of any such Persons on any matters submitted to them by the Trustee shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustee hereunder in good faith and in accordance with the written opinion of any such Person, in the absence of gross negligence.

(b) The Delaware Trustee shall only be permitted to retain counsel and only in such circumstances as required in the exercise of its obligations hereunder, and compliance with the advice of such counsel shall be full and complete authorization and protection for actions taken or not taken by the Delaware Trustee in good faith in compliance with such advice.

5.7 Trustee's Independence. No Trustee shall hold a financial interest in, act as attorney or agent for, or serve as any other professional for ARTRA. No Trustee shall, during the term of his or her service, act as an attorney for any Person who holds an Asbestos Personal Injury Claim. For the avoidance of doubt, this Section 5.7 shall not be applicable to the Delaware Trustee.

5.8 Bond. The Trustee and the Delaware Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

5.9 Delaware Trustee.

(a) There shall at all times be a Delaware Trustee. The "Delaware Trustee" shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity that has its principal place of business in the State of Delaware, otherwise meets the requirements of applicable Delaware law and shall act through one or more persons authorized to bind such entity. The initial Delaware Trustee shall be Wilmington Trust. If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of this Section 5.9, it shall resign immediately in the manner and with the effect hereinafter specified in Section 5.9(c) below. For the avoidance of doubt, the Delaware Trustee will only have such rights and obligations as expressly provided by reference to the Delaware Trustee hereunder.

(b) The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities, of the Trustee set forth herein. The Delaware Trustee shall be one of the trustees of the Asbestos Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Act and for taking such actions as are required to be taken by a Delaware trustee under the Act. The duties (including fiduciary duties), liabilities and obligations of the Delaware Trustee shall be limited to (i) accepting legal process served on the Asbestos Trust in the State of Delaware and (ii) pursuant to the authorization and direction in Section 2.1 or separate written instructions of the Trustee, the execution of any certificates required to be filed with the Secretary of State of the State of Delaware that the Delaware Trustee is required to execute under Section 3811 of the Act and

there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the Delaware Trustee.

(c) The Delaware Trustee shall serve until such time as the Trustee removes the Delaware Trustee or the Delaware Trustee resigns and a successor Delaware Trustee is appointed by the Trustee in accordance with the terms of Section 5.9(d) below. The Delaware Trustee may resign at any time upon the giving of at least 60 days' advance written notice to the Trustee; provided, that such resignation shall not become effective unless and until a successor Delaware Trustee shall have been appointed by the Trustee in accordance with Section 5.9(d) below. If the Trustee does not act within such 60-day period, the Delaware Trustee may apply (at the sole cost and expense of the Asbestos Trust) to the Court of Chancery of the State of Delaware for the appointment of a successor Delaware Trustee.

(d) Upon the resignation or removal of the Delaware Trustee, the Trustee shall appoint a successor Delaware Trustee by delivering a written instrument to the outgoing Delaware Trustee. Any successor Delaware Trustee must satisfy the requirements of Section 3807 of the Act. Any resignation or removal of the Delaware Trustee and appointment of a successor Delaware Trustee shall not become effective until a written acceptance of appointment is delivered by the successor Delaware Trustee to the outgoing Delaware Trustee and the Trustee and any fees and expenses due to the outgoing Delaware Trustee are paid. Following compliance with the preceding sentence, the successor Delaware Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Delaware Trustee under this Agreement, with like effect as if originally named as Delaware Trustee, and the outgoing Delaware Trustee shall be discharged of its duties and obligations under this Agreement.

ARTICLE VI: THE FUTURES REPRESENTATIVE

6.1 Duties. The Futures Representative shall be the individual identified on the signature pages hereto, namely Erwin I. Katz, Esquire, and confirmed as continuing as the Futures Representative by the Bankruptcy Court pursuant to the Confirmation Order. He shall serve in a fiduciary capacity for the purpose of protecting the rights of persons that might subsequently assert Demands. Where provided in this Asbestos Trust Agreement or the Asbestos TDP, certain actions of the Trustee are subject to the consent of the Futures Representative.

6.2 Term of Office.

(a) The Futures Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.2(b), (iii) his or her removal pursuant to Section 6.2(c), or (iv) termination of the Asbestos Trust pursuant to Section 8.2.

