

**ARTRA 524(g) ASBESTOS TRUST
SECOND AMENDED ASBESTOS
TRUST DISTRIBUTION
PROCEDURES**

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SECOND AMENDED ASBESTOS TRUST DISTRIBUTION PROCEDURES

The ARTRA 524(g) Asbestos Trust Distribution Procedures (“TDP”) contained herein provide for resolving all asbestos-related personal injury and death claims caused, in whole or in part, by exposure to asbestos-containing products sold by ARTRA GROUP, Incorporated (“ARTRA”) or its predecessors, for which ARTRA and its predecessors, successors, and assigns have legal liability, and including those similar claims as to which either or both The Muralo Company, Inc. (“Muralo”) and its affiliate, Norton & Son of California, Inc. (“Norton”)¹ have alleged legal liability (hereinafter for all purposes of this TDP defined collectively as “Asbestos Claims”), as provided in and required by the Amended Joint Reorganization Plan of ARTRA GROUP, Incorporated, as Modified, Dated January 24, 2007 (the “Plan”) and the Asbestos Trust Agreement. The Plan and Asbestos Trust Agreement establish the Asbestos 524(g) Asbestos Trust (the “Asbestos Trust”). The Trustee of the Asbestos Trust (“Trustee”) shall implement and administer this TDP in accordance with the Asbestos Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Glossary of Terms for Plan Documents.

SECTION I

INTRODUCTION

1.1 Purpose. This TDP has been adopted pursuant to the Asbestos Trust Agreement. It is designed to provide fair and equitable treatment for all Asbestos Claims that presently exist or may arise in the future in substantially the same manner.

1.2 Interpretation. Nothing in this TDP shall be deemed to create a substantive right for any claimant.

1.3 Effective Date. For purposes of this TDP, “Effective Date” shall mean the First Business Day after which the order(s) establishing the Asbestos Trust and the corollary injunction channeling claims against ARTRA to the Asbestos Trust shall have become a Final Order, as defined by the Plan.

SECTION II

OVERVIEW

2.1 Asbestos Trust Goals. The goal of the Asbestos Trust is to treat all claimants equitably. This TDP furthers that goal by setting forth procedures for processing and paying claims generally on an impartial, first-in-first-out (“FIFO”) basis, with the intention of paying all claimants over time as equivalent a share as possible of the value of their claims based on historical values for substantially similar claims in the tort system.² To this end, the TDP establishes a schedule of six asbestos-related diseases (“Disease Levels”), all of which have medical and exposure requirements (“Medical/Exposure Criteria”). The six Disease Levels have specific liquidated values (“Scheduled Values”). Four of the Disease Levels, Levels III - VI, have anticipated average values (“Average Values”) and caps on their liquidated values (“Maximum Values”). The Disease Levels, Medical/Exposure Criteria, Scheduled Values, Average Values, and Maximum Values, which are set forth in Section 5.3(b)(3) below, have all been selected and derived with the intention of achieving a fair allocation of the Asbestos Trust funds as among claimants suffering from different diseases in light of the best available

¹ Muralo and Norton are themselves Chapter 11 Debtors in jointly administered cases pending in the United States Bankruptcy Court for the District of New Jersey under Case No. 03-26723 (MS).

² As used in this TDP, the phrase “in the tort system” shall include only claims asserted by way of litigation and not claims asserted against a trust established pursuant to Section 524(g) and/or Section 105 of the Bankruptcy Code or any other applicable law.

information considering the settlement history of claims against ARTRA and the rights claimants would have in the tort system absent the Bankruptcy.

2.2 Asbestos Claim Liquidation Procedures. Asbestos Claims shall be processed based on their place in the FIFO Processing Queue to be established pursuant to Section 5.1(a) below. The Asbestos Trust shall take all reasonable steps to resolve Asbestos Claims as efficiently and expeditiously as possible at each stage of claims processing and arbitration, which steps may include conducting settlement discussions with claimants' representatives with respect to more than one claim at a time, provided that the claimants' respective positions in the FIFO Processing Queue are maintained and each claim is individually evaluated pursuant to the valuation factors set forth in Section 5.3(b)(2) below. Whether or not to conduct settlement discussions with claimants' representative with respect to more than one claim at a time is a decision within the Asbestos Trust's sole discretion. The Asbestos Trust shall also make every effort to resolve each year at least that number of Asbestos Claims required to exhaust the Maximum Annual Payment for Category A and Category B claims, as those terms are defined below.

The Asbestos Trust shall liquidate all Asbestos Claims, except Foreign Claims (as defined below), under the Expedited Review Process described in Section 5.3(a) below.

All unresolved disputes over a claimant's medical condition, exposure history, and/or the liquidated value of the claim shall be subject to binding or non-binding arbitration, at the election of the claimant, under procedures that are provided in Section 5.10 below. Disputes that are not resolved after non-binding arbitration may enter the tort system as provided in Sections 5.10 and 7.5 below. However, if and when a claimant obtains a judgment in the tort system, the judgment

will be payable (subject to the Payment Percentage, Maximum Annual Payment and Claims Payment Ratio provisions set forth below) only as provided in Section 7.6 below.

2.3 Asbestos Trust Application of the Payment Percentage. After the liquidated value of an Asbestos Claim is determined pursuant to the procedures set forth herein for Expedited Review, arbitration, or litigation in the tort system, the claimant will ultimately receive a pro-rata share of that value based on a Payment Percentage described in Section 4.2 below. As set forth in Section 4.2 below, the Initial Payment Percentage has been set at seven and one-half percent (7.5%), and shall apply to all Asbestos Voting Claims accepted as valid by the Asbestos Trust, unless adjusted by the Asbestos Trust pursuant to the consent of the Asbestos Trust Advisory Committee (“TAC”) and the Futures Representative for Future Asbestos-Related Claimants (“Futures Representative”) (who are described in Section 3.1 below) pursuant to Section 4.2 below, and, except as provided in Section 4.2 below with respect to supplemental payments in the event the Initial Payment Percentage is changed. The term “Asbestos Voting Claims” includes (i) claims filed against ARTRA in the tort system prior to the Petition Date of June 3, 2002, and (ii) all claims filed against another defendant in the tort system, including Muralo and Norton, or otherwise asserted against Muralo and/or Norton in their Chapter 11 cases prior to the Effective Date; provided, however, that (1) the holder of a claim described in subsection (i) or (ii) above or his or her authorized agent, actually voted to accept or reject the Plan pursuant to the voting procedures established by the Bankruptcy Court, unless such holder certifies to the satisfaction of the Trustee that he or she was prevented from voting in this proceeding as a consequence of events resulting in a state of emergency in the relevant jurisdiction that affected the Claimant or his or her law firm, and (2) the claim was subsequently filed with the Asbestos Trust pursuant to Section 5.1 below by the Initial Claims Filing Date

defined in Section 5.1(a)(1) below. The Initial Payment Percentage has been calculated on the assumption that the Average Values set forth in Section 5.3(b)(3) below will be achieved with respect to existing present claims and projected future claims involving Disease Levels III – VI.

The Payment Percentage may be adjusted upwards or downwards from time to time by the Asbestos Trust with the consent of the TAC and the Futures Representative to reflect then-current estimates of the Asbestos Trust's assets and its liabilities, as well as the then-estimated value of then-pending and future claims. However, any adjustment to the Initial Payment Percentage shall be made only pursuant to Section 4.2 below. If the Payment Percentage is increased over time, claimants whose claims were liquidated and paid in prior periods under the TDP shall recover additional payments only as provided in Section 4.2 below. Because there is uncertainty in the prediction of both the number and severity of future claims, and the amount of the Asbestos Trust's assets, no guarantee can be made of any Payment Percentage of any Asbestos Claim's liquidated value other than of an Asbestos Voting Claim.

As of September 13, 2011, the Asbestos Trust, with the consent of the TAC and Futures Representative, adjusted the Payment Percentage to 0.50% (the "Current Payment Percentage").

2.4 Asbestos Trust's Determination of the Maximum Annual Payment. The Asbestos Trust shall estimate or model the amount of cash flow anticipated to be necessary over its entire life to ensure that funds will be available to treat present and future asbestos claimants as similarly as possible. In each year, the Asbestos Trust shall be empowered to pay all of the income earned during the year, together with a portion of principal, calculated so that the application of Asbestos Trust funds over its life shall correspond with the needs created by the anticipated flow of claims (the "Maximum Annual Payment"), taking into account the Payment Percentage provisions set forth in Sections 2.3 above and 4.2 below.

The Asbestos Trust's distributions to all claimants for that year shall not exceed the Maximum Annual Payment for that year. The Maximum Annual Payment shall be allocated and used to satisfy all liquidated Asbestos Claims, subject to the Claims Payment Ratio set forth in Section 2.5 below. Claims for which there are insufficient funds shall be carried over to the next year, and placed at the head of their FIFO Payment Queue.

2.5 Asbestos Claims Payment Ratio. Based upon the claims settlement history of ARTRA and an analysis of present and future claims, a Claims Payment Ratio has been determined which, as of the Effective Date has been set at sixty-five percent (65%) for Category A claims, which consist of Asbestos Claims involving severe asbestosis and malignancies (Disease Levels III – VI) that were unliquidated as of the Petition Date, and at thirty-five percent (35%) for Category B claims, which are Asbestos Claims involving other asbestos-related nonmalignant disease (Disease Levels I and II) that were similarly unliquidated as of the Petition Date. In each year, based upon the Maximum Annual Payment, 65% of that amount will be available to pay liquidated Category A claims and 35% will be available to pay liquidated Category B claims that have been liquidated since the Petition Date.