(b) The Futures Representative may resign at any time by written notice to the Trustee. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) The Futures Representative may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, a consistent pattern of neglect and failure to perform or to participate in performing the duties of the Futures Representative hereunder and under the Asbestos TDP, such as repeated non-attendance at scheduled meetings. Such removal shall be made by decision of the Trustee and the TAC, subject to Bankruptcy Court approval, and shall take effect at such time as the Trustee and the TAC jointly shall determine.

6.3 Appointment of Successor. A vacancy caused by resignation shall be filled with an individual nominated by the resigning Futures Representative. A vacancy for any other reason, or in the absence of a nomination by the former Futures Representative, shall be filled with an individual selected by the Trustee with the consent of the TAC, subject to the approval of the Bankruptcy Court.

6.4 Futures Representative's Employment of Professionals. The Futures Representative may retain and/or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts, and other Persons (collectively, the "Professionals") deemed by the Futures Representative to be qualified as experts on matters submitted to them by the Futures Representative. The Futures Representative and his or her Professionals shall at all times have complete access to the Asbestos Trust's officers, employees, experts, accountants, advisors, and agents, as well as the Professionals retained by the Asbestos Trust, and shall also have complete access to non-privileged information generated by them or otherwise available to the Asbestos Trust or the Trustee. In the absence of gross negligence, the opinion of any such Professional deemed by the Futures Representative to be qualified on the particular matter submitted to the Professional shall be full and complete authorization and protection in respect of any action taken or not taken by the Futures Representative in good faith and in accordance with the written opinion of any such Professional.

6.5 Compensation and Expenses of the Futures Representative.

(a) The Futures Representative shall receive compensation from the Asbestos Trust for his or her services as the Futures Representative in the form of the Futures Representative's normal hourly rate of \$600 per hour. The Asbestos Trust will promptly reimburse the Futures Representative for all reasonable out-of-pocket costs and expenses incurred by the Futures Representative in connection with the performance of his or her duties hereunder. Such reimbursement shall be deemed an Asbestos Trust Expense. The Asbestos Trust shall include a description of the amounts paid hereunder in the reports to be filed with the Bankruptcy Court and provided to the Trustee and the TAC.

(b) The Asbestos Trust will promptly reimburse, or pay directly if so instructed, the Futures Representative for all reasonable out-of-pocket costs and expenses relating to the performance of his or her duties hereunder, including (i) fees and costs associated with the employment of Professionals pursuant to Section 6.4, (ii) reasonable fees and costs incurred in connection with the performance of his or her duties in connection with the formulation, negotiation, and confirmation of the Plan and Plan

Documents, (iii) reasonable fees and costs associated with the procurement and maintenance of insurance incurred by the Futures Representative in connection with the performance of his or her duties hereunder, and (iv) reasonable fees and expenses incurred in connection with carrying out his or her duties hereunder. All such reimbursements or direct payments shall be deemed Asbestos Trust Expenses.

6.6 Procedure for Obtaining Consent of the Futures Representative.

(a) In the event the consent of the Futures Representative is required pursuant to the terms of this Asbestos Trust Agreement, the Trustee shall promptly provide the Futures Representative and his or her counsel with notice and with all information regarding the matter in question. The Trustee shall also provide the Futures Representative with such reasonable access to Professionals and other experts retained by the Asbestos Trust and its staff (if any) as the Futures Representative may request.

(b) The Trustee shall take into consideration the time required for the Futures Representative, if he or she so wishes, to engage or consult with his or her own independent counsel, experts, and/or advisors.

(c) The Futures Representative must consider in good faith and in a timely fashion any request by the Trustee and may not withhold his or her consent unreasonably. If the Futures Representative does not notify the Trustee of his or her objection to such request within forty-five (45) days or such other time as has been approved by the Bankruptcy Court after receiving advance written notice and information regarding such request, then the Futures Representative's consent shall be deemed to have been affirmatively granted.

6.7 Lack of Consent of the Futures Representative.

(a) In the event the Trustee is unable to obtain the consent of the Futures Representative to any action or decision for which consent is required after following the procedure set forth in Section 6.6 of this Asbestos Trust Agreement, or if the Trustee and the Futures Representative are unable to reach agreement on any matter on which such consent is required, the matter may be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustee and the Futures Representative.