In the event there are insufficient funds in any year to pay the liquidated claims within either or both of the Categories, the available funds allocated to the particular Category shall be paid to the maximum extent to claimants in the particular Category based on their place in the FIFO Payment Queue described in Section 5.1(c) below based upon the date of claim liquidation. Claims for which there are insufficient funds allocated to the relevant Category will be carried to the next year where they will be placed at the head of the FIFO Payment Queue. If there are excess funds in either or both Categories because there is an insufficient amount of liquidated claims to exhaust the respective Maximum Annual Payment amount for that Category, then the

excess funds for either or both Categories shall be rolled over and remain dedicated to the respective Category to which they were originally allocated.

The 65%/35% Claims Payment Ratio and its rollover provision shall apply to all Asbestos Voting Claims as defined above in Section 2.3, and shall not be amended until the fifth anniversary of the date on which the Asbestos Trust accepts for processing proof of claim forms and other materials required to file a claim with the Asbestos Trust. Thereafter, both the Claims Payment Ratio and its rollover provision shall be continued absent circumstances, such as a significant change in law or medicine, necessitating amendment to avoid a manifest injustice. However, the accumulation, rollover, and subsequent delay of claims resulting from the application of the Claims Payment Ratio, shall not, in and of itself, constitute such circumstances. In addition, an increase in the number of Category B claims beyond those predicted or expected shall not be considered as a factor in deciding whether to reduce the percentage allocated to Category A claims. In considering whether to make any amendments to the Claims Payment Ratio and/or its rollover provisions, the Trustee should also consider the reasons for which the Claims Payment Ratio and its rollover provisions were adopted, the settlement history that gave rise to its calculation, and the foreseeability or lack of the foreseeability of the reasons why there would be any need to make an amendment. In that regard, the Trustee should keep in mind the interplay between the Payment Percentage and the Claims Payment Ratio as it affects the net cash actually paid to claimants. In any event, no amendment to the Claims Payment Ratio to reduce the percentage allocated to Category A claims may be made without the consent of the TAC members and the consent of the Futures Representative, and the percentage allocated to Category A claims may not be increased without the consent of the TAC members and the Futures Representative. In case of any amendment to

the Claims Payment Ratio, consents shall be governed by the consent process set forth in Sections 6.6 and 7.7 of the Asbestos Trust Agreement. The Trustee, with the consent of the TAC members and the Futures Representative, may offer the option of a reduced Payment Percentage to holders of claims in either Category A or Category B in return for prompter payments (the “Reduced Payment Option”).

2.6 Indirect Asbestos Claims. As set forth in Section 5.6 below, Indirect Asbestos Claims for indemnity and contribution (if any) will be subject to the same categorization, evaluation, and payment provisions of this TDP as all other Asbestos Claims.

2.7 Muralo Contract Claims. Claimants that are holders of Contract Claims (as such term is defined in the Asbestos Trust Agreement) shall have their Asbestos Claims processed in accordance with the provisions of this TDP, provided, however, that holders of Contract Claims may receive a pro rata dividend from the litigation against the Synkoloid Defense Counsel (as defined in the Asbestos Trust Agreement) in an amount greater than the holders of Contract Claims would otherwise receive pursuant to this TDP solely as holders of Asbestos Claims. In the event any recoveries are received, net of costs, from litigation against Synkoloid Defense Counsel, those proceeds will be paid into the Asbestos Trust up to an amount equal to distributions received by holders of Contract Claims from the Asbestos Trust. Holders of Contract Claims may participate, as holders of Asbestos Claims, in any pro rata distributions from proceeds of the litigation recoveries, net of costs, from Synkoloid Defense Counsel litigation that has been deposited into the Asbestos Trust. Any net proceeds resulting from litigation against Synkoloid Defense counsel recovered in an amount in excess of the total distributions made to holders of Contract Claims shall be set aside by the Trustee of the Asbestos Trust for pro rata distribution solely among the holders of Contract Claims.

SECTION III

TDP ADMINISTRATION

3.1. Asbestos Trust Advisory Committee and Futures Representative. Pursuant to the Plan and the Asbestos Trust Agreement, the Asbestos Trust and this TDP will be administered by the Trustee in consultation with (1) a five-member Asbestos Trust Advisory Committee (the “TAC”) that represents the interests of holders of present Asbestos Claims, and (2) a Futures Representative for Future Asbestos-Related Claimants (the “Futures Representative”) who represents the interests of holders of Asbestos Claims that will be asserted in the future. The Trustee shall obtain the consent of the TAC and the Futures Representative before seeking to amend these procedures pursuant to Section 8.1 below and on such other matters as are otherwise required below and in Section 3.2(f) of the Asbestos Trust Agreement. The Trustee shall also consult with the TAC and the Futures Representative on such matters as are provided below and in Section 3.2 of the Asbestos Trust Agreement. The initial members of the TAC and the Futures Representative are identified in the Asbestos Trust Agreement.

3.2 Consent and Consultation Procedures. In those circumstances in which consultation or consent is required, the Trustee will provide written notice to the TAC and the Futures Representative of the specific amendment or other action that is proposed. The Trustee will not implement such amendment nor take such action unless and until the parties have engaged in the consent procedures described in Sections 6.6 and 7.7 of the Asbestos Trust Agreement.

SECTION IV

PAYMENT PERCENTAGE; PERIODIC ESTIMATES

4.1 Uncertainty of ARTRA's Personal Injury Asbestos Liabilities. As discussed above, there is inherent uncertainty regarding the total asbestos-related tort liabilities of ARTRA, as well as the total value of the assets available to the Asbestos Trust to pay Asbestos Claims. Consequently, there is inherent uncertainty regarding the amounts that holders of Asbestos Claims will receive. To seek to ensure substantially equivalent treatment of all present and future Asbestos Claims, the Trustee must determine from time to time the percentage of full liquidated value that holders of Asbestos Claims will be likely to receive, *i.e.*, the "Payment Percentage" described in Section 2.3 above and Section 4.2 below.

4.2 Computation of Payment Percentage. As provided in Section 2.3 above, the Initial Payment Percentage shall be seven and one-half percent (7.5%), and shall apply to all Asbestos Voting Claims as defined in Section 2.3 above, unless the Trustee, with the consent of the TAC and the Futures Representative, determines that the Initial Payment Percentage should be changed to assure that the Asbestos Trust will be in a financial position to pay holders of unliquidated and/or unpaid Asbestos Voting Claims and present and future Asbestos Claims in substantially the same manner.

Except with respect to Asbestos Voting Claims to which the Initial Payment Percentage applies, the Payment Percentage shall be subject to change pursuant to the terms of this TDP and the Asbestos Trust Agreement if the Trustee determines that an adjustment is required. No less frequently than once every three (3) years, commencing with the first day of January occurring after the Plan is consummated, the Trustee shall reconsider the then-applicable Payment Percentage to assure that it is based on accurate, current information and may, after such

reconsideration, change the Payment Percentage if necessary with the consent of the TAC and the Futures Representative. The Trustee shall also reconsider the then-applicable Payment Percentage at shorter intervals if the Trustee deems such reconsideration to be appropriate or if requested to do so by the TAC or the Futures Representative. The Trustee must base his or her determination of the Payment Percentage on current estimates of the number, types, and values of present and future Asbestos Claims, the value and liquidity of the assets then available to the Asbestos Trust for their payment, all anticipated administrative and legal expenses, and any other material matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of full value to all holders of Asbestos Claims. When making these determinations, the Trustee shall exercise common sense and flexibly evaluate all relevant factors. The Payment Percentage applicable to Category A claims may not be reduced to alleviate delays in Category B claims payments caused by a backlog in Category B and vice versa; Category B claims will receive the same Payment Percentage as Category A claims, but the payment may be deferred as needed and a Reduced Payment Option may be instituted as described in Section 2.5 above.

The uncertainty surrounding the amount of the Asbestos Trust's future assets is due in significant part to the fact that the estimates of those assets do not take into account the possibility that the Asbestos Trust may receive substantial additional funds from successful recoveries of insurance proceeds that have been assigned to the Asbestos Trust with respect to which the coverage is presently in dispute or the solvency of the carrier is in doubt. If the Asbestos Trust successfully resolves an insurance coverage dispute or otherwise receives a substantial recovery of insurance proceeds, the Asbestos Trust shall use those proceeds first to maintain the Payment Percentage then in effect.

If the Trustee, with the consent of the TAC and the Futures Representative, determines to increase the Payment Percentage, including the Initial Payment Percentage applicable to Asbestos Voting Claims, due to a material change in the estimates of the Asbestos Trust's future assets and/or liabilities, the Trustee shall also make supplemental payments to all claimants who previously liquidated their claims against the Asbestos Trust and received payments based on a lower Payment Percentage. The amount of any such supplemental payment shall be the liquidated value of the claim in question times the newly adjusted Payment Percentage, less all amounts previously paid to the claimant with respect to the claim.

The Trustee's obligation to make a supplemental payment to a claimant shall be suspended in the event the payment in question would be less than \$100, and the amount of the suspended payment shall be added to the amount of any prior supplemental payment/payments that was/were also suspended because it/they would have been less than \$100. However, the Trustee's obligation shall resume and the Trustee shall pay any such aggregate supplemental payments due the claimant at such time that the total exceeds \$100.

As of September 13, 2011, the Asbestos Trust, with the consent of the TAC and Futures Representative, adjusted the Payment Percentage to 0.50% (the "Current Payment Percentage").

4.3 Applicability of the Payment Percentage. No holder of an Asbestos Claim shall receive a payment that exceeds the Asbestos Trust's determination of the Initial Payment Percentage of the relevant liquidated value of the claim in the case of Asbestos Voting Claims, or the Payment Percentage in effect at the time of payment in the case of all other Asbestos Claims. If a redetermination of the Payment Percentage has been proposed in writing by the Trustee to the TAC and the Futures Representative but has not yet been adopted, the claimant shall receive the lower of the current Payment Percentage or the proposed Payment Percentage. However, if

the proposed Payment Percentage was the lower amount but is not subsequently adopted, the claimant shall thereafter receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Payment Percentage was the higher amount and is subsequently adopted, the claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION V

RESOLUTION OF ASBESTOS CLAIMS

5.1 Ordering, Processing, and Payment of Claims.

5.1(a) Ordering of Claims.

5.1(a)(1) Establishment of the FIFO Processing Queue. The Asbestos Trust will order all unliquidated Asbestos Claims that are sufficiently complete to be reviewed for processing purposes on a FIFO basis (the “FIFO Processing Queue”), except as otherwise provided herein. For all claims filed on or before the Initial Claims Filing Date,³ a claimant’s position in the FIFO Processing Queue shall be determined as of the earlier of (i) the date prior to the Petition Date that the specific claim was filed against ARTRA in the tort system; (ii) the date after the Petition Date but before the Effective Date that the claim was filed in the tort system against another defendant, including Muralo and Norton, or otherwise asserted against Muralo and/or Norton in their Chapter 11 cases; (iii) the date a ballot was submitted on behalf of the claimant for purposes of voting to accept or reject the plan pursuant to the voting procedures approved by the Bankruptcy Court; or (iv) the date the claim was filed with the Asbestos Trust. For all other claims, the claimant’s position in the FIFO Processing Queue shall be determined by the date the claim was filed with the Asbestos Trust. If any claims are filed on the same date,

³ The “Initial Claims Filing Date” is the date six (6) months after the date on which the Asbestos Trust first makes available the proof of claim forms and other claims material required to file a claim with the Asbestos Trust.

then each such claimant's position in the FIFO Processing Queue shall be determined by the date of the diagnosis of each claimant's asbestos-related disease. If any unliquidated Asbestos Claims are both diagnosed and filed on the same dates, the position of those claims in the FIFO Processing Queue shall be determined by the dates of the claimants' birth, with older claimants given priority over younger claimants.

Notwithstanding the foregoing, Level II and Level IV Claims shall be deferred and not placed in the FIFO Processing Queue until such time as the payment percentage is increased so as to result in a payment in excess of \$100.00 to Level II and Level IV Claimants.

5.1(a)(2) Effect of Statutes of Limitations and Repose. To be eligible for a place in the FIFO Processing Queue, an unliquidated Asbestos Claim must meet either: (i) for claims first filed in the tort system against ARTRA prior to the Petition Date, the applicable federal, state, and foreign statutes of limitations and repose that were in effect at the time of the filing of the claim in the tort system; or (ii) for claims not filed against ARTRA in the tort system prior to the Petition Date, the applicable federal, state and foreign statutes of limitations that were in effect at the time of the filing with the Asbestos Trust. However, the running of the applicable statutes of limitations shall be tolled for purposes of these statutes as of the earliest of: (A) the actual filing of the claim against ARTRA prior to the Petition Date; (B) the filing of the claim after the Petition Date but prior to the Effective Date against another defendant in the tort system; or (C) the filing of a proof of claim with the requisite supporting documentation with the Asbestos Trust after the Initial Claims Filing Date. If an Asbestos Claim meets any of the tolling provisions described in the preceding sentence and was not barred by the applicable statutes of limitations as of the date of the tolling, the Asbestos Claim will be treated as timely filed if it is actually filed with the Asbestos Trust within three (3) years of the Initial Claims Filing Date.

Any claims that were first diagnosed after the Petition Date, irrespective of any relevant statutes of limitations or repose, may be filed with the Asbestos Trust within three (3) years after the date of diagnosis or within three (3) years after the Initial Claims Filing Date, whichever occurs later.

In addition to the foregoing tolling provisions, for Disease Level II and Disease Level IV claims only, any applicable statutes of limitations also shall be tolled for as long as the Current Payment Percentage remains in effect. In the event the Current Payment Percentage is increased pursuant to Section 4.2 above to an amount that would result in a payment of at least \$100.00 to Disease Level II and Disease Level IV claimants, this additional tolling of any applicable statutes of limitations for Disease Level II and Disease Level IV claims shall cease, and thereafter Disease Level II and Disease Level IV claims will be treated as timely filed if they were not barred by the applicable statutes of limitations as of the Effective Date and they are filed with the Trust any time prior to three (3) years after the Asbestos Trust gives notice that tolling has ceased as provided herein or three (3) years after the date of diagnosis, whichever occurs later. In any event, the processing of any Asbestos Claim by the Asbestos Trust may be deferred at the election of the claimant pursuant to Section 6.3 below.

5.1(b) Processing of Claims. As a general practice, the Asbestos Trust will review its claims files on a regular basis and notify all claimants whose claims are likely to come up in the FIFO Processing Queue in the near future. However, claims that were not filed against ARTRA in the tort system or actually submitted to ARTRA pursuant to an administrative settlement agreement prior to the Petition Date, or against another defendant in the tort system prior to the Plan Filing Date, shall not be processed until after the Initial Claims Filing Date.

5.1(c) Payment of Claims. Asbestos Claims that have been liquidated by the Expedited Review Process as provided in Section 5.3(a) below, by arbitration as provided in Section 5.10

below, or in the tort system as provided in Section 5.11 below, shall be paid in FIFO order based on the date their liquidation became final (the “FIFO Payment Queue”), all such payments being subject to the applicable Payment Percentage, the Maximum Annual Payment and Claims Payment Ratio, except as otherwise provided herein.

In a case in which the claimant is deceased or incompetent, and the settlement and payment of his or her claim must be approved by a court of competent jurisdiction or through a probate process prior to acceptance of the offer by the claimant’s representative, any offer made by the Asbestos Trust on the claim shall remain open so long as proceedings before that court remain pending, provided that the Asbestos Trust has been furnished with evidence that the settlement offer has been submitted to such court or is in the probate process for approval. If the offer is ultimately approved by the court or through the probate process and accepted by the claimant’s representative, the Asbestos Trust shall pay the claim in the amount so offered multiplied by the Payment Percentage in effect at the time the offer was first made. For purposes of placement in the FIFO Payment Queue, the date of final liquidation shall be the date the Asbestos Trust receives evidence of said approval and acceptance.

If any Asbestos Claims are liquidated on the same date, each respective claimant’s position in the FIFO Payment Queue shall be determined by the date of the diagnosis of each claimant’s asbestos-related disease. If any Asbestos Claims are liquidated on the same date and the respective claimant’s diseases were diagnosed on the same date, the position of those claims in the FIFO Payment Queue shall be determined by the dates of the claimants’ birth, with older claimants given priority over younger claimants.

5.2 Resolution of Pre-Petition Liquidated Asbestos Claims.

5.2(a) Processing and Payment. The Asbestos Trust shall pay, upon submission by the claimant of all documentation required by the Asbestos Trust, all Asbestos Claims that were liquidated by (i) a binding settlement agreement for the particular claim entered into prior to the Petition Date that is judicially enforceable by the claimant, (ii) a jury verdict or non-final judgment in the tort system obtained prior to the Petition Date, or (iii) by a judgment that became final and non-appealable prior to the Petition Date (collectively “Pre-Petition Liquidated Asbestos Trust Claims”).

The liquidated value of a Pre-Petition Liquidated Asbestos Trust Claim shall be ARTRA’s share of the unpaid portion of the amount agreed to in the binding settlement agreement, the unpaid portion of the amount awarded by the jury verdict or non-final judgment, or the unpaid portion of the amount of the final judgment, as the case may be; however, the liquidated value of a Pre-Petition Liquidated Asbestos Trust Claim shall not exceed the Average Value for a similar claim in Disease Level III through VI or the Scheduled Value for a similar claim in Disease Level II as set forth in Section 5.3(b)(3) below. The Bankruptcy Court shall have exclusive jurisdiction to determine the validity of pre-petition settlement agreements.

The Asbestos Trust shall pay Pre-Petition Liquidated Asbestos Trust Claims as expeditiously as possible. The Pre-Petition Liquidated Asbestos Trust Claims shall be processed and paid in accordance with their order in a separate FIFO queue to be established by the Trustee based on the date the Asbestos Trust received all required documentation for the particular claim. The amounts payable with respect to such claims shall not be subject to or taken into account in consideration of the Claims Payment Ratio and Maximum Available Payment, but shall be subject to the Maximum Annual Payment and Payment Percentage provisions set forth herein. If

any Pre-Petition Liquidated Asbestos Trust Claims are filed on the same date, the claimants' position in the FIFO queue for such claims shall be determined by the date on which the claim was liquidated. If any Pre-Petition Liquidated Asbestos Trust Claims are both filed and liquidated on the same dates, the position of those claimants in the FIFO queue shall be determined by the dates of the claimants' births, with older claimants given priority over younger claimants.