(b) If the disagreement is not resolved by alternative dispute resolution, or if the Trustee and the Futures Representative do not agree to participate in any such alternative dispute resolution, the Trustee may apply to the Bankruptcy Court on an expedited basis for approval of any action or decision for which consent is required, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order shall the Trustee have the authority to implement such action or decision without the Futures Representative's consent. The burden of proof with respect to the Futures Representative's objection and the withholding of his or her consent shall be on the Futures Representative.

ARTICLE VII: TRUST ADVISORY COMMITTEE

7.1 Formulation and Number. The TAC shall be composed of five (5) members. The initial TAC members are those five (5) individuals identified on the signature pages hereto and appointed as the initial members of the TAC pursuant to the Confirmation Order. The TAC shall have a chairperson who shall act as the TAC's liaison with the Asbestos Trust and the Futures Representative, coordinate and schedule meetings of the TAC, and handle all administrative matters that come before the TAC.

7.2 Duties. The TAC and its members shall serve in a fiduciary capacity representing all holders of present Asbestos Personal Injury Claims. Where provided in this Asbestos Trust Agreement or the Asbestos TDP, certain actions by the Trustee are subject to the consent of the TAC.

7.3 Term of Office.

(a) Each member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 7.3(b), (iii) his or her removal pursuant to Section 7.3(c), or (iv) the termination of the Asbestos Trust pursuant to Section 8.2.

(b) Any member of the TAC may resign at any time by written notice to each of the remaining TAC members. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) Any member of the TAC may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder and under the Asbestos TDP, such as repeated non-attendance at scheduled meetings. Such removal shall be made by the majority vote of the Trustee, the Futures Representative, and the other members of the TAC, and shall take effect at such time as the Trustee, the Futures Representative, and the other members of the TAC jointly determine.

7.4 Appointment of Successors. A vacancy in the TAC caused by resignation, death, or removal shall be filled with an individual, not a firm, approved by the majority vote of the Futures Representative and all remaining members of the TAC.

7.5 The TAC's Employment of Professionals. The TAC may retain and/or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts, and other Persons (collectively, the "Professionals") deemed by the TAC to be qualified as experts on matters submitted to them by the TAC, and, in the absence of gross negligence, the opinion of any such Professional on any matters submitted to the Professional by the TAC shall be full and complete authorization and protection in respect of any action taken or not taken by the TAC hereunder in good faith and in accordance with the written opinion of any such Professional. The TAC and its Professionals shall at all times have complete access to the Asbestos Trust's officers, employees,

experts, accountants, advisors, and agents, as well as the Professionals retained by the Asbestos Trust, and shall also have complete access to non-privileged information generated by them or otherwise available to the Asbestos Trust or the Trustee.

7.6 Compensation for Attendance at Meetings and Expenses of the TAC. The members of the TAC shall be compensated for attendance at meetings at the customary rate of \$500 per hour. The Asbestos Trust will promptly reimburse, or pay directly if so instructed, the TAC and each TAC member for all reasonable out-of-pocket costs and expenses, including reasonable fees and costs associated with employment of Professionals pursuant to Section 7.5 and the procurement and maintenance of insurance incurred by the TAC in connection with the performance of its members' duties hereunder. All such reimbursements or direct payments shall be deemed Asbestos Trust Expenses.

7.7 Procedure for Obtaining Consent of the TAC.

(a) In the event the consent of the TAC is required pursuant to the terms of this Asbestos Trust Agreement, the Trustee shall promptly provide the TAC and its counsel with notice and with all information regarding the matter in question.

(b) The TAC must consider in good faith and in a timely fashion any request by the Trustee and may not withhold its consent unreasonably. If the TAC does not notify the Trustee of its objection to such request within forty-five (45) days, or such other time as has been approved by the Bankruptcy Court, after receiving notice and information regarding such request, then the TAC's consent shall be deemed to have been affirmatively granted.

(c) Except where otherwise provided for in this Asbestos Trust Agreement, the TAC shall act in all cases by majority vote.

7.8 Lack of Consent of the TAC.

(a) In the event the Trustee is unable to obtain the consent of the TAC on any action or decision for which consent of the TAC is required after following the procedure set forth in Section 7.7 of this Asbestos Trust Agreement, or if the Trustee and the TAC are unable to reach agreement on any matter on which the TAC's consent is required, then the matter may be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustee and the TAC.