5.2(b) Marshalling of Security. Holders of Pre-Petition Liquidated Asbestos Trust Claims that are secured by letters of credit, appeal bonds, or other security or sureties shall first exhaust their rights against any applicable security or surety before making a claim against the Asbestos Trust. Only in the event that such security or surety is insufficient to pay the Pre-Petition Liquidated Asbestos Trust Claim in full shall the deficiency be processed and paid as a Pre-Petition Liquidated Asbestos Trust Claim.

5.3 Resolution of Unliquidated Asbestos Claims. Within six (6) months after the establishment of the Asbestos Trust, the Trustee, with the consent of the TAC and the Futures Representative, shall adopt procedures for reviewing and liquidating all unliquidated Asbestos Claims, which shall include deadlines for processing all unliquidated Asbestos Claims. Such procedures shall also require claimants seeking resolution of unliquidated Asbestos Claims to first file a proof of claim form, together with the required supporting documentation, in accordance with the provisions of Sections 6.1 and 6.2 below. It is anticipated that the Asbestos Trust will provide an initial response to a claimant within six (6) months of receiving a completed proof of claim form.

The proof of claim form shall require the claimant to assert his or her Asbestos Claim for the highest Disease Level for which the claim qualifies at the time of filing. All claims shall be

deemed to be a claim for the highest Disease Level alleged by the claimant in his or her proof of claim form for which the claim qualifies at the time of filing and all lower Disease Levels for which the claim may also qualify at the time of filing or in the future shall be treated as subsumed into the higher Disease Level for both processing and payment purposes. The proof of claim form also shall require the claimant to elect the Asbestos Trust's Expedited Review Process as described in Section 5.3(a) below. To the extent it is determined during the claim liquidation process that a claimant's Asbestos Claim qualifies for a higher Disease Level than that alleged on his or her proof of claim form, the Asbestos Trust may so notify the claimant and allow the claimant to amend his or her proof of claim form. Prior to receiving an offer from the Asbestos Trust, the claimant may notify the Asbestos Trust in writing of any change in the claimant's Disease Level, and provide the Asbestos Trust with any additional medical and/or exposure evidence that was not provided with the original claim submission.

5.3(a) Expedited Review Process.

5.3(a)(1) In General. The Asbestos Trust's Expedited Review Process is designed primarily to provide an expeditious, efficient and inexpensive method for liquidating all claims (except Foreign Claims (as defined below)) where the claim can easily be verified by the Asbestos Trust as meeting the Medical/Exposure Criteria for the relevant Disease Level. Expedited Review thus provides claimants with a substantially less burdensome process for pursuing Asbestos Claims. Expedited Review is also intended to provide qualifying claimants a fixed and certain claims payment. Thus, claims that undergo Expedited Review and meet the Medical/Exposure Criteria for the relevant Disease Level shall be paid the Scheduled Value for such Disease Level set forth in Section 5.3(a)(3) below. However, all claims liquidated by Expedited Review shall be subject to the Maximum Annual Payment, the Payment Percentage

and the Claims Payment Ratio. Further, the claimant's eligibility to receive the Scheduled Value for his or her Asbestos Claim pursuant to the Expedited Review Process shall be determined solely by reference to the Medical Exposure Criteria set forth below for each of the Disease Levels eligible for Expedited Review.

5.3(a)(2) Claims Processing under Expedited Review. All claimants seeking liquidation of their claims pursuant to Expedited Review shall file the Asbestos Trust's proof of claim form. As an eligible proof of claim form is reached in the FIFO Processing Queue, the Asbestos Trust shall determine whether the claim described therein meets the Medical/Exposure Criteria for one of the five Disease Levels, and shall advise the claimant of its determination. If a Disease Level is determined, the Asbestos Trust shall tender to the claimant an offer of payment of the Scheduled Value (as adjusted by the applicable Payment Percentage) for the relevant Disease Level multiplied by the applicable Payment Percentage, together with a form of release approved by the Asbestos Trust. If the claimant accepts the offer of payment and returns the release properly executed, the claim shall be placed in the FIFO Payment Queue, following which the Asbestos Trust shall disburse payment subject to the limitations of the Maximum Annual Payment and Claims Payment Ratio, if any.

5.3(a)(3) Disease Levels, Scheduled Values, and Medical/Exposure Criteria. The five Disease Levels covered by this TDP, together with the Medical/Exposure Criteria for each and the Scheduled Values for each are set forth below.

These Disease Levels, Scheduled Values, and Medical/Exposure Criteria shall apply to all Asbestos Voting Claims filed with the Asbestos Trust on or before the Initial Claims Filing Date provided in Section 5.1(a)(1) above for which the claimant elects the Expedited Review Process. Thereafter, for purposes of administering the Expedited Review Process, with the

consent of the TAC and the Futures Representative, the Trustee may add to, change or eliminate Disease Levels, Schedules Values, or Medical/Exposure Criteria; develop subcategories of Disease Levels, Scheduled Values or Medical/Exposure Criteria; or determine that a novel or exceptional personal injury claim is compensable even though it does not meet the Medical/Exposure Criteria for any of the then-current Disease Levels. As of September 13, 2011, the Trustee has eliminated Disease Level I.

<u>Disease Level</u>	<u>Scheduled Values</u>	<u>Medical/Exposure Criteria</u>
Mesothelioma (Level VI)	\$275,000	(1) Diagnosis ⁴ of mesothelioma; and (2) Exposure Evidence (as set forth in Section 5.6(b)(3) below).
Lung Cancer (Level V)	\$40,000	(1) Diagnosis of a primary lung cancer plus evidence of an underlying Bilateral Asbestos Related Nonmalignant Disease ⁵ , (2) six months of ARTRA Exposure, (3) Significant Occupational Exposure to asbestos, ⁶ and (4) supporting medical documentation establishing asbestos exposure as a contributing

⁴ The requirements for a diagnosis of an asbestos-related disease that may be compensated under the provisions of this TDP are set forth in Section 5.7 below.

⁵ Evidence of “Bilateral Asbestos-Related Nonmalignant Disease” for purposes of meeting the criteria for establishing Disease Levels I, II, IV and V means a report submitted by a Qualified Physician stating that the claimant has or had either (i) an X-ray reading of 1/0 or higher on the ILO scale, or bilateral pleural plaques or pleural thickening or bilateral pleural calcification, or (ii) (x) a chest x-ray read by a qualified B-reader or other Qualified Physician, (y) a CT scan read by a Qualified Physician, or (z) pathology in each case showing bilateral interstitial fibrosis, bilateral interstitial markings, bilateral pleural plaques or bilateral pleural thickening, or bilateral pleural calcification consistent with or compatible with a diagnosis of asbestos-related disease) for purposes of meeting the medical requirements of Disease Levels I, II, IV and VI. Pathological proof of asbestosis may be based on the same pathological grading system for asbestosis described in the Special Issue of the Archives of Pathology and Laboratory Medicine, “Asbestos-associated Diseases,” Vol. 106, No. 11, App. 3 (October 8, 1982). For all purposes of this TDP, a “Qualified Physician” is a physician whose is board-certified (or in the case of Foreign Claims, a physician who is certified or qualified under comparable medical standards or criteria of the jurisdiction in question) in one or more relevant specialized fields of medicine such as pulmonology, radiology, internal medicine or occupational medicine; provided, however, that the requirement for board certification in this provision shall not apply to otherwise qualified physicians whose X-ray and/or CT scan readings are submitted for deceased holders of Asbestos Claims.

⁶ “Significant Occupational Exposure” is defined in Section 5.7(b)(2) below.

factor in causing the lung cancer in question.⁷

Other Cancer (Level IV) \$10,000

(1) Diagnosis of a primary colorectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease, (2) six months of Exposure, (3) Significant Occupational Exposure, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the other cancer in question.

Severe Asbestosis
(Level III) \$40,000

(1) Diagnosis of asbestosis with ILO⁸ of 2/1 or greater, or asbestosis determined by pathological evidence of asbestos⁹, plus (a) TLC¹⁰ less than 65%, or (b) FVC¹¹ less than 65% plus FEV1¹²/FVC ratio greater than 65%, (2) six months of ARTRA Exposure, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos

⁷ There is no distinction between Non-Smokers and Smokers for Lung Cancer (Level V). “Non-Smoker” means a claimant who either (a) never smoked or (b) has not smoked during any portion of the twelve (12) years immediately prior to the diagnosis of the lung cancer. A claimant who meets the stringent requirements of Lung Cancer (Level V) (evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease plus Significant Occupational Exposure), and who is also a Non-Smoker, may wish to have his or her claim individually evaluated by the Asbestos Trust. In such a case, it is anticipated that the liquidated value of the claim might well exceed the Scheduled Value for Lung Cancer (Level V) shown above.

⁸ International Labor Office profusion score for plain chest radiographs.

⁹ Proof of pathological asbestosis may be based on the pathological grading system for asbestosis described in the Special Issue of the Archives of Pathology and Laboratory Medicine, “Asbestos-associated Diseases,” Vol. 106, No. 11, App. 3 (October 8, 1982).

¹⁰ Total Lung Capacity, defined as the total amount of air contained in an individual’s lungs after full inspiration, measured in liters.

¹¹ Full Vital Capacity, defined as the total amount of air expelled from an individual’s lungs after full inspiration, measured in liters.

¹² Forced Expiratory Volume in 1 second, defined as the total amount of air an individual can forcibly expel in one second, measured in liters.

exposure as a contributing factor in causing the pulmonary disease in question.

Asbestosis/Pleural
Disease (Level II) \$6,000

(1)(a) Diagnosis of asbestosis with ILO of 1/0 or greater or asbestosis determined by pathology, or bilateral pleural disease of B2 or greater, and (b) TLC less than 80%, or FVC less than 80% plus FEV1/FVC ratio greater than or equal to 65%, and (2) six months of ARTRA Exposure, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary disease in question.

Other Asbestos Disease
(Level I) \$1,000

ELIMINATED AS OF
SEPTEMBER 13, 2011.
(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease or an asbestos-related malignancy other than mesothelioma, (2) six months of ARTRA Exposure, and (3) Significant Occupational Exposure to asbestos.

5.3(b) Individual Review Process For Foreign Claims. As of September 13, 2011, the Asbestos Trust has eliminated the Individual Review Process for all claims except Foreign Claims.

The liquidated value of all Foreign Claims payable under this TDP shall be established only under the Asbestos Trust's Individual Review Process. A "Foreign Claim" is an Asbestos Claim with respect to which the claimant's exposure to an ARTRA asbestos-containing product occurred outside of the United States and its Territories and Possessions. Notwithstanding the

foregoing, “Foreign Claims” shall not include Asbestos Claims asserted by a claimant who was exposed to an ARTRA asbestos-containing product outside of the United States and its Territories and Possessions while serving as active duty United States military personnel, so long as the exposure occurred while the claimant was acting within the scope of his or her authority or responsibility.

In reviewing such Foreign Claims, the Asbestos Trust shall take into account all relevant procedural and substantive legal rules to which the claims would be subject in the Claimant’s Jurisdiction as defined in Section 5.3(b)(2) below, provided, however, that all proofs of claim and supporting documentation must be submitted to the Asbestos Trust in English or accompanied by a certified translation of each document into English. The Asbestos Trust shall determine the liquidated value of Foreign Claims based on historical settlements and verdicts in the Claimant’s Jurisdiction as well as the other valuation factors set forth in Section 5.3(b)(2) below.

For purposes of the Individual Review Process for Foreign Claims, the Trustee, with the consent of the TAC and the Futures Representative, may develop separate Medical/Exposure Criteria and standards, as well as separate requirements for physician and other professional qualifications, which shall be applicable to all Foreign Claims channeled to the Asbestos Trust, provided, however, that such criteria, standards or requirements shall not effectuate substantive changes to the claims eligibility requirements under this TDP but rather shall be made only for the purpose of adapting those requirements to the particular licensing provisions and/or medical customs or practices of the foreign country in question.

At such time as the Asbestos Trust has sufficient historical settlement, verdict and other valuation data for claims from a particular foreign jurisdiction, the Trustee, with the consent of

the TAC and the Futures Representative, may also establish a separate valuation matrix for any such Foreign Claims based on that data.

5.3(b)(1) Scheduled, Average, and Maximum Values. The Scheduled, Average, and Maximum Values for the Disease Levels compensable under this TDP are the following:

<u>Scheduled Disease Value</u>	<u>Scheduled Values</u>	<u>Average Value</u> ¹³	<u>Maximum</u>
Mesothelioma (Level VI)	\$275,000	\$320,000	\$700,000
Lung Cancer (Level V)	\$40,000	\$40,000	\$125,000
Other Cancer (Level IV)	\$10,000	\$12,000	\$50,000
Severe Asbestosis (Level III)	\$40,000	\$40,000	\$125,000
Asbestosis/Pleural Disease (Level II)	\$6,000		\$6,000
Other Asbestos Disease (Level I)	As of September 13, 2011, the Asbestos Trust has eliminated Disease Level I.		

5.3(b)(2) Claims Processing under Individual Review. At the conclusion of the Individual Review Process, the Asbestos Trust shall: (1) determine the liquidated value, if any, of the Foreign Claim; and (2) advise the claimant of its determination. If the Asbestos Trust establishes a liquidated value, it shall tender to the claimant an offer of payment of the aforementioned determined value, together with a form of release approved by the Asbestos Trust. If the claimant accepts the offer of payment and returns the release properly executed, the claim shall be placed in the FIFO Payment Queue, following which the Asbestos Trust shall disburse payment subject to the limitations of the Maximum Annual Payment and Claims Payment Ratio, if any.

5.4 Categorizing Claims Exigent. At any time the Asbestos Trust may liquidate and pay certain Asbestos Claims that qualify as Exigent Health and Hardship Claims, as defined below. An Exigent Claim, following its liquidation, shall be placed at the head of the FIFO Payment Queue for purposes of payment, subject to the Maximum Annual Payment and Claims Payment Ratio described above.

5.4(a) Exigent Health Claims. A claim qualifies as an Exigent Health Claim if the claim meets the Medical/Exposure Criteria for Severe Asbestosis (Disease Level III) or an asbestos-related malignancy (Disease Levels IV-VI), and the claimant provides 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 declaration or affidavit in which the physician states (a) that there is substantial medical doubt that the claimant will survive beyond six months from the date of the declaration or affidavit, and (b) that the claimant's terminal condition is caused by the relevant asbestos-related disease.

5.4(b) Exigent Hardship Claims. An Asbestos Claim qualifies for payment as an Exigent Hardship Claim if the claim meets the Medical/Exposure Criteria for Severe Asbestosis (Disease Level III) or an asbestos-related malignancy (Disease Levels IV-VI), and the Asbestos Trust, in its sole discretion, determines (a) that the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income, and (b) that there is a causal connection between the claimant's dire financial condition and the claimant's asbestos-related disease.

5.5 Secondary Exposure Claims. If a claimant alleges an asbestos-related disease resulting solely from exposure to an occupationally-exposed person, such as a family member,

¹³ The Trustee, in evaluating these Asbestos Claims, shall use his or her best efforts such that the amounts offered for each Disease Level shall over time trend toward the "Average Value" per claim set forth herein.

the claim will be reviewed under the Expedited Review process. In such a case, the claimant must establish that the occupationally-exposed person would have met the exposure requirements under this TDP that would have been applicable had that person filed a direct claim against the Asbestos Trust. In addition, the claimant with secondary exposure must establish that he or she is suffering from one of the five Disease Levels described in Section 5.3(a)(3) above, that his or her asbestos-related disease was caused by exposure through the occupationally-exposed person to an asbestos-containing product produced or distributed by ARTRA or its predecessors, and that his or her exposure to the occupationally-exposed person occurred within the same time frame as the occupationally-exposed person was exposed to the ARTRA product. The Asbestos Trust, with the approval of the TAC and the Futures Representative, may develop a separate proof of claim form to be used by the Asbestos Trust for such Secondary Exposure Claims. All other liquidation and payment rights and limitations under this TDP shall be applicable to such claims.

5.6 Indirect Asbestos Claims. Indirect Asbestos Claims asserted against the Asbestos Trust based upon theories of contribution or indemnification under applicable law, shall be treated as presumptively valid and paid by the Asbestos Trust subject to the applicable Payment Percentage if: (a) such claim satisfied the requirements of the Bar Date established by the Bankruptcy Court for ARTRA claims, if applicable, and is not otherwise disallowed by Section 502(e) of the Code or subordinated under Section 509(c) of the Code; and (b) the holder of such claim (the “Indirect Claimant”) establishes to the satisfaction of the Trustee that (i) the Indirect Claimant has paid in full the liability and obligations of the Asbestos Trust to the individual to whom the Asbestos Trust would otherwise have had a liability or obligation under these Procedures (the “Direct Claimant”), (ii) the Direct Claimant and the Indirect Claimant have

forever released the Asbestos Trust from all liability to the Direct Claimant, and (iii) the claim is not otherwise barred by a statute of limitations or repose or by other applicable law. In no event shall any Indirect Claimant have any rights against the Asbestos Trust superior to the rights of the related Direct Claimant against the Asbestos Trust, including any rights with respect to the timing, amount or manner of payment. No Indirect Claimant may be paid an amount that exceeds what the Indirect Claimant has actually paid the Direct Claimant.

The Asbestos Trust shall not pay any Indirect Claimant unless and until the Indirect Claimant's aggregate liability for the Direct Claimant's claim has been fixed, liquidated and paid by the Indirect Claimant by settlement (with an appropriate full release in favor of the Asbestos Trust) or a Final Order (as defined in the Plan) provided such claim is valid under the applicable state law. In any case where the Indirect Claimant has satisfied the claim of a Direct Claimant against the Asbestos Trust under applicable law by way of a settlement, the Indirect Claimant shall obtain for the benefit of the Asbestos Trust a release of claims by the Direct Claimant in form and substance satisfactory to the Trustee. The Trustee may develop and approve a separate proof of claim form for such Indirect Claims.

If an Indirect Claimant cannot meet the presumptive requirements set forth above, including the requirement that the Indirect Claimant provide the Asbestos Trust with a full release of the Direct Claimant's claim, the Indirect Claimant may request that the Asbestos Trust review the Indirect Asbestos Claim individually to determine whether the Indirect Claimant can establish under applicable state law that the Indirect Claimant has paid all or a portion of a liability or obligation that the Asbestos Trust had to the Direct Claimant as of the Effective Date of this TDP. If the Indirect Claimant can show that it has paid all or a portion of such a liability or obligation, the Asbestos Trust shall reimburse the Indirect Claimant the amount of the liability

or obligation so paid, times the then-applicable Payment Percentage. However, in no event shall such reimbursement to the Indirect Claimant be greater than the amount to which the Direct Claimant would have otherwise been entitled. Further, the liquidated value of any Indirect Asbestos Claim paid by the Asbestos Trust to an Indirect Claimant shall be treated as an offset to or reduction of the full liquidated value of any Asbestos Claim that might be subsequently asserted by the Direct Claimant against the Asbestos Trust. Any dispute between the Asbestos Trust and an Indirect Claimant over whether the Indirect Claimant has a right to reimbursement for any amount paid to a Direct Claimant shall be subject to the arbitration procedures provided in Section 5.10 below. If such dispute is not resolved by the arbitration procedures, the Indirect Claimant may litigate the dispute in the tort system pursuant to Sections 5.11 and 7.5 below.