(b) If the disagreement is not resolved by alternative dispute resolution, or if the Trustee and the TAC do not agree to participate in any such alternative dispute resolution, the Trustee may apply to the Bankruptcy Court on an expedited basis for approval of any action or decision for which consent of the TAC is required, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order shall the Trustee have the authority to implement such action or decision without the TAC's consent. The burden of proof with respect to the TAC's objection and the withholding of its consent shall be on the TAC.

ARTICLE VIII: GENERAL PROVISIONS

8.1 Irrevocability. The Asbestos Trust is irrevocable.

8.2 Termination.

(a) The term for which the Asbestos Trust is to exist shall commence on the date of the filing of the Certificate of Trust and shall terminate pursuant to the provisions of this Section 8.2.

(b) The Asbestos Trust shall automatically dissolve on the date ninety (90) days after the first to occur of the following events (the “Dissolution Date”):

(i) subject to Section 2.2(f), the date on which Trustee in his or her discretion decides to dissolve the Asbestos Trust because (A) he or she deems it unlikely that new Asbestos Personal Injury Claims will be filed against the Asbestos Trust, and (B) Asbestos Personal Injury Claims duly filed with the Asbestos Trust have been Allowed and paid to the extent provided in this Asbestos Trust Agreement and the Asbestos TDP (and to the extent possible based upon the funds available through the Plan Documents), or disallowed by a final, non-appealable order, and (C) twelve (12) consecutive months have elapsed during which no new Asbestos Personal Injury Claims have been filed with the Asbestos Trust;

(ii) if the Trustee has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Asbestos Trust in a manner consistent with this Asbestos Trust Agreement and the Asbestos TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order; or

(iii) to the extent that any rule against perpetuities shall be deemed applicable to the Asbestos Trust, that date which is twenty-one (21) years less ninety-one (91) days after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

(c) On the Dissolution Date or as soon as reasonably practicable, after the wind-up of the Asbestos Trust’s affairs by the Trustee and payment of all the Asbestos Trust’s liabilities, after all Demands have been provided for (including, without limitation, Trust Expenses) as required by applicable law including Section 3808 of the Act, and after liquidation of all properties and other non-cash Asbestos Trust Assets then held by the Asbestos Trust, all monies remaining in the Asbestos Trust estate shall be given to such organization(s) exempt from federal income tax under Section 501(c)(3) of the IRC, which tax-exempt organization(s) shall be selected by the Trustee using his or her reasonable discretion; provided, however, that (i) if practicable, the activities of the selected tax-exempt organization(s) shall be related to the treatment of, research on, or

the relief of suffering of individuals suffering from asbestos-related lung diseases or disorders, and (ii) the tax exempt organization(s) shall not bear any relationship to ARTRA within the meaning of Section 468B(d)(3) of the IRC. Notwithstanding any other provision of the Plan Documents, this Section 8.2(c) cannot be modified or amended.

(d) Following the dissolution and distribution of the assets of the Asbestos Trust, the Asbestos Trust shall terminate and the Trustee shall execute and cause a Certificate of Cancellation of the Certificate of Trust of the Asbestos Trust to be filed in accordance with the Act and provide the Delaware Trustee with a certified copy of such filing. Notwithstanding anything to the contrary contained in this Agreement, the existence of the Asbestos Trust as a separate legal entity shall continue until the filing of such Certificate of Cancellation.

8.3 Amendments. The Trustee, after consultation with the Futures Representative and the TAC, and subject to the consent of the Futures Representative and the TAC to the extent provided elsewhere in this Asbestos Trust Agreement, may modify or amend this Asbestos Trust Agreement or any document annexed to it, including, without limitation, the Asbestos Trust Bylaws or the Asbestos TDP, provided the provisions of the Asbestos TDP, if any, regarding any such modification or amendment are also followed, and provided further that no such modification or amendment unless the modification or amendment is signed by the Delaware Trustee, may adversely affect the rights, duties or obligations of the Delaware Trustee. Having consulted with and obtained the consent of the Futures Representative and the TAC to modify or amend this Asbestos Trust Agreement, the Asbestos Trust Bylaws, the Asbestos TDP, or any other document annexed to this Asbestos Trust Agreement, the Trustee need not otherwise consult with or obtain the consent of any other Person or court to effect such modifications or amendments. Any modification or amendment made pursuant to this Section 8.3 must be done in writing. Notwithstanding anything contained in this Asbestos Trust Agreement to the contrary, neither this Asbestos Trust Agreement, the Asbestos Trust Bylaws, the Asbestos TDP, nor any document annexed to the Asbestos Trust Agreement shall be modified or amended in any way that could jeopardize, impair, or modify the applicability of Section 524(g) of the Bankruptcy Code, the efficacy or enforceability of the Injunctions set out in the Plan, the Asbestos Trust's QSF status under Section 468B of the IRC, or the rights of ARTRA under the Plan Documents.