Indirect Asbestos Claims that have not been disallowed, discharged, or otherwise resolved by prior order of the Court shall be processed in accordance with procedures to be developed and implemented by the Trustee, which procedures (a) shall determine the validity, allowability, and enforceability of such claims; and (b) shall otherwise provide the same liquidation and payment procedures and rights to the holders of such claims as the Asbestos Trust would have afforded the holders of the underlying valid Asbestos Claims. Nothing in this TDP is intended to preclude a trust for which asbestos-related liabilities are channeled from asserting an Indirect Asbestos Claim subject to the requirements set forth herein.

5.7 Evidentiary Requirements.

5.7(a) Medical Evidence.

5.7(a)(1) In General. All diagnoses of a Disease Level shall be accompanied by either (i) a statement by the physician providing the diagnosis that at least ten (10) years have elapsed between the date of first exposure to asbestos or asbestos-containing products and the diagnosis,

or (ii) a history of the claimant's exposure sufficient to establish a 10-year latency period. Except as provided herein, a finding by a physician that a claimant's disease is "consistent with" or "compatible with" asbestosis will not alone be treated by the Asbestos Trust as a diagnosis.¹⁴

5.7(a)(1)(A) Disease Levels II-III. Except for claims filed against ARTRA or any other asbestos defendant in the tort system prior to the Petition Date, all diagnoses of a nonmalignant asbestos-related disease (Disease Levels II-III) shall be based in the case of a claimant who was living at the time the claim was filed, upon a physical examination of the claimant by the physician providing the diagnosis of the asbestos-related disease. In addition, all living claimants must provide: (i) for Disease Level II, evidence of Bilateral Asbestos-Related Nonmalignant Disease (as defined in Footnote 5 above); (ii) for Disease Level III, an ILO reading of 2/1 or greater or pathological evidence of asbestosis; and (iii) for disease Levels II and III, pulmonary function testing.¹⁵

In the case of a claimant who was deceased at the time the claim was filed, all diagnoses of a non-malignant asbestos-related disease (Disease Levels II – III) shall be based upon either (i) a physical examination of the claimant by the physician providing the diagnosis of the asbestos-related disease; or (ii) pathological evidence of the non-malignant asbestos-related disease; or (iii) in the case of Disease Level II, evidence of Bilateral Asbestos-Related

¹⁴ All diagnoses of Mesothelioma (Disease Level VI) shall be presumed to be based on findings that the disease involves a malignancy.

¹⁵ "Pulmonary Function Testing" ("PFT") shall mean spirometry testing that is in material compliance with the quality criteria established by the American Thoracic Society ("ATS") and is performed on equipment which is in material compliance with ATS standards for technical quality and calibration. PFT performed in a hospital accredited by the JCAHO, or performed, reviewed or supervised by a board certified pulmonologist or other Qualified Physician shall be presumed to comply with ATS standards, and the claimant may submit a summary report of the testing. If the PFT was not performed in an JCAHO-accredited hospital, or performed, reviewed or supervised by a board-certified pulmonologist or other Qualified Physician, the claimant must submit the full report of the testing (as opposed to a summary report); provided, however, that if the PFT was conducted prior to the

Nonmalignant Disease (as defined in Footnote 5 above), and for Disease Level III, either an ILO reading of 2/1 or greater or pathological evidence of asbestosis; and (iv) for either Disease Level II or III, pulmonary function testing.

5.7(a)(1)(B) Disease Levels IV-VI. All diagnoses of an asbestos-related malignancy (Disease Levels IV – VI) shall be based upon either (i) a physical examination of the claimant by the physician providing the diagnosis of the asbestos-related disease, or (ii) on a diagnosis of such a malignant Disease Level by a board-certified pathologist.

5.7(a)(1)(C) Treatment of Certain Prepetition Claims. If the holder of an Asbestos Claim has available the medical evidence described in Section 5.7(a)(1)(A) above, or if the holder has filed such medical evidence with another asbestos-related personal injury settlement trust that requires such evidence, the holder shall provide such medical evidence to the Asbestos Trust notwithstanding the exception in Section 5.7(a)(1)(A) above.

5.7(a)(2) Credibility of Medical Evidence. Before making any payment to a claimant, the Asbestos Trust must have reasonable confidence that the medical evidence provided in support of the claim is competent medical evidence of an asbestos-related injury that is credible and consistent with recognized medical standards. The Asbestos Trust may require the submission of X-rays and may also require the submission of CT Scans, detailed results of pulmonary function tests, laboratory tests, tissue samples, results of medical examination or reviews of other medical evidence. The Asbestos Trust may also require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedure to assure that such evidence is reliable.

Effective Date of the Plan, and the full PFT report is not available, the claimant must submit a signed declaration in the form provided by the Asbestos Trust certifying that the PFT was conducted in material compliance with ATS standards.

Medical evidence (i) that is of a kind shown to have been received in evidence by a state or federal judge at trial; (ii) that is consistent with evidence submitted to ARTRA to settle similar disease cases prior to the Petition Date; or (iii) that reflects a diagnosis by a physician shown to have been previously qualified as a medical expert with respect to the asbestos-related disease in question before a state or federal judge using the same methodology and standard is presumptively reliable, although the Asbestos Trust may seek to rebut the presumption. Claimants who otherwise meet the requirements of this TDP for payment of an Asbestos Claim shall be evaluated without regard to the results of any litigation between the claimants and any other defendant in the tort system.

5.7(b) Exposure Evidence.

5.7(b)(1) In General. As set forth in Section 5.3(a)(3) above, to qualify for any Disease Level, the claimant must demonstrate a minimum exposure to an asbestos-containing product or to conduct for which ARTRA has legal responsibility. Claims based on conspiracy theories that involve no such exposure or conduct are not compensable under this TDP. To meet the exposure requirements of Expedited Review set forth in Section 5.3(a)(3) above, the claimant must show: (i) for all Disease Levels, exposure as defined in Section 5.7(b)(3) below prior to January 1, 1983; and (ii) for Asbestos/pleural Disease (Disease Level II), Severe Asbestosis (Disease Level III), Other Cancer (Disease Level IV), or Lung Cancer (Disease Level V), six months of exposure prior to January 1, 1983, plus Significant Occupational Exposure to asbestos.

5.7(b)(2) Significant Occupational Exposure. “Significant Occupational Exposure” means employment for a cumulative period of at least five (5) years in an industry and an occupation in which the claimant (i) handled raw asbestos fibers on a regular basis; (ii) fabricated asbestos-containing products so that the claimant in the fabrication process was

exposed on a regular basis to raw asbestos fibers; (iii) altered, repaired or otherwise worked with an asbestos-containing product such that the claimant was exposed on a regular basis to asbestos fibers; or (iv) was employed in an industry and occupation such that the claimant worked on a regular basis in close proximity to workers engaged in the activities described in (i), (ii) and/or (iii).

5.7(b)(3) ARTRA Exposure. The claimant must demonstrate meaningful and credible exposure which occurred prior to January 1, 1983 to an asbestos-containing product manufactured, installed, maintained or repaired by ARTRA or its predecessors by affidavit of the claimant, affidavit of one or more Co-workers¹⁶ or affidavit of a family member in the case of a deceased claimant, invoices, construction or similar records, or other contemporaneous documents. The Asbestos Trust can also require submission of other or additional evidence of exposure when it deems such to be necessary. In evaluating exposure evidence, the Asbestos Trust shall take into account the following factors:

(A) Site of Employment: The Trust shall, if practicable, develop a list of sites that are known to have received ARTRA asbestos-containing products. If a claimant submits meaningful and credible exposure evidence that he or she worked at such a site prior to December 31, 1982, and worked in proximity to ARTRA or its predecessors' asbestos-containing products during their installation, maintenance or repair, such evidence shall constitute presumptive evidence of exposure.

(B) Industry/Occupation: In 1975, ARTRA acquired all of the assets and assumed the post-1962 liabilities of The Synkoloid Company. From 1949 up to and including 1976,

¹⁶ As used herein, "Co-worker" shall mean one or more individuals who provide competent sworn testimony that (i) the claimant worked with or around joint compound products, and (ii) asbestos-containing products distributed by ARTRA were present at the work site during the relevant period. A Co-worker's affidavit must provide evidence sufficient to show that the Co-worker meets this definition.

Synkoloid produced joint compound and other similar products which contained asbestos. Because of the specialized nature and use of ARTRA asbestos-containing products, the Asbestos Trust may consider that there is a limited universe of occupations in a similarly limited range of industries in which claimants are likely to have been either directly or indirectly exposed to asbestos-containing products from ARTRA or its predecessors.

(C) Type of Industrial Exposure: The Asbestos Trust may consider the lesser exposure to an ARTRA asbestos-containing product of claimants with mixed industrial exposures. A claimant will have a “mixed industrial exposure” where he or she worked for some period of time in an industry where joint compound products were typically used and in an occupation where direct or indirect exposure to such products was likely, and also worked for some period of time in an industry where exposure to other asbestos-containing products (*e.g.*, refractory, insulation or friction products) was likely.

5.8 Claims Audit Program. The Asbestos Trust, with the consent of the TAC and the Futures Representative, may develop methods for auditing the reliability of medical evidence, including additional reading of X-rays, CT scans and verification of pulmonary function tests, as well as the reliability of evidence of exposure to asbestos, including exposure to asbestos-containing products manufactured or distributed by ARTRA or its predecessors. The Asbestos Trust may also conduct random or other audits to verify medical and exposure information submitted in connection with this TDP. Notwithstanding the foregoing, to the extent an asbestos claims payment trust has suspended acceptance of medical reports prepared by a particular doctor or screening facility, representative claims submitted to the Asbestos Trust that rely on reports prepared by those doctors or screening facilities shall be audited by the Trustee and any payment on those claims may be delayed or suspended pending the outcome of the audit. To the

extent that more than ten percent (10%) of all claims initially submitted to the Asbestos Trust or subsequently submitted during any twelve-month period rely on reports prepared by any particular doctor or screening facility, representative claims shall be audited by the Trustee and any payment on those claims may be delayed or suspended pending the outcome of the audit. Furthermore, the Trustee may audit representative claims that rely on reports prepared by any doctor or screening facility if insurers who might be requested to pay those claims make a complaint to the Trustee with respect to such a doctor or screening facility that is supported by credible evidence warranting such an inquiry.

In the event the Asbestos Trust reasonably determines that an individual or entity has engaged in a pattern or practice of providing unreliable medical evidence to the Asbestos Trust, the Asbestos Trust may decline to accept additional evidence from such provider. Furthermore, in the event an audit reveals any instance of fraud or submission of fraudulent information, the Asbestos Trust may penalize any claimant or such claimant's attorney by disallowing the Asbestos Claim or by other means including, but not limited to, requiring the source of the fraudulent information to pay the costs associated with the audit and any future audit or audits, reordering the priority of payment of all affected claimants' Asbestos Claims, raising the level of scrutiny of additional information submitted from the same source or sources, refusing to accept additional evidence from the same source or sources, seeking the prosecution of the claimant or claimant's attorney for presenting a fraudulent claim in violation of 18 U.S.C. §152, and seeking sanctions from the Bankruptcy Court.

5.9 Second Disease Claims. The holder of a claim involving a nonmalignant asbestos-related disease (Disease Levels II – III) may file a new claim for a malignant disease (Disease Levels IV – VI) that is subsequently diagnosed. Any additional payments to which such

claimant may be entitled with respect to such malignant asbestos-related disease shall not be reduced by the amount paid for the nonmalignant asbestos-related disease, provided that the malignant disease had not been diagnosed by the time the claimant was paid with respect to the original claim involving the nonmalignant disease.

5.10 Arbitration.

5.10(a) Establishment of Arbitration Procedures. The Asbestos Trust, with the consent of the TAC and the Futures Representative, shall institute binding and non-binding arbitration procedures for resolving disputes concerning whether the Asbestos Trust's denial of a pre-petition or other claim was proper, and/or whether the claimant's medical condition or exposure history for any claim involving Disease Levels II – VI meet the requirements of this TDP. Binding and non-binding arbitration shall also be available for resolving disputes over the liquidated value of a claim involving Disease Levels II – VI. Preponderance of the evidence shall be the applicable evidentiary standard for all arbitrations under this TDP.

The Asbestos Trust, with the consent of the TAC and the Futures Representative may (a) establish procedures for the administration of the Arbitration process, (b) determine the location where any Arbitration should be heard, (c) employ such qualified persons or organization as may be required to administer the Arbitration process, (d) select qualified arbitrators who are members of panels of arbitrators, or certified as arbitrators by appropriate state certifying groups, to hear and determine the Arbitrations, and, in addition, (e) may elect, by agreement with a claimant, to engage in mediation to attempt to resolve any disputes.

In all arbitrations, the arbitrator shall consider the same medical and exposure evidentiary requirements that are set forth in Sections 5.3(a)(3) and 5.7 above. With respect to all claims eligible for arbitration, the claimant, but not the Asbestos Trust, may elect either non-binding or

binding arbitration. These procedures may be modified by the Asbestos Trust with the consent of the TAC and the Futures Representative.

5.10(b) Claims Eligible for Arbitration. In order to be eligible for arbitration, the claimants must first complete the Expedited Review Process with respect to the disputed issue. Expedited Review will be treated as completed for these purposes when the claim has been reviewed by the Asbestos Trust, the Asbestos Trust has made an offer on the claim, the claimant has rejected the liquidated value resulting from the Expedited Review, and the claimant has notified the Asbestos Trust of the rejection in writing. Expedited Review shall also be treated as completed if the Asbestos Trust has rejected the claim.

5.10(c) Claims Arbitration. The claims of one or more claimants may not be aggregated for purposes of arbitration and each individual claimant's arbitration shall be treated for all purposes as a separate action. Moreover, to the extent the arbitrator's award is equal to or less than the amount initially offered to the claimant by the Asbestos Trust, the amount to be paid to the claimant by the Asbestos Trust shall be reduced by the costs incurred by the Asbestos Trust in connection with the arbitration.

5.10(d) Limitations on and Payment of Arbitration Awards. The arbitrator shall not return an award in excess of the Scheduled Value for that Disease Level as set forth in Section 5.3(a)(3). A claimant who submits to arbitration and who accepts the arbitral award will receive payments in the same manner as one who accepts the Trust's original valuation of the claim.

5.10(e) Arbitration of Disputes Concerning Work Sites, Trades and Qualifying Date Ranges. As provided in Section 5.7(b)(3)(A) above, arbitration shall be available for disputes over whether a specific ARTRA asbestos-containing product was present at a particular site that

is not included on the then-current work site list, if any, maintained by the Asbestos Trust. Arbitration shall be available for disputes over whether a particular occupation or trade should be included on the then-current list, if any, of occupations and trades likely to have significant occupational exposure, maintained by the Asbestos Trust and for disputes over whether a Qualifying Date Range¹⁷ should be expanded with respect to when a specific ARTRA asbestos-containing product was present at a particular work site. If the arbitrator decides that the particular site should be included on the then-current work site list, if any; that a particular trade or occupation should be included on the then-current significant occupational exposure list, if any; and/or that the Qualifying Date Range should be expanded, that decision shall be binding for all claims pending on the date of the decision and for all after-filed claims. If the arbitrator decides that the particular site should not be included on any current work site list, a particular trade or occupation should not be included on any current significant occupational exposure list and/or that the Qualifying Date Range should not be expanded, that decision shall be binding only on the claim that was the subject of the arbitration. However, the law firm or individual attorney that lost the arbitration will not be eligible to seek arbitration on behalf of another claimant of the same work site, trade or occupation and date range issues that were the subject of the original arbitration unless the law firm or attorney can present additional evidence in support of its position that was not advanced in the earlier proceeding, provided further, however, that if the particular site is subsequently included on the work site list, the particular occupation is added to the significant occupational exposure list, and/or the particular date range is subsequently expanded, in a case brought by another law firm or attorney, the losing law firm or

¹⁷ The Qualifying Date Range is the period that ARTRA supplied a site with asbestos-containing product, and includes the period from the date of the first ARTRA sale of asbestos-containing product to a site through a date following the date of the last ARTRA sale of asbestos-containing product to that site.

attorney may then rely on the work site list as supplemented, the significant occupational exposure list, as supplemented, and/or the date range as expanded, to establish ARTRA exposure for all that firm's or attorney's pending and future claims.

5.11 Litigation. Claimants who elect non-binding arbitration and then reject their arbitral awards retain the right to enter the tort system pursuant to Section 7.5 below. However, a claimant shall be eligible for payment of a judgment for monetary damages obtained in the tort system from the Asbestos Trust's available cash only as provided in Section 7.6 below.

SECTION VI

CLAIMS MATERIALS

6.1 Claims Materials. The Asbestos Trust shall prepare suitable and efficient claims materials ("Claims Materials") for all Asbestos Claims, and shall provide such Claims Materials to claimants upon a written request for such materials to the Asbestos Trust. The proof of claim form to be submitted to the Asbestos Trust shall include a certification by the claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure. In developing its claim-filing procedures, the Asbestos Trust shall make an effort to provide claimants with the opportunity to utilize currently available technology at their discretion, including filing claims and supporting documentation over the internet and electronically by disk or CD-ROM. A copy of the proof of claim form to be used by the Asbestos Trust shall be appended to this TDP. The proof of claim form may be changed by the Asbestos Trust with the consent of the TAC and the Futures Representative.

6.2 Content of Claims Materials. The Claims Materials shall include a copy of this TDP, such instructions as the Trustee shall approve, and a proof of 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 organizations. Instead of collecting some or all of the claims information from a claimant or the claimant's attorney, the Asbestos Trust may also obtain information concerning a claimant or his or her claims from any other asbestos claims resolution organization, including from electronic databases maintained by said organizations. However, the Asbestos Trust shall advise the claimant of its intention to gather information concerning the claimant from such other organization and may do so in the absence of a timely written objection from the claimant. The claimant may elect, but will not be required, to provide the Asbestos Trust with evidence of recovery from other asbestos claims resolution organizations.