8.4 Meetings. The Trustee, the TAC, and the Futures Representative shall have complete discretion to determine whether a meeting occurred for purposes of this Asbestos Trust Agreement.

8.5 Severability. Should any provision in this Asbestos Trust Agreement 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 this Asbestos Trust Agreement.

8.6 Notices. Notices to Persons asserting Asbestos Personal Injury Claims shall be given at the address of such Person, or, where applicable, such Person's representative, in each case as provided on such Person's claim form submitted to the Asbestos Trust with respect to his

or her or its Asbestos Personal Injury Claim or as otherwise provided to the Asbestos Trust. Any notices or other report required or permitted by this Asbestos Trust Agreement must be in (i) writing and is deemed given when (a) delivered personally to the recipient, (b) sent by facsimile before 5:00 p.m. prevailing eastern time on a Business Day with a copy of such facsimile sent on the same day to the recipient by reputable overnight courier service (charges prepaid), (c) five (5) days after deposit in the U.S. mail, mailed by registered or certified mail, return receipt requested, postage prepaid, or (d) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); and (ii) addressed to the other Persons at the addresses set forth below, or at such other address as any such Person designates from time to time in writing in accordance with this Section 8.6.

To the Asbestos Trust through the Trustee:

Hon. Alfred Wolin
Saiber Schlesinger Satz & Goldstein, LLC
One Gateway Center, 13th Floor
Newark, New Jersey 07102-5311
Fax: (973) 622-3349

With a copy to:

Frances Gecker, Esq.
Frank/Gecker LLP
325 North LaSalle Street, Suite 625
Chicago, Illinois 60610
Fax: (312) 276-0035

To the TAC:

Alan B. Rich
Baron & Budd, PC
3102 Oak Lawn Avenue, Suite 1100
Dallas, Texas 75219
Fax: (214) 520-1171

Matthew P. Bergman
Bergman & Frockt
614 First Avenue, Fourth Floor
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Scott W. Wert
Foster & Sear
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Arlington, Texas 76011
Fax: (817) 633-5507

To the Futures Representative:

Erwin I. Katz, Esq.
2839 West Morse Avenue
Chicago, IL 60645-2929

With a copy to:

David A. Missner, Esq
DLA Piper US LLP
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601
Fax: (312) 630-7399

To ARTRA:

Artra Group, Inc.
One Tiffany Pointe, Suite 112
Bloomington, IL 60108
Attn: John Conroy
Fax: (630) 351-8355

With a copy to:

James A. Chatz
Barry A. Chatz
Miriam R. Stein
Arnstein & Lehr
120 South Riverside Plaza, Suite 1200
Chicago, Illinois 60606
Fax: (312) 876-0288

To the Delaware Trustee

Wilmington Trust Company
1100 N. Market Street
Wilmington, Delaware 19890-1615
Attention: Joseph B. Feil
Fax: (302) 636-4145

8.7 Successors and Assigns. The provisions of this Asbestos Trust Agreement shall be binding upon and inure to the benefit of ARTRA, the Asbestos Trust, and the Trustee and their respective successors and assigns, except that neither ARTRA nor the Asbestos Trust nor the Trustee may assign or otherwise transfer any of its or his or her rights or obligations under this Asbestos Trust Agreement, except, in the case of the Asbestos Trust and the Trustee, as contemplated by Sections 2.1 and 8.2.