6.3 Withdrawal of Claims. A claimant can withdraw an Asbestos Claim at any time upon written notice to the Asbestos Trust and file another Asbestos Claim subsequently without affecting the status of the claim for statute of limitations and repose purposes, but any such claim filed after withdrawal shall be given a place in the FIFO Processing Queue based upon the date of such subsequent filing. A claimant can also request that the processing of his or her Asbestos Claim be deferred for a period not to exceed three (3) years without affecting the status of the claim for statute of limitation purposes, in which case the claimant shall also retain his or her original place in the FIFO Processing Queue. Except for claims held by representatives of deceased or incompetent claimants as set forth in Section 5.1(c) above, for which court or probate approval of the Asbestos Trust's offer is required, or an Asbestos Claim for which deferral status has been granted, a claim will be deemed to have been withdrawn if the claimant neither accepts, rejects, nor initiates arbitration within six (6) months of the Asbestos Trust's offer of payment or rejection of the claim. Upon written request and good cause, the Asbestos Trust may, in its sole discretion, extend this period for an additional six (6) months.

6.4 Filing Requirements and Fees The Trustee shall have the discretion to determine, with the consent of the TAC and the Futures Representative, (a) whether a claimant must have previously filed a claim in the tort system to be eligible to file a claim with the Asbestos Trust and (b) whether a filing fee should be required for any Asbestos Claims.

6.5 Confidentiality of Claimants' Submissions. All submissions to the Asbestos Trust by a holder of an Asbestos Claim shall be treated as made in the course of settlement discussions between the holder and the Asbestos Trust and intended by the parties to be confidential and to be protected by all applicable state and federal privileges, including, but not limited to, those directly applicable to settlement discussions. The Asbestos Trust will preserve the confidentiality of such claimant submissions, and shall disclose the contents thereof only (i) to such persons as authorized by the holder; (ii) in response to a court order enforcing a valid subpoena; or (iii) to the extent required by an insurance settlement agreement. The Asbestos Trust shall provide counsel for the holder of a claim a copy of any subpoena served on the Asbestos Trust purporting to require disclosure of information submitted with respect to that claim. The Asbestos Trust shall on its own initiative or upon request of the claimant in question take all necessary and appropriate steps to preserve said confidentiality and privilege.

SECTION VII

GENERAL GUIDELINES FOR LIQUIDATING AND PAYING CLAIMS

7.1 Showing Required. To establish a valid Asbestos Claim, a claimant must meet the requirements set forth in this TDP. The Asbestos Trust may require the submission of X-rays, CT Scans, laboratory tests, medical examinations or reviews, other medical evidence, or any other evidence to support or verify the Asbestos Claim, and may further require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable. All deadlines established herein shall be extended by a period commensurate with the time which elapses between the Asbestos Trust's request for additional information and the date the information or evidence is submitted by the claimant.

7.2 Costs Considered. Notwithstanding any provisions of this TDP to the contrary, the Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Claims so that the payment of valid Asbestos Claims is not further impaired by such processes with respect to issues related to the validity of the medical or exposure evidence supporting an Asbestos Claim. The Trustee shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the Asbestos Trust so that valid Asbestos Claims are not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustee, in appropriate circumstances, from contesting the validity of any claim against the Asbestos Trust, whatever the costs, or from declining to accept medical or exposure evidence from sources that the Trustee has determined to be unreliable pursuant to the Claims Audit Program described in Section 5.8 above.

7.3 Discretion to Vary the Order and Amounts of Payments in Event of Limited

Liquidity. Consistent with the provisions hereof and subject to the FIFO Processing and Payment Queues, the Maximum Annual Payment, and the Claims Payment Ratio requirements set forth above, the Trustee shall proceed as quickly as possible to liquidate valid Asbestos Claims, and shall make payments to holders of such claims in accordance with this TDP promptly as funds become available and as Asbestos Claims are liquidated, while maintaining sufficient resources to pay future valid claims in substantially the same manner.

Because the Asbestos Trust's income over time remains uncertain, and decisions about payments must be based on estimates that cannot be done precisely, they may have to be revised in light of experiences over time, and there can be no guarantee of any specific level of payment to claimants. However, the Trustee shall use his or her best efforts to treat similar claims in substantially the same manner, consistent with his or her duty as Trustee, the purposes of the Asbestos Trust, the established allocation of funds to claims in Categories A and B, and the practical limitations imposed by the inability to predict the future with precision.

In the event that the Asbestos Trust faces temporary periods of limited liquidity, the Trustee may, with the consent of the TAC members and the Futures Representative, suspend the normal order of payment and may temporarily limit or suspend payments altogether, and offer a Reduced Payment Option as described in Section 2.5 above.

7.4 Punitive Damages. In determining the value of any liquidated or unliquidated Asbestos Claim, punitive or exemplary damages, *i.e.*, damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the tort system. Similarly, no punitive or exemplary damages shall be payable with respect to any claim litigated against the Asbestos Trust in the tort system pursuant to Sections 5.11 above and 7.5 below.

7.5 Suits in the Tort System. If the holder of a disputed claim disagrees with the Asbestos Trust's determination regarding the Disease Level of the claim, the claimant's exposure history or the liquidated value of the claim, and if the holder has first submitted to non-binding arbitration of the claim as provided in Section 5.10 above, the holder may file a lawsuit against the Asbestos Trust in the District Court for the Northern District of Illinois in accordance with 28 U.S.C. § 157(b)(5). Any such lawsuit must be filed by the claimant in his or her own right and name and not as a member or representative of a class, and no such lawsuit may be consolidated with any other lawsuit. All defenses (including, with respect to the Asbestos Trust, all defenses which could have been asserted by ARTRA or its predecessors), shall be available to both sides at trial; however, the Asbestos Trust may waive any defense and/or concede any issue of fact or law. If the claimant was alive at the time the initial pre-petition complaint was filed or on the date the proof of claim was filed, the case will be treated as a personal injury case with all personal injury damages to be considered even if the claimant has died during the pendency of the claim.

7.6 Payment of Judgments for Money Damages. If and when a claimant obtains a judgment in the tort system, the claim shall be placed in the FIFO Payment Queue based on the date on which the judgment became a final, non-appealable judgment. Thereafter, the claimant shall receive from the Asbestos Trust (subject to the Maximum Annual Payment, the Payment Percentage and the Claims Payment Ratio provisions set forth above) a payment of the judgment that does not exceed the Scheduled Value.

7.7 Releases. The Trustee shall have the discretion to determine the form and substance of the releases to be provided to the Asbestos Trust in order to maximize recovery for claimants against other tortfeasors 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. 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.

7.8 Third-Party Services. Nothing in this TDP shall preclude the Asbestos Trust from contracting with another asbestos claims resolution organization to provide services to the Asbestos Trust so long as decisions about the categorization and liquidated value of Asbestos Trust Claims are based on the relevant provisions of this TDP, including the Diseases Levels, Scheduled Values, Average Values, Maximum Values, and Medical/Exposure Criteria set forth above.

7.9 Asbestos Trust Disclosure of Information. Periodically, but not less often than once a year, the Asbestos Trust shall make available to claimants and other interested parties the number of claims by Disease Level that have been resolved by the Individual Review Process, by arbitration and by litigation in the tort system indicating the amounts of the awards and the averages of the awards by jurisdiction.

SECTION VIII

MISCELLANEOUS

8.1 Amendments. Except as otherwise provided herein, the Trustee may amend, modify, delete, or add to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided he or she first obtains the consent of the TAC and the Legal Representative pursuant to the Consent Process set forth in Sections 6.6 and 7.7 of the Asbestos Trust Agreement, except that the right to amend the Claims Payment Ratio is governed by the

restrictions in Section 2.5 above and the right to adjust the Payment Percentage is governed by Section 4.2 above.

8.2 Adjustment to Average and Maximum Values. The Average and Maximum Values set forth in Section 5.3(b)(3) shall remain unchanged until three (3) years after the Effective Date. In the third year and at three-year intervals thereafter, the Asbestos Trust, in consultation with the TAC and the Futures Representative, shall adjust any or each of the Average and Maximum Values to account for inflation or deflation, as reflected by the Consumer Price Index.

8.3 Severability. Should any provision contained in this TDP 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 TDP. Should any provision contained in this TDP be determined to be inconsistent with or contrary to ARTRA's obligations to any insurance company providing insurance coverage to ARTRA in respect of claims for personal injury based on exposure to an asbestos-containing product or to conduct for which ARTRA has legal responsibility, the Asbestos Trust, with the consent of the TAC members and the Futures Representative, may amend this TDP and/or the Asbestos Trust Agreement to make the provisions of either or both documents consistent with the duties and obligations of ARTRA to said insurance company.

8.4 Governing Law. Except for purposes of determining the liquidated value of any Asbestos Claim, administration of this TDP shall be governed by, and construed in accordance with, the laws of the State of Illinois.

8.5 Change in Law. In the event that the federal government establishes a fund to compensate asbestos personal injury claimants generally or specifically as to ARTRA, and the

Asbestos Trust continues in existence, holders of Asbestos Claims may elect to seek compensation either from the Asbestos Trust or from the federal fund. If the claimant elects to seek compensation from the federal fund, but the compensation awarded is less than the full value of the Asbestos Claim, the claimant may seek to recover the uncompensated portion of the claim from the Asbestos Trust. The Asbestos Trust shall take all steps necessary to ensure that claimants do not receive a double recovery from the Asbestos Trust and a federal fund based upon their alleged exposure to an ARTRA asbestos-containing product. Such steps shall include barring claimants who have received full compensation from a federal fund based in whole or in part on their exposure to an ARTRA asbestos-containing product from receiving additional compensation from the Asbestos Trust and incorporating in any release obtained from claimants a release of any claim on such a federal fund that would inure to the detriment of ARTRA.