8.8 Limitation on Claim Interests for Securities Laws Purposes. Asbestos Personal Injury Claims and any interests therein (i) shall not be assigned, conveyed, hypothecated, pledged, or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will or under the laws of descent and distribution and except that the foregoing shall not apply to any holder of a derivative Asbestos Personal Injury Claim that is subrogated to an Asbestos Personal Injury Claim as a result of its satisfaction of such Asbestos Personal Injury Claim; (ii) shall not be evidenced by a certificate or other instrument; (iii) shall not possess any voting rights; and (iv) shall not be entitled to receive any dividends or interest.

8.9 Entire Agreement; No Waiver. The entire agreement of the parties relating to the subject matter of this Asbestos Trust Agreement is contained herein and in the documents referred to herein, and this Asbestos Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any further exercise thereof or of any other right, power, or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity, except as otherwise provided in the Injunctions.

8.10 Headings. The headings used in this Asbestos Trust Agreement are inserted for convenience only and neither constitute a portion of this Asbestos Trust Agreement, nor in any manner affect the construction of the provisions of this Asbestos Trust Agreement.

8.11 Governing Law. This Asbestos Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to Delaware conflict of laws principles; *provided, however*, that there shall not be applicable to the parties hereunder or this Agreement any provision of the laws (common or statutory) of the state of Delaware pertaining to trusts that relate to or regulate, in a manner inconsistent with the terms hereof, (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding or investing trust assets or (g) the establishment of fiduciary or other standards of responsibility or limitations on the acts or powers of trustees that are inconsistent with the limitations or authorities and powers of the Trustee and Delaware Trustee hereunder as set forth or referenced in this Agreement. Section 3540 of title 12 of the Delaware Code shall not apply to the Asbestos Trust.

8.12 Dispute Resolution. Any disputes that arise under this Asbestos Trust Agreement or under the Asbestos TDP or the Asbestos Trust Bylaws shall be resolved by the Bankruptcy Court pursuant to the Plan, except as otherwise provided herein, or in the Asbestos TDP or the Asbestos Trust Bylaws. Notwithstanding anything else herein contained, to the extent any provision of this Asbestos Trust Agreement is inconsistent with any provision of the Plan, the Plan shall control.

8.13 Enforcement and Administration. The provisions of this Asbestos Trust Agreement and the annexes hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustee.

8.14 Effectiveness. This Asbestos Trust Agreement shall not become effective until such time as it has been approved by the Bankruptcy Court and executed and delivered by all the parties hereto, and the Effective Date of the Plan has occurred.

8.15 Counterpart Signatures. This Asbestos Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

8.16 Notices under Plan Documents. The Trustee shall deliver to the TAC and the Futures Representative a copy of all written notices that the Asbestos Trust or the Trustee gives or receives under any of the Plan Documents (other than the Asbestos TDP) promptly after receipt of the same. Notices to the TAC or the Futures Representative under the Asbestos TDP shall be governed by the provisions of the Asbestos TDP.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this ARTRA 524(g) Asbestos Trust Agreement this 2nd day of April, 2007.

SETTLOR:

By: _____
Name: _____
Title: _____

TRUSTEE:

Hon. Alfred Wolin

DELAWARE TRUSTEE:

Wilmington Trust Company, as Delaware Trustee
By: _____
Name: _____
Title: _____

FUTURES REPRESENTATIVE:

Erwin I. Katz

TRUST ADVISORY COMMITTEE:

Alan B. Rich

Steven Kazan

Matthew P. Bergman

Steven J. Kherkher

Mark H. Iola

Scott W. Wert

EXHIBIT A

CERTIFICATE OF TRUST

OF

ARTRA 524(G) ASBESTOS TRUST

THIS Certificate of Trust of the ARTRA 524(g) Asbestos Trust (the “Trust”), is being duly executed and filed by the undersigned, as trustees, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. Code, § 3801 et seq.) (the “Act”).

1. Name. The name of the statutory trust formed hereby is “ARTRA 524(g) Asbestos Trust.”
2. Delaware Trustee. The name and business address of the trustee of the Trust in the State of Delaware are Wilmington Trust Company, 1100 N. Market Street, Wilmington, Delaware 19890-1615, Attention: Corporate Capital Markets.
3. Effective Date. This Certificate of Trust shall be effective upon filing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Trust in accordance with Section 3811(a) of the Act.

WILMINGTON TRUST COMPANY, not
in its individual capacity but solely as Delaware
Trustee

By: _____
Name: _____
Title: _____

HON. ALFRED WOLIN, not in his individual
capacity but solely as Trustee
